

# YOUR RECREATIONAL DRONE INSURANCE

## Policy Document

Effected by:

Coverdrone Limited  
Arrowscroft  
142 Nantwich Road  
Crewe, Cheshire  
CW2 6BG  
United Kingdom

On behalf of:

Starr International (Europe) Limited  
4th Floor, 30 Fenchurch Avenue,  
London EC3M 5AD, United Kingdom

Travelers Insurance Company Limited  
One Creechurch Place, London EC3A 5A  
United Kingdom

Agreement No: AG1949A24ZAA

Unique Market Reference: B6041AG1949A24ZAA



**COVERDRONE**



## Introduction

Wherever the following words appear in **bold** commencing with a capital letter in this contract of insurance they will have the meanings shown in the 'Definitions' section of this **Policy**. All **Policy** exclusions and restrictions to coverage are also highlighted to you in **bold type**.

This document (which includes the **Policy**, any **Endorsement(s)** attached and the **Policy Schedule**) forms your contract of insurance and it should be kept in a safe place.

Please read the whole document carefully. It is arranged in different sections of coverage. It is important that:

- You check that the sections of coverage that you have requested are included;
- You comply with your duties under each section and under the insurance as a whole.

<b>Policy Definitions Section</b>	Certain words or phrases in this <b>Policy</b> have specific meaning as defined within this <b>Policy</b> and wherever these words appear in <b>bold</b> in this <b>Policy</b> the defined meanings shall apply.
<b>SECTION ONE</b>	<b>Physical loss of or damage to your UAS.</b> Includes the conditions of cover and policy exclusions relating to circumstances where the <b>Insurers</b> will not pay a claim.
<b>SECTION TWO</b>	<b>Legal liability to third parties</b> This covers you for your legal liability to third parties arising out of the use/operation of your <b>UAS</b> (including coverage whilst on airport/airfield premises and incidental products liability). Includes the conditions of cover and exclusions relating to circumstances where the <b>Insurers</b> will not pay a claim.
<b>General Exclusions and Conditions</b>	There are a number of General Exclusions and Conditions relating to circumstances where the <b>Insurers</b> will not pay a claim. These apply to all sections of the <b>Policy</b> .
<b>Endorsements forming part of the Policy</b>	There are a number of <b>Endorsements</b> that apply to this <b>Policy</b> . These <b>Endorsements</b> are stated within the <b>Policy Schedule</b> and detailed in full in the 'Policy Endorsements' section of this <b>Policy</b> . If you do not understand the terminology in these provisions, please refer to your broker for an explanation of how they will affect your coverage purchased.



## Insurer details

### **Starr International (Europe) Limited**

All sections are underwritten by Starr International (Europe) Limited (SIEL), registered office address 30 Fenchurch Avenue, London EC3M 5AD, United Kingdom. SIEL is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. FCA firm registration number 676783.

### **Travelers Insurance Company Limited**

Travelers Insurance Company Limited (TSML) is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered Office: One Creechurch Place, London EC3A 5AF. Registered in England 01034343.



## Privacy notice

The Data Protection Act 2018 provides you with new and enhanced rights over your personal information including the right to be informed on how organisations handle your data. **Coverdrone** are committed to processing your data in a fair and transparent manner and they encourage you to read their Privacy Notice, via this link [www.coverdrone.com/privacy-policy-2/](http://www.coverdrone.com/privacy-policy-2/)

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## Information you have given to the Insurers

In deciding to accept this **Policy** and in setting the terms and premium, the **Insurers** have relied on the information you have given to them via your Broker. You must take care when answering any questions the **Insurers** ask by ensuring that all information provided is accurate and complete.

If the **Insurers** establish that you deliberately or recklessly provided them or your broker with false or misleading information, the **Insurers** may treat this **Policy** as if it never existed and decline all claims.

If the **Insurers** establish that you were careless in providing the information that **Insurers** have relied upon in accepting this insurance and setting its terms and premium, **Insurers** may:

- treat this **Policy** as if it had never existed and refuse to pay all claims and return the premium paid. The **Insurers** will only do this if they provided you with insurance cover which the **Insurers** would not otherwise have offered;
- amend the terms of your insurance. The **Insurers** may apply these amended terms as if they were already in place if a claim has been adversely impacted by your carelessness;
- charge you more for your **Policy** or reduce the amount the **Insurers** would pay on a claim in the proportion the premium you have paid bears to the premium the **Insurers** would have charged you; or
- cancel your **Policy** in accordance with the right to cancel condition noted below.
- Your broker or the **Insurers** will write to you if:
  - the **Insurers** intend to treat this **Policy** as if it never existed; or
  - the **Insurers** need to amend the terms of your **Policy**; or
  - the **Insurers** require you to pay more for your insurance.



## Cooling Off Period

### For policies of less than one month duration:

There is no 'cooling off' period and should you cancel this **Policy**, your **Policy** will remain active until the expiry date, when the cancellation will take effect.

### For policies of more than one month duration:

If you change **your** mind for any reason about continuing with this **Policy** you are entitled to cancel this **Policy** by writing to your broker within fourteen (14) days of either:

- the date you receive this Contract of Insurance; or
- the start of the **Period of insurance**

whichever is the later.

**Your** notice of cancellation should be sent to **Coverdrone**. This notice can be mailed or scanned and attached to an email addressed to **Coverdrone** using the below contact details:



Coverdrone Limited, Arrowscroft, 142 Nantwich Road, Crewe, Cheshire, CW2 6BG



office@coverdrone.com

Provided that there have been no claims made by you, the premium you have paid will be returned.



## Right To Cancel

After the cooling off period, you can cancel this **Policy** at any time by giving the **Insurers** 30 days' notice in writing. Your signed notice of cancellation letter should be sent to **Coverdrone**. This letter can be mailed or scanned and attached to an email addressed to **Coverdrone**.

A pro rata refund of the premium will be paid for the remaining portion of the **Period of Insurance** after the cancellation date.

The **Insurers** can cancel this **Policy** by giving you thirty (30) days' notice in writing but will only do so for a valid reason, please refer to paragraph above 'Information you have given to the **Insurers**'. Please refer to 'above for more information on this. The **Insurers** will either return a pro rata portion of the premium in respect of the unexpired **Period of Insurance** or have the option to retain the premium in the case of fraudulent claims. Please see General Condition 8 for more information.

There will be no return of premium in respect of any **UAS** on which a loss is paid or is payable under this **Policy**.

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## Notification of a change in information given to Insurers

In respect of information provided to **Insurers** either directly or via **Coverdrone** before or during the **Period of Insurance**, you should notify the **Insurers** as soon as reasonably practicable of any changes to the following information:

- changes in the purpose for which the **UAS** will be used;
- changes in the geographical use of the **UAS**;
- changes in respect of the permissions of use as granted by the aviation authority having relevant jurisdiction over the **UAS**;
- changes in the location where the **UAS** will usually be kept;
- changes in the ownership of the **UAS**;
- changes in the details of the operators who will fly the **UAS**.

When notified of a change the **Insurers** will inform you if this affects the **Policy**. For example, the **Insurers** may require an adjustment to the premium, amend the terms of the **Policy** or cancel the **Policy**.

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## Complaints procedure

The **Insurers** aim to ensure that all aspects of your **Policy** are dealt with promptly, efficiently and fairly. At all times, they are committed to providing you with the highest standard of service.

If you have any questions or concerns about your **Policy** or the handling of a claim you should in the first instance contact:



Coverdrone Limited  
Arrowscroft  
142 Nantwich Road  
Crewe, Cheshire  
CW2 6BG  
United Kingdom



01270 448 998



support@coverdrone.com

In the event that you remain dissatisfied and wish to make a complaint, you can do so at any time in the following ways:



The Head of Compliance  
Starr International (Europe) Limited,  
4th Floor, 30 Fenchurch Avenue  
London, EC3M 5AD



complaints@starrcompanies.com



020 7337 3550

If you remain dissatisfied after **Insurers** have considered your complaint, you may have the right to refer your complaint, free of charge, to the Financial Ombudsman Service via <http://www.financialombudsman.org.uk> or the Financial Ombudsman Service, Exchange Tower, London E14 9SR.



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## Compensation

If the **Insurer** fails to meet their obligations you may be entitled to compensation from the Financial Services Compensation Scheme. Further Information about the scheme is available from the Financial Services Compensation Scheme (PO Box 300, Mitcheldean, GL17 1DY) and on their website: [www.fscs.org.uk](http://www.fscs.org.uk).

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# Definitions

Words shown in **bold** type and commencing with a capital letter have the same meaning throughout the **Policy** and are defined below.

Any changes to these definitions, and any extra definitions, are shown in the sections to which they apply.

## Advertising Liability

means (a) infringement of copyright of, or passing off of a title or slogan; (b) unfair competition, piracy or idea misappropriation contrary to an implied contract; (c) invasion of privacy; or (d) defamation, libel slander, committed or alleged to have been committed during the **Period of Insurance** in any advertisement, publicity article, broadcast or telecast arising out of the **Insured's** operation of a **UAS**.

## Aerial Work

means use for specialised services including but not limited to agriculture, construction, filming, videography, photography (including incidental ground based photography), surveying, observation and patrol, search and rescue, aerial advertisement.

## Aggregate

means the most that **Insurers** will pay for all covered losses sustained during the **Period of Insurance**.

## Authorised Operator

means (a) the person who is operating, controlling or piloting the **UAS** who is properly trained and qualified to do so and holds all the required certification, such certification shall be maintained and kept fully up to date; (b) the person who is operating, controlling or piloting the **UAS** who is under test conditions and in the presence of a qualified examiner (c) the person who is operating, controlling or piloting the **UAS** who is practicing their flights on their own before they take their test flight (d) the **Insured** as listed in the **Policy Schedule** and any **Insured's** dependents aged between 13-17, operating under the **Insured's** full supervision.

## Bodily Injury

means physical injury including death at any time resulting from the physical injury.

## Business

means use for business or professional purposes but NOT use for hire or reward.

## Commercial

means use for business or professional purpose for hire and reward.

<b>Data Liability Event</b>	means the loss or suspected loss of any third party non-public data or information for which the <b>Insured</b> is legally responsible.
<b>Deductible</b>	means the amount the <b>Insured</b> will have to pay towards each separate claim.
<b>Endorsement</b>	means a change in the terms and conditions of this <b>Policy</b> .
<b>Flight/Flying</b>	means from the time the <b>UAV</b> is switched on, moves forward in taking off or attempting to take off, whilst in the air, and until the <b>UAV</b> completes its landing run. A rotary-wing <b>UAV</b> shall be deemed to be in <b>Flight</b> when the <b>UAV</b> is switched on and the rotors are in motion as a result of engine power, the momentum generated therefrom, or autorotation. A lighter than air <b>UAV</b> shall be deemed to be in <b>Flight</b> from the moment when it first becomes detached from the surface until the moment when it next becomes attached to the surface or come to rest thereon.
<b>Ground</b>	means whilst the <b>UAV</b> is not in <b>Flight/Flying</b> or being <b>Transported</b> .
<b>Insecure Environment</b>	means a building, shipping container, gated compound, trailer, motor vehicle, roof box, left unlocked and any security measures available are not in force including the <b>UAS</b> not being kept out of sight at all times.
<b>Insured</b>	means the person or persons named in the <b>Policy Schedule</b> as the <b>Insured</b> .
<b>Insurer(s)</b>	means the <b>Insurer(s)</b> detailed in the Introduction page of this <b>Policy</b> .
<b>Invasion of Privacy</b>	means data collected from the <b>UAS</b> whilst in <b>Flight/Flying</b> and subsequently made available to third parties without the consent of the party to whom the data relates, including any breach of confidentiality, infringement, or violation of any right to privacy, or of any statutes, laws and regulations associated with the confidentiality, access, control, and use of personally identifiable, non-public information.
<b>Occurrence</b>	<p>means an accident or a continuous or repeated exposure to conditions occurring during the <b>Period of Insurance</b> which results in <b>Bodily Injury</b> and/or <b>Property Damage</b> neither expected nor intended from the standpoint of the <b>Insured</b>.</p> <p>All liability arising out of such exposure to substantially the same general conditions shall be deemed to arise from one <b>Occurrence</b>.</p>
<b>Period of Insurance</b>	means the length of time for which this <b>Policy</b> is in force, as detailed in the <b>Policy Schedule</b> and for which the <b>Insured</b> has paid and <b>Insurers</b> have accepted a premium.

<b>Policy</b>	means the document that sets out in full the coverage terms, conditions, limitations and exclusions of the insurance cover.
<b>Policy Schedule</b>	means the document showing the details of the <b>Insured</b> , the <b>Insurers</b> limit of liability, the <b>Period of Insurance</b> , details of the <b>UAS</b> insured and the sections of this <b>Policy</b> which apply.
<b>Property Damage</b>	means loss of or damage to or destruction of tangible property including the resultant loss of use of such property.
<b>Rental</b>	means rental, lease, charter or hire by the <b>Insured</b> to any person, company or organisation for <b>Business</b> uses only, where the operation of the <b>UAS</b> is not under the control of the <b>Insured</b> . Rental for any other purpose is NOT insured under this <b>Policy</b> unless specifically declared to <b>Insurers</b> and the detail of such use(s) are stated in the <b>Policy Schedule</b> .
<b>Recreational Flying</b>	means <b>Flying</b> for enjoyment and private pleasure outside of the <b>Insured's</b> business or profession.
<b>Transported</b>	means while the <b>UAS</b> is being moved from one place to another other than by <b>Flight/Flying</b> as defined.
<b>UAS</b>	<b>Unmanned Aerial System</b> means an <b>UAV</b> plus the control station, data links, telemetry, communications, navigation equipment and all of the associated support equipment necessary to operate the <b>UAV</b> . If the <b>UAV</b> is being controlled by a laptop, iPad or tablet device (excluding mobile phones) these items are included as ground based equipment.
<b>UAV</b>	<b>Unmanned Aerial Vehicle</b> means a powered, aerial vehicle (other than a balloon or kite) which does not have a human pilot on board, flies autonomously or is piloted remotely, uses aerodynamic forces to provide vehicle lift, is not classified as a guided weapon or similar one-shot device designed for the delivery of munitions.



# Section One:

## Accidental physical loss of or damage to UAS

### 1. Coverage

**Insurers** will pay for accidental physical loss of or damage to the **UAS** up to the limit stated in the **Policy Schedule** occurring during the **Period of Insurance** whilst in **Flight/Flying**, on the **Ground** or whilst being **Transported**.

#### 1.1 Total Loss

In the event of an agreed claim arising under this **Policy** for total loss of the **UAS**, **Insurers** will pay the cost of replacement, or the insured value stated in the **Policy Schedule**, whichever shall be the least amount, less any applicable **Deductible** as stated in the **Policy Schedule**. The replacement will be new and the same type and model (or its equivalent replacement model if that particular model is no longer being manufactured).

If the **UAS** is missing or stolen and then found undamaged before **Insurers** have paid any claim in relation to such loss or theft, then **Insurers** will pay the cost of returning the **UAS** to the **Insured**.

#### 1.2 Partial Loss

In the event of damage to the **UAS**, **Insurers** will pay for the cost of repairs. **Insurers** will pay only for repairs and transport of labour and materials by the most economical method unless **Insurers** agree otherwise.

**Insurers** will deduct from the final payment for the repairs the applicable **Deductible** stated in the **Policy Schedule**.

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## 2. Additional coverage included under section one

### 2.1 Reasonable expenses for wreck removal

**Insurers** will, in addition, pay any reasonable expenses incurred for the purpose of attempted or actual removal, disposal or destruction of the wreck of an **UAV** up to the amount stated in the **Policy Schedule**.

### 2.2 Reasonable trespassers costs

**Insurers** will at the request of the **Insured** and regardless of the **Insured's** legal liability, offer reasonable settlement in respect of loss of or damage to crops and/or other property caused by trespassers following a crash of the **UAV** up to the amount stated in the **Policy Schedule**.

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### 3. Exclusions applicable to section one

**Insurers** will not pay for:

- (a) Wear and tear, deterioration, depreciation, freezing, breakdown, defect or failure howsoever caused in the **UAS**.
- (b) Damage by anything that has a progressive or cumulative effect but damage attributable to a single recorded incident is covered.
- (c) Damage while participating in airshows or participating in air racing events.

However, accidental loss of or damage to the **UAS** consequent upon exclusion (b) or (c) above is covered.

- (d) Theft of the **UAS** if they are kept in an **Insecure Environment**. However, theft by others involving violent or forcible entry is covered.
  - (e) Physical loss of or damage to aerial cameras or scanners (other than as a result of an accident to the carrying **UAS**) due to scratching, fogging or misting of lens.
  - (f) Damage occurring to the **UAS** whilst being **Transported** if it is not packed in accordance with manufacturer guidelines or in a securely locked and padded flight case.
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# Section Two:

## Legal liabilities to third parties

### 1. Coverage

**Insurers** will pay on behalf of the **Insured** all sums up to the limit(s) stated in the **Policy Schedule** which the **Insured** becomes legally liable to pay as damages for **Bodily Injury** and/or **Property Damage** to third parties caused by an **Occurrence** and arising from the **Insured's Recreational Flying** of the insured **UAS**.

### 2. Exclusions applicable to section two

This SECTION TWO does not cover:

- (a) The **Insured's** liability unless it arises from one or more of the following:
  - (1) **Occurrences** involving the ownership, operation or use of a **UAS**.
  - (2) **Occurrences** arising at airfield/airport locations in connection with the operation or use of a **UAS**.
  - (3) **Occurrences** arising at any other location in connection with the **Insured's** ownership, operation or use of a **UAS**.
- (b) Claims arising out of or in any way connected with **Advertising Liability**.
- (c) Any liability for any amount in respect of fines, penalties or punitive or exemplary damages.
- (d) Liability for which the **Insured** or his **Insurer** may be held liable under any employers liability, workers compensation, unemployment compensation or disability benefits law or any similar law.
- (e) Liability assumed or rights waived by the **Insured** under any agreement except to the extent that such liability would have attached to the **Insured** in the absence of such agreement.
- (f) Liability for which compulsory insurance or security is required by any applicable law governing road traffic or, in the absence of any applicable law, to liability arising from the use of any vehicle upon the public highway.

In respect of any such liability arising from an **Occurrence** within the confines of an airport or airfield this exclusion does not apply:

  - (i) if there is no such applicable law;
  - (ii) to the **Insured's** liability to pay an amount which is excess of:
    - (1) any prescribed limit that is required to be insured where insurance may be effected to comply with the law whether the **Insured** effects an insurance in respect of such liability or not
    - (2) the limit of liability of the insurance effected by the **Insured** insuring such liability whichever is the greater.
- (g) Liability arising out of any goods or products manufactured, constructed, altered, repaired, serviced, treated, sold, supplied or distributed by you after such goods or products have ceased to be in your possession or under your control.

- (h) Liability for the cost or expense of the **Insured** for making good any faulty workmanship which the **Insured** may be liable (but this limitation shall not exclude resulting damage arising out of such faulty workmanship).
  - (i) Liability arising from illegal or criminal activities or dishonest acts alleged or otherwise committed by or at the direction of or with the knowledge and consent of the **Insured**, management or directors and officers of the **Insured**.
  - (j) Loss arising out of improper or inadequate performance, design or specification but this exclusion shall be deemed not to apply to **Bodily Injury** and/or **Property Damage** insured hereby resulting therefrom.
  - (k) (1) Claims directly or indirectly occasioned by, happening through or in consequence of:-
    - (i) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith, unless caused by an identified **Unmanned Aerial System** being operated by the **Insured** or **Authorised Operator**.
    - (ii) pollution and contamination of any kind whatsoever,
    - (iii) electrical and electromagnetic interference,
    - (iv) interference with the use of property;  
unless caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal **Unmanned Aerial System** operation.
  - (2) With respect to any provision in the **Policy** concerning any duty of **Insurers** to investigate or defend claims, such provision shall not apply and **Insurers** shall not be required to defend
    - (a) claims excluded by Paragraph 1 or
    - (b) a claim or claims covered by the **Policy** when combined with any claims excluded by Paragraph 1 (referred to below as "Combined Claims").
  - (3) In respect of any Combined Claims, **Insurers** shall (subject to proof of loss and the limits of the **Policy**) reimburse the **Insured** for that portion of the following items which may be allocated to the claims covered by the **Policy**:
    - (i) damages awarded against the **Insured** and
    - (ii) defence fees and expenses incurred by the **Insured**.
  - (4) Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this **Policy**.
  - (l) Claims excluded by Attachment Three Asbestos Exclusion Clause.
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### 3. Defence and Settlement Payments

With respect to coverage under SECTION TWO this **Policy**:

- (1) The **Insurers** shall have the right and obligation to (a) investigate, evaluate and settle or (b) defend to discontinuance or judgment, any claim or legal proceedings, even if groundless, false or fraudulent, against the **Insured**.

Nevertheless, the **Insurers** retain the right to tender the applicable limit of liability in settlement of a claim if they consider this to be appropriate and in this event, the **Insurers'** obligations under this **Policy** will cease as regards the claim.

- (2) The amount payable by **Insurers** in respect of any settlement or judgment requiring payment by the **Insured** shall include any costs and expenses assessed against the **Insured** and interest accruing after entry of judgment and shall not exceed the applicable limit of the **Insurers'** liability.

- (3) The **Insurers** shall pay any costs and expenses

- (a) of any legal or other person whom **Insurers** appoint, that are incurred for the purpose of investigation, evaluation, settlement or defence of such claim or legal proceedings;
- (b) of the **Insured** (other than the salaries of the **Insured's** employees and the **Insured's** normal expenses) that are incurred with the **Insurers'** prior approval.

These costs and expenses are payable by the **Insurers** in addition to the amount of any settlement or judgment. However, the **Insurers'** liability is limited in case of settlement(s) and/or judgment(s) that exceed the applicable limit of the **Insurers'** liability. In such case **Insurers'** liability is limited to such proportion of those costs and expenses as the applicable limit bears to the total amount for which the **Insured** is adjudged liable and/or which it has agreed to pay in settlement of any such claim(s) or legal proceedings. The **Insured** is liable to reimburse the **Insurers** for any costs and expenses as they may have paid which exceed the limit of the **Insurers'** liability.

- (4) With respect to any coverage which is subject to an aggregate limit hereunder the **Insurers'** obligations under this **Policy** will cease as regards such coverage once the applicable aggregate limit of liability of this **Policy** has been exhausted and in this event the **Insured** shall have the responsibility to take over control of any claim or legal proceedings from the **Insurers**.
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# General Exclusions:

Applicable to all sections of this policy

The following exclusions apply to all sections of this **Policy**. Additional exclusions are shown in the sections to which they apply.

This **Policy** will not cover:

- (a) Claims arising whilst the **UAS** is being used for any illegal purpose or for any purpose other than those stated in the **Policy Schedule**.
  - (b) Claims arising whilst the **UAS** is outside the geographical limits stated in the **Policy Schedule** unless due to force majeure.
  - (c) Claims arising whilst the **UAS** is being operated by any person other than the **Authorised Operator** as stated in the **Policy Schedule**.
  - (d) Claims arising whilst the **UAS** is landing on or taking off or attempting to do so from a place which does not comply with the recommendations laid down by the manufacturer of the **UAS** unless due to a forced landing as a result of unusual and unforeseeable circumstances beyond the control of the **Insured**, the consequences of which could not have been avoided.
  - (e) Any failure by any equipment (including any hardware or software) to correctly recognise any given date or to process any data or to operate properly due to any failure to correctly recognise any given date.
  - (f) Claims excluded by Attachment One, War, Hi-Jacking and Other Perils Exclusion Clause AVN48B.
  - (g) Claims excluded by Attachment Two, Nuclear Risks Exclusion Clause AVN38B.
  - (h) Claims excluded by Attachment Four, Contract (Rights of Third Parties) Act 1999 Exclusion Clause AVN72 (amended).
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# General Conditions:

Applicable to all sections of this policy

The following conditions apply to all sections of this **Policy**. Any additional conditions are shown in the sections to which they apply.

## (1) Compliance with Air Navigation and Airworthiness Orders and Country Regulations

- (i) The **Insured** and any **Authorised Operator** must comply with all air navigation and airworthiness orders and requirements issued by any competent authority affecting the safe operation of a **UAS**.
- (ii) the **UAS** is airworthy at the commencement of each **Flight**;
- (iii) all log books and other records in connection with the **UAS** which are required by any official regulations in force from time to time shall be kept up to date and shall be produced to the **Insurers** or their agents on request;
- (iv) the employees and agents of the **Insured** comply with such orders and requirements.

## (2) Subrogation

Once a payment in respect of a claim is made by **Insurers** under this **Policy**, **Insurers** will be entitled to pursue a claim in the name of the **Insured** against third parties for recovery of their outlay and, in this respect, will be subrogated to the **Insured's** rights and remedies and the **Insured** will co-operate with and do all things necessary to assist **Insurers** to exercise such rights or remedies.

## (3) Cancellation

The **Insured** can cancel this **Policy** at any time by giving the **Insurers** 30 days' notice in writing. A signed notice of cancellation letter should be sent to **Coverdrone**. This letter can be mailed or scanned and attached to an email addressed to **Coverdrone**.

A pro rata refund of the premium will be paid for the remaining portion of the **Period of Insurance** after the cancellation date.

The **Insurers** can cancel this **Policy** by giving you thirty (30) days' notice in writing but will only do so for a valid reason, please refer to Introduction paragraph 'Information you have given to the **Insurers**'. The **Insurers** will either return a pro rata portion of the premium in respect of the unexpired **Period of Insurance** or have the option to retain the premium in the case of fraudulent claims. Please see General Condition 8 for more information.

There will be no return of premium in respect of any **UAS** on which a loss is paid or is payable under this **Policy**.

## (4) Assignment

The **Insured** cannot assign the interest under this **Policy** to another person unless **Insurers** consent to the assignment and endorse this **Policy** accordingly.

(5) **Separate Insurances**

Each **Unmanned Aerial System** included under this **Policy** is considered to be covered as if separately insured.

(6) **Reasonable Precautions**

Insofar as coverage is provided by this **Policy**, it is agreed that such coverage shall not be invalidated by any reasonable action by, at the direction of, or on behalf of the **Insured** for the purpose of protecting persons or property.

(7) **Other Insurance**

**Insurers** will not pay any claim if any loss, damage or liability covered under this **Policy** is also covered wholly or in part under any other insurance except in respect of any excess beyond the amount which would have been covered under such other insurance had this **Policy** not been effected. However, in respect of SECTION ONE only, **Insurers** will pay any claim proportionally with any other valid and collectible insurance available to the **Insured**.

(8) **Fraudulent Claims**

An **Insured** shall not in the presentation and furtherance of any claim:

- (a) deliberately or recklessly conceal from **Insurers** any information which the **Insured** knows or ought to know might be material to their consideration of any claim;
- (b) provide to **Insurers** information, which the **Insured** knows to be false, with respect either to any event relied upon as a cause of loss or as to the amount claimed; nor
- (c) otherwise use fraudulent means or devices, including suppressing a known defence to **Insurers'** liability.

In any such event the **Insurers** shall have the option to refuse to pay the whole or any part of the claim to such **Insured**.

In the circumstances set out in sub-paragraph (b) above, **Insurers** shall also have the option to:

- (i) terminate the cover provided by all sections of the **Policy** to such **Insured** with effect from the date that such information was provided;
- (ii) recover any sums paid to such **Insured** in respect of losses occurring on or after the date that such information was provided; and
- (iii) retain any and all premium paid by such **Insured**. If any provision of this clause is in conflict with the law governing the **Policy** it shall be of no effect to the extent of such conflict.

(9) **Additions and Deletions**

If the **Insured** requires any additional **UAS** to be added to the coverage provided by this **Policy**, full details of such **UAS** must be advised to **Coverdrone** and agreed by **Insurers** prior to attachment to cover.

**UAS** which have been sold or disposed of shall be deleted from this **Policy** and the **Insured** will be entitled to a pro rata return of premium provided that no claim has arisen and become payable under this **Policy** and that this **Policy** is not cancelled as a result of the deletion of the **UAS**. In the event this **Policy** is cancelled the cancellation provision in the **Policy** will apply.

(10) **Salvage**

If **Insurers** pay a claim on the basis of a total loss for the **UAS Insurers** may take the **UAS** (together with all documents of record, registration and title) as salvage and the **UAS** will no longer be insured under this **Policy**.

(11) **Right of Ownership**

Unless **Insurers** agree in writing to take the **UAS** as salvage the **UAS** shall at all times remain the property of the **Insured**.

(12) **Notification of Claims**

The **Insured** should give notice of any event likely to give rise to a claim under this **Policy** to **Coverdrone** as soon as reasonable practicable. The **Insured** should give full particulars of such event and forward as soon as reasonable practicable to **Coverdrone** any letters or documents relating to the claim and give notice of any impending prosecution. The **Insured** must give such further information and assistance as the **Insurers** may reasonably require and the **Insured** should not act in any way to the detriment or prejudice of the interests of **Insurers**.

No admission, offer, promise or payment shall be made by the **Insured** without the consent of the **Insurers**.

(13) **Law and Jurisdiction**

The choice of law and jurisdiction applicable to this **Policy** is stated in the **Policy Schedule**.

(14) **Sanctions and Embargo**

Notwithstanding anything to the contrary in the **Policy** the following shall apply:

- (1) If, by virtue of any law or regulation which is applicable to an **Insurer** at the inception of this **Policy** or becomes applicable at any time thereafter, providing coverage to the **Insured** is or would be unlawful because it breaches an embargo or sanction, that **Insurer** shall provide no coverage and have no liability whatsoever nor provide any defence to the **Insured** or make any payment of defence costs or provide any form of security on behalf of the **Insured**, to the extent that it would be in breach of such law or regulation.
- (2) In circumstances where it is lawful for an **Insurer** to provide coverage under the **Policy**, but the payment of a valid and otherwise collectable claim may breach an embargo or sanction, then the **Insurer** will take all reasonable measures to obtain the necessary authorisation to make such payment.
- (3) In the event of any law or regulation becoming applicable during the **Period of Insurance** which will restrict the ability of an **Insurer** to provide coverage as specified in paragraph 1, then both the **Insured** and the **Insurer** shall have the right to cancel its participation on this **Policy** in accordance with the laws and regulations applicable to the **Policy** provided that in respect of cancellation by the **Insurer** a minimum of 30 days' notice in writing be given. In the event of cancellation by either the **Insured** or the **Insurer**, the **Insurer** shall retain the pro rata proportion of the premium for the period that the **Policy** has been in force. However, in the event that the incurred claims at the effective date of cancellation exceed the earned or pro rata premium (as applicable) due to the **Insurer**, and in the absence of a more specific provision in the **Policy** relating to the return of premium, any return premium shall be subject to mutual agreement. Notice of cancellation by the **Insurer** shall be effective even though the **Insurer** makes no payment or tender of return premium.



# Attachments

forming a part of this **Policy**

The attachments apply to all of the **Policy** sections unless there is a statement that they do not apply to a particular section.



## Attachment one

### War, hi-jacking and other perils exclusion clause (aviation) AVN48B

This **Policy** does not cover claims caused by

- (a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.
- (b) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- (c) Strikes, riots, civil commotions or labour disturbances.
- (d) Any act of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.
- (e) Any malicious act or act of sabotage.
- (f) Confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil military or de facto) or public or local authority.
- (g) Hi-jacking or any unlawful seizure or wrongful exercise of control of the **UAV** in **Flight** (including any attempt at such seizure or control) made by any person or persons acting without the consent of the **Insured**.

Furthermore this **Policy** does not cover claims arising whilst the **UAS** is outside the control of the **Insured** by reason of any of the above perils. The **UAV** shall be deemed to have been restored to the control of the **Insured** on the safe return of the **UAV** to the **Insured**.

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## Attachment two

### Nuclear risks exclusion clause AVN38B (amended)

- (1) This **Policy** does not cover:
  - (i) loss of or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
  - (ii) any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
    - (a) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
    - (b) the radioactive properties of, or a combination of radioactive properties with toxic, explosive or other hazardous properties of, any other radioactive material in the course of carriage as cargo, including storage or handling incidental thereto;
    - (c) ionizing radiations or contamination by radioactivity from, or the toxic, explosive or other hazardous properties of, any other radioactive source whatsoever.
- (2) It is understood and agreed that such radioactive material or other radioactive source in paragraph 1(b) and (c) above shall not include:
  - (i) depleted uranium and natural uranium in any form;
  - (ii) radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational or industrial purpose.
- (3) This **Policy**, however, does not cover loss of or destruction of or damage to any property or any consequential loss or any legal liability of whatsoever nature with respect to which:
  - (i) the **Insured** under this **Policy** is also an insured or an additional insured under any other insurance policy, including any nuclear energy liability policy; or
  - (ii) any person or organization is required to maintain financial protection pursuant to legislation in any country; or
  - (iii) the **Insured** under this **Policy** is, or had this **Policy** not been issued would be, entitled to indemnification from any Government or agency thereof.
- (4) Loss, destruction, damage, expense or legal liability in respect of the nuclear risks not excluded by reason of paragraph 2 shall (subject to all other terms, conditions, limitations, warranties and exclusions of this **Policy**) be covered, provided that:
  - (i) in the case of any claim in respect of radioactive material in the course of carriage as cargo, including storage or handling incidental thereto, such carriage shall in all respects have complied with the full International Civil Aviation Organization "Technical Instructions for the Safe Transport of Dangerous Goods by Air", unless the carriage shall have been subject to any more restrictive legislation, when it shall in all respects have complied with such legislation;
  - (ii) this **Policy** shall only apply to an incident happening during the period of this **Policy** and where any claim by the **Insured** against the **Insurers** or by any claimant against the **Insured** arising out of such incident shall have been made within three years after the date thereof;
  - (iii) the cover afforded hereby may be cancelled at any time by the **Insurers** giving seven days' notice of cancellation.

## Attachment three

### Asbestos exclusion clause 2488AGM00003 (amended)

(not applicable to Section One)

This **Policy** does not cover any claims of any kind whatsoever directly or indirectly relating to, arising out of or in consequence of:

- (1) the actual, alleged or threatened presence of asbestos in any form whatsoever, or any material or product containing, or alleged to contain, asbestos; or
- (2) any obligation, request, demand, order, or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, neutralize, protect against or in any other way respond to the actual, alleged or threatened presence of asbestos or any material or product containing, or alleged to contain, asbestos.

However, this exclusion shall not apply to any claim caused by or resulting in a crash fire explosion or collision or a recorded in-**Flight** emergency causing abnormal **UAV** operation.

Notwithstanding any other provisions of this **Policy**, **Insurers** will have no duty to investigate, defend or pay defence costs in respect of any claim excluded in whole or in part under paragraphs 1 or 2 hereof.

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## Attachment four

### Contract (Rights Of Third Parties) Act 1999 exclusion clause AVN72 (amended)

The rights of a person who is not a party to this insurance to enforce a term of this insurance and/or not to have this insurance rescinded, varied or altered without his consent by virtue of the provisions of the Contracts (Rights of Third Parties) Act 1999 are excluded from this insurance.

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# Endorsements

attaching to and forming a part of this policy

The **Endorsements** that apply to this **Policy** will be detailed within the **Policy Schedule** under the Policy Endorsement Section. Any **Endorsement** not detailed in the **Policy Schedule** WILL NOT be applicable to this **Policy**.



## Endorsement one

### Non-owned electronic equipment extension endorsement

In consideration of an additional premium, SECTION ONE of this **Policy** is extended to cover electronic equipment leased or hired but not owned by the **Insured** whilst in the care, custody or control of the **Insured**. This extension **Endorsement** will only apply where the electronic equipment leased or hired has underwritten conditions which make the **Insured** fully responsible for all **Property Damage** during the lease or hire.

In the event of **Property Damage** to this equipment, this **Policy** will pay any additional lease or hire charges that the **Insured** is liable to pay for whilst the equipment is being repaired or replaced.

The limit provided by this **Endorsement** is as stated in the **Policy Schedule** each accident. Such limit shall be in addition to any other limit stated within this **Policy**.

Additional premium as stated in the **Policy Schedule**.



## Endorsement two

### UAV operating mass weight restriction

This **Policy** will not cover any **UAV** with an operating mass exceeding 40KG without its fuel but including any **Payload**.



## Endorsement three

### Incompatibility of software or programs extension endorsement

Where damage to equipment covered under SECTION ONE of this **Policy** results in the existing software or programs being incompatible with the replacement equipment the **Insurer's** will at their option pay for

- (a) necessary modifications to the replacement equipment; or
- (b) the conversion of the existing software or programs into a format which is compatible with the replacement equipment and the cost of replacing incompatible data carrying materials.

The limit provided by this **Endorsement** shall not exceed the Limit stated in the **Policy Schedule** each claim in the **Period of Insurance**.



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