



TOKIOMARINE  
KILN

Tokio Marine Kiln  
UAS

**Tokio Marine Kiln  
Aviation at Lloyd's  
Syndicate 510**

## Notices

### Documentation

This document, the **schedule** and any **endorsement(s)** attaching to this document and/or **schedule** constitute the **policy**, which is the insurance contract and sets out the terms of this insurance between **you** and the **insurer**.

### Your compliance with policy terms

**You** must comply with the terms of this **policy**. Failure to comply with the terms of this **policy** may result in **your** claim being refused or reduced where that claim has been affected by **your** failure to comply.

### Defined terms

Certain words or phrases in this **policy** have specific meaning as defined within this **policy** and wherever these words appear in bold in this **policy** the defined meanings shall apply. These defined words or phrases can be found under the Definitions section of this **policy**.

### Understanding this policy

This **policy** must be read by **you** in its entirety as conditions, exclusions and other limitations apply.

The **policy** is made up of different classes of insurance, which are set out in separate sections of this **policy** with specific terms applying to each section separately in addition to general terms applying to all the sections. The cover **you** have purchased or not purchased under this **policy** is shown in the **schedule**.

**You** must ensure that the cover **you** have purchased under this **policy** is adequate for **your** needs.

If **you** think there is a mistake in or a change needs to be made to this **policy**, then **you** must immediately notify the **insurance broker**.

### How to make a claim

In the event of a claim or potential claim or **occurrence** or incident or circumstances likely to give rise to a claim, please refer to General Condition 6.

There are further obligations imposed on **you** under this **policy** in respect of claims, **occurrences** or incidents or circumstances likely to give rise to a claim. These can be found under the General Conditions section of this **policy** and where applicable, other **sections** of this **policy**.

### Questions and concerns about this policy and how to make a complaint

The **insurer** is committed to providing its insureds with a high standard of service, giving due regard to their interests and treating them fairly at all times.

If **you** have any questions or concerns about or are dissatisfied with this **policy**, the servicing of it or the handling of a claim (or claims) under it, **you** should, in the first instance either contact the **insurance broker**, stating the nature of **your** enquiry along with policy number as shown in the **schedule** and, if applicable, claim(s) references.

In the event that **you** still remain dissatisfied **you** can refer the matter to the **insurer** by contacting:

The Complaints' Team, Tokio Marine Kiln  
address: 20, Fenchurch Street, London EC3M 3BY  
telephone: +44 (0) 20 7886 9000  
e-mail: [complaints@tokiomarinekiln.com](mailto:complaints@tokiomarinekiln.com)

If **you** are not satisfied with the **insurer's** response, **you** may refer to Lloyd's by contacting:

The Complaints' Team, Lloyd's  
address: One Lime Street, London EC3M 7HA  
telephone: +44 (0) 7327 5693  
e-mail: [complaints@lloyds.com](mailto:complaints@lloyds.com)  
facsimile: +44 (0) 7327 5225  
website: [www.lloyds.com/complaints](http://www.lloyds.com/complaints)

Details of Lloyd's complaints' procedures are set out in a leaflet "Your Complaint – How Can We Help" available at [www.lloyds.com/complaints](http://www.lloyds.com/complaints).

If **you** remain dissatisfied after Lloyd's has considered the matter, **you** may be able to refer the complaint to the United Kingdom's Financial Ombudsman Service (FOS) by contacting:

The FOS  
address: Exchange Tower, London E14 9SR  
telephone: 0800 0234 567 (calls are free from fixed lines in the United Kingdom),  
or 0300 1239 123

e-mail: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

The FOS will deal with complaints from insureds who are private individuals or small businesses or charities or trusts. Not all businesses, charities or trusts are eligible to complain to the FOS; **your** eligibility to complain to the FOS will depend on the size of the business, charity or trust. To check if **you** are eligible **you** can refer to the FOS using the contact details immediately above.

Making a complaint does not affect **your** right to take legal action; however, the FOS will not adjudicate on any cases where litigation has commenced.

### Compensation

The **insurer** is covered by the Financial Services Compensation Scheme (FSCS). **You** may be entitled to compensation from the FSCS if in the unlikely event that the **insurer** is unable to meet its obligations under this **policy**. If **you** were entitled to compensation under the FSCS, the level of compensation payable would depend on the nature of the insurance granted under this **policy**.

Further information about the FSCS is available from the FSCS at the address immediately below or on their website: [www.fscs.org.uk](http://www.fscs.org.uk)

Financial Services Compensation Scheme  
address: 10<sup>th</sup> Floor, Beaufort House, 15 St Botolph Street, London, EC3A 7QU

### Data protection statement

Information provided to the **insurer** in connection with this **policy** will be used for the purpose of providing this insurance and the handling of claims under it. The information will be handled in accordance with applicable data protection laws.

The **insurer** may disclose information which it holds on **you** to third parties for the purposes of providing the services under this **policy** and managing its business.

The **insurer** may be required by law to provide the information which it holds on **you** to a Government authority or regulatory body or to a law enforcement agency in connection with the prevention and investigation of crime, including fraud and money laundering.

If the **insurer** is required to transfer the information which it holds on **you** outside the European Economic Area, the **insurer** will take steps to protect the information. Any transfer will be made in accordance with applicable data protection laws.

### Insurance premium tax

The premium payable under this **policy** may be subject to compulsory Insurance Premium Tax, which shall be payable by **you** at the appropriate rate. The applicable Insurance Premium Tax is shown in the **schedule** and/or on the applicable premium debit note(s) / invoice(s).

In the event that the rate or application of Insurance Premium Tax changes during the **period of insurance** and any premium payable during the **period of insurance** is subject by law to such change or application, then that premium payable shall incorporate such change or application.

### Choice of Law and Jurisdiction

This policy shall be subject to English law and any dispute shall be handled in the courts of England and Wales.

### Trading sanction(s) restrictions

The **insurer** shall not provide any benefit under this contract of insurance to the extent of providing cover, payment of any claim or the provision of any benefit where doing so would breach any sanction, prohibition or restriction imposed by law or regulation.

### Disclosure and Accuracy of Information

**You** must take care to give accurate and complete information relating to the insurance provided by this **policy**.

If **you** become aware that the information **you** have given to the **insurer** is inaccurate or incomplete or **you** have any particular concerns about any of the information **you** have provided or should provide, before or during the **period of insurance**, then **you** must advise **your insurance broker**.

If the information **you** have given the **insurer** in relation to this insurance proves to be inaccurate or incomplete, then the **insurer** may:

- amend the terms of this **policy**, which may be applied as if they were already in place prior to any claim, or
- reduce the amount the **insurer** pays on a claim in the proportion the premium paid bears to the premium the **insurer** would have charged **you** had the information not been inaccurate or incomplete, or
- treat this **policy** as if it never existed, which means no claims will be paid and the premium paid under it will be returned to **you**. This will only be done if this insurance would not have been provided if the information given had not been inaccurate or incomplete.

If the **insurer** establishes that **you** deliberately or recklessly provided false or misleading information in relation to the insurance provided under this **policy**, the **insurer** will treat this insurance as if it never existed, which means no claims will be paid and the **insurer** will not return the premium. If this happens the **insurer** will advise **you** in writing at **your** address shown in the **schedule**.

### Change in Risk Information

If:

- the information **you** have given the **insurer** in relation to the insurance provided under this **policy** changes, or
- there is any significant change in or variance of the risk(s),
- before or during the **period of insurance** then the **insurer** needs to know as it may result in:
- the **insurer** applying different terms, and/or
- a claim not being paid (in whole or in part), and/or
- the **policy** no longer being suitable to meet **your** needs.

To enable the **insurer** to assess any such changes or variations in information and/or risks **you** must tell the **insurer** as soon as is reasonably practicable of any such changes or variations. This can be done by advising **your insurance broker**.

### Cancellation of this policy

#### 1 Cancellation during the first fourteen (14) days

If the insurance provided under this **policy** does not meet **your** requirements and no claim has been made under this **policy** and **you** are not aware of any **occurrence**, incident or circumstance likely to give rise to a claim under this **policy**, **you** can cancel this **policy** within 14 days of:

- the start date of this insurance as shown under the **period of insurance**, or
- the date **you** received this **policy**,

whichever is the later.

In exercising **your** right to cancel in this way, **you** withdraw from this contract of insurance from the start date as shown in the **period of insurance** and the **insurer** will return to **you** the premium paid.

**You** can do this by advising **your insurance broker** and returning this **policy** to him.

## 2 Cancellation in other circumstances

### (a) Cancellation by **you**

**You** can cancel this **policy** during the **period of insurance** by giving thirty (30) days' written notice to **your insurance broker**.

If **you** cancel this **policy** and a claim has not been made under this **policy** and there is no known potential claim or **occurrence**, incident or circumstance likely to give rise to a claim under this **policy**, the **insurer** will return a pro rata portion of premium paid in respect of the unexpired **period of insurance**.

### (b) Cancellation by the **insurer**

The **insurer** may cancel this **policy** if:

- (i) **you** provide any information that proves to be inaccurate or incomplete (see Disclosure and Accuracy of Information Notice in this **policy**), or there is a significant change or variation in the risk so that the **insurer** can no longer provide the insurance cover under this **policy**, the **insurer** will cancel this **policy** by giving **you** thirty (30) days' written notice via **your insurance broker**. The cancellation will take effect 30 days after the day **you** are notified of the cancellation and the **insurer** shall return a pro rata portion of premium paid in respect of the unexpired **period of insurance**.
- (ii) the extent of the change or variation makes the risk unacceptable to the **insurer** and the **insurer** cannot continue to insure you for any further period, the **insurer** will cancel this **policy** by giving you immediate notice via **your** insurance broker. The cancellation will take effect on the day you are notified of the cancellation and the **insurer** shall return the premium paid for the unused period of insurance.

In accordance with the Change in Risk Information condition under this Notice section of the **policy** the **insurer** may not pay any claim where that claim arises from or relates to a change or variation in risk.

- (ii) **you** make a claim under this **policy** through concealment, misstatement or by recklessly or deliberately providing false information (see Fraudulent Claims condition under the General Conditions section of this **policy**), then the **insurer** will cancel this **policy** with immediate effect from the date the fraud was committed, and will notify you of the cancellation in writing at **your** address shown in the **schedule**.

In addition to the above 'Cancellation of this policy' notice, **your** attention is drawn to the additional cancellation conditions as follows:

- 1 Paragraph (c) of Extension 1 1 applicable to Section 1 and 2 of this **policy**.
- 2 Paragraph (b) Cancellation (7 days) applicable to Section 3 of this **policy**.

## Agreement to Insure

This **policy** is an insurance contract between the **insurer** and **you**.

Provided the premium (including the applicable Insurance Premium Tax) has been paid by **you** in accordance with the terms of this **policy**, the **insurer** shall provide the insurance in accordance with the terms of this **policy**.

Only **you** and the **insurer** can enforce the terms of this **policy**. The Contracts (Rights of Third Parties) Act 1999 will not grant any rights under this **policy** in favour of or enforceable by any third party.

## The insurer's regulatory status

The **insurer** is authorised and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (PRA), with a Financial Services Register number of: 202761

The above can be checked and further details obtained from:

[www.bankofengland.co.uk](http://www.bankofengland.co.uk) for the PRA, and  
<https://register.fca.org.uk> for the FCA

## General definitions

### activities covered

**Business**, and/or **commercial** activities as specified in the **schedule**, and **continuation flying**.

### annual aggregate

The total amount the **insurer** will pay as claims under this **policy** in the **period of insurance**. If the **policy period** exceeds one year, the annual aggregate will be increased proportionately in the ratio that the period in excess of the **period of insurance** bears to the **period of insurance**. The same method will be conversely applied for any period of insurance of less than a year.

### bodily injury

Physical injury, including death resulting therefrom, but excluding nervous shock or psychological injury unless accompanied by and directly caused by such physical injury to the same individual.

### business

**Your** use of the **UAS** in the usual course of **your** work and/or work duties.

### commencement of the operation of fitting it to

From the moment the property ceases to be in contact with the ground or the trolley/stand on which it is located when the process of fitting it to the **UAS** is commenced.

### commercial

**Your** use of the **UAS** for the benefit of third parties, in exchange for remuneration, as identified in the information supplied to the **insurer** when applying for this insurance.

### computer virus

Programming code or series of instructions designed to achieve an unexpected, unauthorised, undesirable effect or operation when loaded onto a **system** or **ground control station**, transmitted via networks, extranets, internets or electronic mail or attachments thereto.

### continuation flying

**Your** use of the **UAS** outside the course of your **business**, for the purpose of maintaining your skill and proficiency of operation on the **UAS** as stated on the **Schedule** or whilst participating in or on a **UAS** training course/school/academy.

### deductible

The amount that is to be paid by **you** and is deducted from each claim. If a claim is less than the amount of the deductible then **you** will bear all of the claim.

### detachable payloads

Photographic/video equipment carried by the **UAS** that is removable and/or interchangeable from the **UAS**.

### endorsement

Any special terms and conditions added to this **policy**.

### flight

Occurs from the time the **UAS** is switched on, attempts to take off, whilst in the air, and until the **UAS** completes its landing and is powered down.

### force majeure

Unusual and unforeseeable circumstances beyond **your** control, the consequences of which could not have been avoided.

### ground control station

An interface which can be used to control/monitor single/multiple **UAS** flights during **flight**. The interface may also provide effective control of both **detachable payloads/non-detachable payloads**, potentially allowing data collated whilst in flight to be monitored.

### home-built UAS/spares:

A **UAS** and its constituent spares (if applicable) that is both designed and constructed by the **insured** or **UAS operator** or affiliated person.

### insurance broker

The party named in the **schedule** who acts as **your** agent.

### insured/you/your

The party named in the **schedule**.

### insured value

The market value of the **UAS** as determined by the insurer (inclusive of **detachable payloads**, and **non-detachable payloads**, where applicable) at the date of the loss or damage giving rise to a claim, taking into account all material aspects including age, wear and tear, and service history.

### insurer

Tokio Marine Kiln Aviation, Syndicate 510 at Lloyd's.

### invasion of privacy

Data collected from the **UAS** whilst in flight 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.

### noise liability

Claims arising from the operation of the **UAS** whilst in flight, for the activities covered in the **schedule** following an official noise complaint lodged by a national/state/municipal authority.

### non-detachable payloads

Photographic/video equipment carried by the **UAS** that forms an integral part of the **UAS** and is not intended to be removed from the **UAS**.

### occurrence

An accident or a continued or repeated exposure to conditions occurring during the **period of insurance** which is neither expected nor intended from **your** standpoint. All liability arising out of such exposure to substantially the same general conditions shall be deemed to arise out of one occurrence.

### overhaul cost

The costs of labour and materials which are or would be

incurred in the overhaul or replacement (as necessary) at the end of the **overhaul life** of the damaged or a similar **unit**.

### **overhaul life**

The amount of use, or operational and/or calendar time which, according to the manufacturer of the **UAS** and evidenced to the **insured**, determines when overhaul or replacement of a **unit** is required.

### **period of insurance**

The length of time for which this **policy** is in force, from the start date until the expiry date, as shown in the **schedule** and for which **you** have agreed to pay a premium.

### **policy**

This document, the **schedule** and any endorsements attached or attaching to this document and/or **schedule**.

### **property damage**

Physical loss of or damage to or destruction of tangible property only.

### **section(s)**

Part(s) of the **policy** that detail(s) the insurance cover provided.

### **schedule**

The part of this **policy** setting out information provided to the **insurer** that shows the insurance coverage and includes the **schedule of UAS**.

### **schedule of UAS**

The **UAS** covered by this **policy** and itemised in the **schedule**.

### **sub-limit(s)**

A financial limitation in this **policy** on the amount of coverage available to cover a specific type of loss. A sub-limit is part of, rather than in addition to, the limit that would otherwise apply to that loss.

### **system**

Computers, other computing and electronic equipment linked to a computer, hardware, or electronic data processing equipment owned or leased by the **insured**, not inclusive of the **ground control station**.

### **tethered aerostats**

A balloon, deriving its lift from the buoyancy of surrounding air, and connected to the ground at all times by a cable.

### **total loss**

Physical damage to the **UAS** where in the reasonable opinion of the **insurer**:

- (a) the **UAS** is damaged to such an extent that it cannot economically be repaired;
- (b) the cost of repairing the **UAS** is estimated to exceed the **insured value** as shown in the **schedule**; or
- (c) the **UAS** cannot be located 14 days after:
  - (i) the commencement of **flight** and arising from the **activities covered**; or
  - (ii) the date on which the theft was reported to the **insurer**.

### **transit**

The carrying of the **UAS** and/or **non-detachable payloads** and/or spares from one location to another whilst packed in accordance with the relevant manufacturers' guidelines or in a securely locked and padded **UAS** flight case.

### **UAS**

An aircraft owned or utilised under the care, custody, possession or control of the **insured** which is operated remotely without any on-board pilot, for which **you** are legally responsible, including **tethered aerostats** but excluding kites.

### **UAS operator**

The person who at all times directly manipulates the flight controls of the **UAS** and exercises direct authority over the initiation, continuation, diversion or termination of the **UAS** flight, excluding employed observers of the **insured**.

### **UAS spares**

All equipment owned by the **insured** and designed to be fitted to or forming part of the **UAS** and ancillary equipment exclusively associated with the **activities covered**, including the **ground control station** and **non-detachable payload**, excluding at the time at which **commencement of the operation of fitting it to the UAS** begins.

### **unit**

A part or an assembly of parts (including any sub-assemblies) of the **UAS** which has been assigned an **overhaul life** as a part or an assembly.

### **vicariously liable**

The liability of one person for the acts or omissions of another.

## General interpretation

- (a) The singular includes the plural and vice versa, and the masculine includes the feminine and neutral;
- (b) "Including" and "include(s)" mean without limitation;
- (c) Any obligation or payment owed by the **insurer** shall in every case be subject to the Limits of Liability specified in the Schedule;
- (d) Any reference to legislation includes any similar or related law, ordinance or regulation, any amendments, and any rules or regulations or executive orders promulgated thereunder, or by Federal, state, local or other agencies or similar bodies thereof;
- (e) The descriptions in the headings and subheadings of this **policy** are solely for convenience and form no part of the terms and conditions of coverage; and
- (f) All or part of any provision of this **policy** which is or becomes void or illegal, invalid or unenforceable by a court or other competent body under the law of any applicable jurisdiction shall be deleted. The parties shall use their best efforts to agree a replacement for the provision deleted which achieves as far as possible the same effect as would have been achieved by the deleted provision had it remained enforceable.

## Section 1 Physical loss of or damage to UAS (inclusive of detachable and non-detachable payloads)

### Coverage

The **insurer** will pay for physical loss of or damage to the **UAS** (inclusive of detachable and non-detachable payloads), inclusive of theft, occurring during the **period of insurance** and arising from the **activities covered**, whilst in flight, on the ground or in **transit** up to the **insured value**, less any applicable **deductible**.

### Exclusions applicable to this section

This **section** does not apply to:

- 1 the cost of making good wear and tear, deterioration, breakdown, defect or failure however caused in any **unit** of the **UAS** and the consequential damage to the **UAS** thereafter
- 2 damage to any **unit** of the **UAS** and the consequential damage to the **UAS** thereafter, by anything which has a progressive or cumulative effect, except when such damage is attributable to a single incident which is covered under this **section**.
- 3 damage caused by rot, fungus, mould, vermin, or infestation.
- 4 dryness or humidity, or exposure to light or extreme temperatures, unless this results from high winds of destructive nature, rainstorm, hailstorm or snowstorm or fire.
- 5 theft or attempted theft of the **UAS**:
  - (a) by **you** or with **your** knowledge or consent; or
  - (b) by others. However, theft by others involving violent or forcible entry to or exit from a building, shipping container, gated compound secured with a closed shackle padlock, or locked boot, trailer, roof box or locked compartment of a motor vehicle, is covered under this **section** provided all security measures on the motor vehicle, trailer or roof box are in force at the time of the theft or attempted theft and the **UAS** is kept out of sight at all times.
- 6 loss or damage occurring whilst the **UAS** is being used for any illegal activity or for any activity other than those as specified in the **schedule**.
- 7 loss or damage occurring while the **UAS** is in breach of the geographical limits as specified in general exclusion 10, unless such breach is due to **force majeure**.
- 8 loss or damage occurring whilst the **UAS** is not packed in accordance with manufacturer guidelines or in a securely locked and padded **UAS** flight case.
- 9 loss or damage occurring 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 **force majeure**.
- 10 the **UAS** while being cleaned, repaired, inspected, worked on or maintained by a third party for whose acts or omissions the **insured** is not vicariously or otherwise responsible or liable.
- 11 scratching/fogging/misting of camera lenses and/or mechanical derangement of camera equipment unless the **UAS** suffers damage at the same time, arising from the **activities covered**.
- 12 any **computer virus**. However this exclusion shall not apply to the cover provided by the Cyber Loss of Digital Assets Extension, Extension 4.
- 13 any indirect losses which result from the **occurrence** which caused **you** to claim under this **section** and which includes any loss of use or expense incurred through **your** inability to operate the **UAS** following damage.

### Conditions applicable to this Section

- 1 Dismantling, Transport and Repairs

If the **UAS** is damaged:

- (a) no dismantling or repairs shall be commenced without the consent of the **insurer** except whatever is necessary in the interests of safety, or to prevent further damage, or to comply with orders issued by the appropriate authority;
- (b) the **insurer** will pay only for repairs and transport of labour and materials by the most economical method unless the **insurer** agrees otherwise with **you**.

- 2 Partial Loss

If the **insurer** settles a claim other than on the basis of a **total loss** they will pay the cost of repairing the **UAS** less:

- (a) any applicable **deductible** and/or
- (b) an amount for wear and tear of any unit. This will be calculated as the proportion of the **overhaul cost** of any unit repaired or replaced as the used time bears to the **overhaul life** of the **unit**.

- 3 Total Loss

If the **insurer** settles a claim on the basis of a **total loss** they will pay the **insured value** of the **UAS** as shown in the **schedule** less any applicable **deductible**.

- 4 Salvage

If the **insurer** settles a claim on the basis of a **total loss**, the respective **UAS** will no longer be insured under this **policy**, and the **insurer** may take the **UAS** together with all documents of record, registration and title as salvage.

- 5 Right of Ownership

Unless the **insurer** agrees in writing to take the **UAS** as salvage the **UAS** shall at all times remain as **your** property and **you** shall have no right of abandonment to the **insurer**.

## Section 2 Physical loss of or damage to UAS spares

The **insurer** will pay **you** for physical loss of or damage to **UAS spares**, inclusive of theft, during the **period of insurance**, being **your** property or the property of others for which **you** are responsible, whilst such property is in **your** care, possession, custody or control on the ground, or whilst in **transit** by any conveyance, up to the limit as shown in the **schedule**, less any applicable **deductible**.

### Exclusions applicable to this Section

This section does not apply to:

- 1 loss of or damage to **UAS spares** occurring at any time after the **commencement of the operation of fitting it to** or placing it on board the **UAS** to which it is destined;
- 2 loss of or damage to an engine occurring during the running or testing thereof;
- 3 loss or damage caused by mechanical or electrical derangement;
- 4 loss or damage caused by wear, tear or gradual deterioration;
- 5 loss or damage caused by or resulting from **your** neglect to use reasonable means to save and preserve the **UAS spares** at the time of and after any loss or damage;
- 6 damage caused by rot, fungus, mould, vermin, or infestation.
- 7 dryness or humidity, or exposure to light or extreme temperatures, unless this results from high winds of destructive nature, rainstorm, hailstorm or snowstorm or fire.
- 8 theft or attempted theft of the **UAS spares**:
  - (a) by **you** or with **your** knowledge or consent; or
  - (b) by others. However, theft by others involving violent or forcible entry to or exit from a building, shipping container, gated compound secured with a closed shackle padlock, or locked boot, trailer, roof box or locked compartment of a motor vehicle, is covered under this **section** provided all security measures on the motor vehicle, trailer or roof box are in force at the time of the theft or attempted theft and **UAS spares are** kept out of sight at all times.
- 9 loss of or damage to any property which has been detached from a **UAS** and which is intended to be refitted to the **UAS** and not to be replaced by other property;
- 10 loss of or damage to any **UAS spares** while being cleaned, repaired, inspected, worked on or maintained by a third party for whose acts or omissions the **insured** is not vicariously or otherwise responsible or liable.

- 11 unexplained loss or disappearance or inventory shortage of **UAS spares**; or
- 12 loss or damage occurring whilst the **UAS** is not packed in accordance with its manufacturer guidelines or in a securely locked and padded **UAS** flight case.

### Conditions applicable to this Section

- 1 **You** shall keep a proper record of all items of **UAS spares** from time to time insured under this **section** and of the value of each item.
- 2 Unless the **insurer** elects to take the **UAS spares** as salvage the **UAS spares** shall at all times remain as **your** property and **you** shall have no right of abandonment to the **insurer**.
- 3 All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this **section** shall be applied as if recovered or received prior to that settlement and all necessary adjustments shall be made by the parties thereto.

## Section 3 Legal liability to third parties

### Coverage

The **insurer** will pay to or on behalf of **you** all sums for which **you** shall become legally liable to pay, and shall pay, as compensatory damages for:

- (1) **bodily injury** and/or **property damage** to third parties;
- (2) **invasion of privacy**;
- (3) **noise liability**;

caused by an **occurrence** arising out of the use of the **UAS** during and as part of the **activities covered** subject to the applicable limits or **sub-limits** as shown in the **schedule**, less any applicable **deductible**.

This includes a claim against any sub-contractor, outsourcer, employee or volunteer worker of **you** when they are acting on **your** behalf and for whom **you** are **vicariously liable**.

#### (4) **Third Party War Liability**;

Coverage (1) of this **section 3** is extended to cover claims arising from perils (a) to (f) below;

- (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) Strikes, riots, civil commotions or labour disturbances.
- (c) 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.
- (d) Any malicious act or act of sabotage.
- (e) 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.
- (f) Hi-jacking or any unlawful seizure or wrongful exercise of control of the UAS in Flight (including any attempt at such seizure or control) of the UAS acting without the consent of the Insured.

The limit of the **insurer's** liability in respect of perils (4) (a) through (f) above shall be the applicable **policy** limit for (1) above as specified in the **schedule**, any one **occurrence** and in the **annual aggregate**. This limit is part of, and not in addition to, the **policy** limit.

#### (a) **Automatic Termination**

The cover provided under (4) above shall terminate automatically in the following circumstances:

- (i) Upon the outbreak of war (whether there be a declaration of war or not) between any two or more of the following States, namely, France, the People's Republic of China, the Russian Federation, the United Kingdom, the United States of America;
- (ii) Upon the hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter wheresoever or whensoever such detonation may occur and whether or not the insured **UAS** may be involved; or
- (iii) The insured **UAS** is requisitioned for either title or use upon such requisition.

Provided that if an insured **UAS** is in the air when (i), (ii) or (iii) occurs, then the cover provided by (4) above (unless otherwise cancelled, terminated or suspended) shall continue in respect of such **UAS** until completion of its first landing thereafter.

In respect of (4);

Insurers may give notice to review premium and/or geographical limits – such notice to become effective on the expiry of seven days from 23:59 hours GMT on the day on which notice is given.

Following a hostile detonation as specified in (ii) above, the **insurer** may give notice of cancellation such notice to become effective on the expiry of forty-eight hours from 23:59 hours GMT on the day on which notice is given.

#### (b) **Cancellation (7 days)**

The cover provided by this **section** may be cancelled by either the **insurer** or the **insured** giving notice to become effective on the expiry of seven days from 23:59 hours GMT on the day on which such notice is given.

#### (c) **Notices**

All notices shall be in writing.

### Exclusions applicable to this Section

This section does not apply to:

- 1 **bodily injury** or **property damage** sustained by any of **your** directors, employees or partners in **your business** whilst acting in the course of their employment or duties for **you**.
- 2 loss of or damage to property owned, rented, leased or occupied by, or whilst in the care, custody or control of, or whilst being handled, serviced or maintained by the **insured** or any servant of the **insured**.

- 3 **bodily injury** or **property damage** occurring whilst the **UAS** is being used for any illegal activity or for any activity other than those as specified in the **schedule**.
- 4 **bodily injury** or **property damage** occurring whilst the **UAS** is in breach of the geographical limits as specified in general exclusion 10, unless such breach is due to **force majeure**.
- 5 **bodily injury** or **property damage** occurring 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 such non-compliance is due to **force majeure**.
- 6 liability assumed by **you** by agreement under any contract unless such liability would have attached to **you** in the absence of such agreement.
- 7 any claims caused by:
  - (a) pollution and contamination;
  - (b) electrical and electromagnetic interference;
  - (c) **UAS** unless arising from the **activities covered**.
- 8 transmission of a **computer virus**;
- 9 **bodily injury** or **property damage** caused by any mechanically propelled vehicle which the **insured** may cause or permit any other person to use on the road in such a manner as to render them responsible for insurance under any domestic or international law appertaining to road traffic, or where no such law exists, whilst such vehicle is on any public highway;
- 10 **bodily injury** or **property damage** arising out of any airmeet, air race, or air show, nor any stand used for the accommodation of spectators in connection therewith, unless previously agreed by **insurers**;
- 11 **bodily injury** or **property damage** arising out of construction of, demolition of or alterations to buildings, runways, or installations by the **insured** or his contractors or sub-contractors (other than normal maintenance operations) unless previously agreed by **insurers**;
- 12 **bodily injury** or **property damage** arising out of any goods or products manufactured, constructed, altered, repaired, serviced, treated, sold, supplied, or distributed by the **insured** or his employees after such goods or products have ceased to be in the possession or under the control of the **insured**;
- 13 liability for **bodily injury** to any person, who at the time of sustaining such injury is engaged in the service of the **insured** or acting on his behalf, or liability for which the **insured** or his insurer may be held liable under any workmans' compensation, unemployment compensation or disability benefits law or any similar law;
- 14 the cost of making good any faulty workmanship for which the **insured**, his employees, contractors or subcontractors may be liable (but this limitation shall not exclude resulting damage arising out of such faulty workmanship);
- 15 liability arising out of the operation of an airfield control tower unless previously agreed by the **insurer**.

### Condition applicable to this Section

If there is more than one **insured** covered under this **section**, whether by **endorsement** or otherwise, the total liability of the **insurer** in respect of any or all **insureds** shall not exceed the applicable limit as specified in the **schedule**.

## General exclusions

The following exclusions apply to this **policy** in addition to specific exclusions as contained in each **section**.

This **policy** does not apply to:

- 1 (a) any sort of nuclear material, nuclear reaction, nuclear radiation or radioactive contamination;
- (b) any products or services which include, involve or relate in any way to anything in (a) above, or the storage, handling or disposal of anything in (a) above;
- (c) all operations carried out on any site or premises on which anything in (a) or (b) above is located.
- 2 (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) 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; or
- (d) confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil military or otherwise) or public or local authority.

Furthermore this **policy** does not cover claims arising whilst the **UAS** is outside of **your** control by reason of any of the above perils. The **UAS** shall be deemed to have been restored to **your** control on the safe return of the **UAS** to **you** at a destination/location not excluded by the geographical limits of this **policy**, and entirely suitable for the operation of the **UAS**.

- 3 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.
- 4 any **UAS** which is not in use as part of the **activities covered**. Including at air shows or participating in air racing events/meets
- 5 loss of use of the **UAS/UAS** spares or interruption of **your business** (including any loss of income or of contract) arising from the physical loss and/or destruction of **UAS/UAS** spares or third party bodily injury and/or property damage covered under section 1,2 or 3, or extension 1, of this **policy**.
- 6 claims arising from the **insured** failing to take all reasonable care/measures to protect the **UAS** and to maintain/operate it in good and

proper condition in accordance with the relevant manufacturers' guidelines.

- 7 in respect of transit coverage under **sections** 1 and 2;
  - (a) the cost of making good wear and tear, gradual deterioration, inherent defect, rust or oxidation, moth or vermin damage, warping or shrinkage;
  - (b) loss or damage caused by or resulting from:
    - (i) maintenance, repair, renovation, restoration, modification or any similar process;
    - (ii) aridity, humidity, exposure to light or extremes of temperature unless such loss or damage caused by storm or fire.
  - (c) electrical or mechanical fault or breakdown;
  - (d) depreciation; or
  - (e) loss or damage arising directly or in any way from seepage, pollution or contamination, however such seepage, pollution or contamination may have been caused.
- 8 any claims caused by:
  - (a) the actual, alleged or threatened presence of asbestos in any form, or any material or product containing, or alleged to contain, asbestos; or
  - (b) any obligation, request, demand, order, or statutory or regulatory requirement that **you** 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.
- 9 **UAS operators** who have less than 10 hours' **UAS** flight time, have not successfully completed a **UAS** training course/school/academy, and/or are not in the process of commencing their **UAS** training course/school/academy, whilst under instruction by the official course trainers.

Notwithstanding any other provisions of this **section**, the **insurer** will have no duty to investigate, defend or pay defence costs in respect of any claim excluded in whole or in part under paragraphs (a) or (b) of this exclusion.

- 10 This **policy** does not cover any flight over or within the following territories unless the **insurer** has so agreed prior to the commencement of any such flight:
  - Algeria
  - Burundi
  - Cameroon
  - Central African Republic
  - Democratic Republic of Congo
  - Ethiopia
  - Kenya

## General exclusions

- Mali
- Mauritania
- Nigeria
- Somalia
- The Republic of Sudan
- South Sudan
- Colombia
- Peru
- Afghanistan
- North Korea
- Pakistan
- Georgia
- Ukraine
- Russia
- Iran
- Iraq
- Lebanon
- Libya
- Egypt
- Syria
- Yemen
- USA and protectorates

## General conditions

The following conditions apply to this **policy** in addition to specific conditions as contained in each individual **section**.

### 1 Two or more UAS

When 2 or more **UAS** are insured, the terms of this **policy**, including the limits as shown in the **schedule**, shall apply separately to each **UAS**, unless otherwise specified.

### 2 Assignment

**Your** rights under this **policy** may not be assigned without the **insurer's** prior written agreement, such agreement not to be unreasonably withheld.

### 3 Other Insurance

- (a) The coverage provided by Sections 1 and 2 of this **policy** shall be proportional with any other valid and collectible insurance available to **you**.
- (b) The coverage afforded by Section 3 of this **policy** shall be excess insurance over any other valid and collectible insurance available to **you**.

### 4 Subrogation

The **insurer** will be entitled whether before or after paying **your** claim to conduct in **your** name the defence or settlement of any claim or to take action to seek recovery or secure indemnity from any third party in respect of any claim covered by this **policy** and will have full discretion in the conduct of any such proceedings .

**You** shall at all times provide all information and assistance as the **insurer** or any person authorised by the **insurer** will reasonably require.

### 5 Premium

The premium for this **policy** is as specified in the **schedule**.

If any part of the Premium as specified in the **schedule** is shown as being adjustable **you** shall within 1 month of the expiry of the **period of insurance** or such further periods as the **insurer** may allow, furnish such details as the **insurer** may require and the premium for such period will be adjusted accordingly subject to any minimum premium(s) that may be required by the **insurer**.

If any part of the premium is calculated on estimates provided by **you** shall keep accurate records containing all particulars relating thereto and shall permit the **insurer** or their representatives to inspect such records at any time.

The **insured** warrants that it will pay the premium (or any instalment) in full on or before the date as agreed, and the **insurers** will not be liable under this **policy** for any loss or damage occurring during any period in

which the **insured** is in breach of this term. Section 11 of the Insurance Act 2015 does not apply to this premium payment warranty.

### 6 Claims Notification

**You** must give notice immediately or as soon as is reasonably practicable of any claim, **occurrence**, incident or circumstance likely to give rise to a claim under this **policy** to the **insurer** via **your insurance broker** or directly to us at Tokio Marine Kiln, 20 Fenchurch Street, London EC3M 3BY; telephone: +44 (0) 20 7886 9000. In all cases **you** shall:

- (i) furnish full particulars in writing of such claim or **occurrence**, incident or circumstance likely to give rise to a claim, using the Tokio Marine Kiln **UAS** Claims Incident Form and immediately forward any letters or documents relating thereto, including all log books and other records in connection with the **UAS**, which shall be kept up to date; a copy of the PFAW/PFCO/permit to fly (if applicable); and a copy of the UAS training course/school/academy certificate or course booking (if applicable).
- (ii) give notice of any impending prosecution;
- (iii) render such further information and assistance as the **insurer** may reasonably require; and
- (iv) not act in any way to the detriment or prejudice of the interests of the **insurer**.

In the event of theft of the **UAS** which is likely to give rise to a claim under this **policy**, **you** must also report details to the police as soon as is reasonably practicable and provide a copy of the official police report/crime number to insurers at the time of claim. If the **UAS** is found undamaged before the **insurer** has paid any claim in relation to that theft, then the **insurer** will pay the cost of returning it to **you** by the most economic means.

### 7 Payment of Costs

The **insurer** will pay any legal costs and expenses incurred with their written consent in defending any action which may be brought against **you** in respect of any claim for damages. In no event shall the **insurer** be liable for or pay damages and/or legal costs and expenses (separately or combined) in excess of the total limit of liability specified in the **schedule**.

However, should any amount agreed or awarded in respect of such claim exceed the total limit specified in the **schedule**, the liability of the **insurer** in respect of legal costs and expenses shall be limited (within the total limit) to such proportion of the said legal costs and expenses as the total limit bears to the amount paid as damages.

The **insurer** shall not be obliged to pay any legal costs and expenses incurred after the total limit of liability specified in the **schedule** has been exhausted and shall be entitled to return the control of any legal

proceedings (without any further liability of any sort) to **you**, which **you** will accept without delay.

## 8 Fraudulent Claim(s)

- (a) (i) If the insurer establishes that you make a fraudulent claim under this **policy**, the **insurer**:
- (a) is not liable to pay the claim; and
  - (b) may recover from **you** any sums paid by the **insurer** to **you** in respect of the claim; and
  - (c) may by notice to **you** treat the contract as having been terminated with effect from the time of the fraudulent act, in writing to **you** at **your** address shown in the **schedule**.
- (ii) If the **insurer** exercises its right under clause i.c) above:
- (a) the **insurer** shall not be liable to **you** in respect of a relevant event occurring after the time of the fraudulent act; and
  - (b) the **insurer** need not return any of the premiums paid.

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.

## 9 Sanctions and Embargo Clause

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 **policy period** 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

## Extensions applicable to this policy

Subject to all **policy** terms, conditions, limitations and exclusions, the following areas of coverage form part of this **policy**.

### Extension 1 Hull/war

This Extension 1 attaches to Section 1 and Section 2 of the **policy** (Physical Loss of or Damage to UAS, and UAS spares). Despite General Exclusion 2 of the **policy** of which this Extension 1 forms part, this **policy** is extended to cover claims caused by the following risks:

- 1 Strikes, riots, civil commotions or labour disturbances;
- 2 Any malicious act (including acts of vandalism) or act of sabotage; and
- 3 Hijacking, spoofing, hacking or any other unlawful seizure or wrongful exercise of control of the **UAS** (including any attempt at such seizure or control) acting without **your** consent.

Provided always that

- (a) the limits of the **insurer's** liability in respect of any or all of the risks covered under this Extension 1 do not exceed the sum specified in the **schedule**;
- (b) this Extension 1 is subject to the payment by the **insured** of the **deductible** specified in the **schedule**;
- (c) the insurance provided by this Extension 1 may be cancelled by the **Insurer** giving notice effective on the expiry of seven days from midnight Greenwich Mean Time on the day on which notice is issued.

### Extension 2 UAS Operators Indemnity

This Extension 2 shall cover, as if they were **you**, any **UAS operator** authorised by **you** under the terms of this **section** in respect of **bodily injury** and/or **property damage** arising out of the operation of the **UAS**, but not so as to increase the liability of the **insurer** beyond the amount which would otherwise have been payable under this Extension 2 had the liability been incurred by the **you**.

Provided always that:

- 1 At the time of any **occurrence** giving rise to a claim under this UAS Operators Indemnity Extension the said **UAS Operator**:
  - (a) shall as though they were **you**, observe, fulfil and be subject to the terms, conditions and exclusions contained in this **policy**, and
  - (b) is not entitled to indemnity under any other insurance.
- 2 There shall be no indemnity under this UAS Operators Indemnity Extension in respect of claims made against the **UAS** Operator by **you** and/or with respect to the **UAS**.

### Extension 3 Liability to UAS Operators

Coverage shall extend to include the liability of the **insured** to the operator(s) of the insured **UAS**, except liability required to be insured under the terms of any employers' liability or workman's compensation legislation or any similar legislation.

### Extension 4 Cyber Extension – Loss of Digital Assets

The **insurer** will reimburse **you** for **digital asset loss**, in excess of the applicable **deductible** specified in the **schedule**, as a direct result of damage, alteration, corruption, distortion, theft, misuse, or destruction of **your digital assets** directly caused by a **computer virus**, whether through malicious or non-malicious acts.

This Extension 4 does not apply to:

- 1 restoring, updating, or replacing **Digital Assets** to a level beyond that which existed prior to when any damage, alteration, corruption, distortion, theft, misuse, or destruction occurred;
- 2 contractual penalties or pre-agreed or consequential damages;
- 3 any liability to third parties for whatever reason, including legal costs and expenses of any type;
- 4 fines or penalties imposed by law; or
- 5 economic or market value of **Digital Assets**.

#### Digital Assets

Those images or data captured by **your** use of a **UAS** as per the **schedule of UAS**. **Digital Assets** do not include any other images or data either owned or in the care, custody or control of the **Insured**.

#### Digital Asset Loss

The reasonable and necessary expenses and costs incurred by **you** to replace, recreate or restore **Digital Assets** to the same state and with the same content as immediately before damage, alteration, corruption, distortion, theft, misuse, or destruction occurred.

## Warranties applicable to this policy

It is expressly warranted that the **insured** will satisfy in full all of the following before the **insurer** can be liable or for any applicable coverage to apply.

- (a) Cover shall be suspended until the breach of warranty is remedied, but section 11 of the Insurance Act 2015 shall not apply, so that there need be no causal link between the breach and the loss or damage, in respect of the following (a) 1-4
  - 1 The **insured** shall only use the **UAS** for the **activities covered** only, inclusive of **continuation flying**.
  - 2 (a) **UAS operators** have successfully completed a **UAS** training course/school/academy, prior to conducting any commercial and/or **business** operations; or  
(b) **UAS operators** have **10** hours' **UAS** flying experience and/or have successfully completed a manufacturer's training course, prior to conducting any commercial and/or business operations; or  
(c) **UAS operators** have commenced their **UAS** training course/school/academy and are flying the **UAS** as part of the course requirements, whilst under instruction by the official course trainers/instructor at all times (and subject to the minimum **deductible**).
  - 3 The **insured** will conduct all flights in accordance with specific **UAS** regulation/code as stipulated by the CAA/aviation national authority in the specific country of operation. If no CAA regulation/code is in place within the particular country of operation, all flights will be conducted in accordance with the following –
    - (a) At a height not exceeding 400 feet above ground level;
    - (b) At a distance not beyond the visual range of the operator, or a maximum range of 500 metres;
    - (c) Not within 50 metres of any person, vessel, vehicle or structure;
    - (d) not under the control of the person in charge except that during the take-off or landing the **UAS** must not fly within 30 metres of any person other than the person in charge of the **UAS** or a person in charge of any other **UAS** or a person necessarily present in connection with the operation of such a **UAS**; and
    - (e) Daytime flying only.
  - 4 **Continuation flying** will not exceed 25 hours per **period of insurance** if limited to twelve months and if greater than twelve months proportionately in the ratio that the period in excess of the **period of insurance** bears to the **period of insurance**.
- (b) Cover shall be suspended until the breach of warranty is remedied, and section 11 of the Insurance Act 2015 shall apply, in respect of the following (B) 5-10:
  - 5 Each **UAS** will not exceed 30kg.
  - 6 The **insured** will only fly a **UAS** if it has a PFAW/ PFCO/permit to fly (permission for aerial work/ permission for commercial operation) in place prior to performing **business** or **continuation flights** (where applicable), regardless of the country in which the flight takes place in (where applicable).
  - 7 No single **UAS** will exceed 500 hours' flying time during any one twelve month period, or if warranting a set number of **UAS** in the air at any one time, the total flying time of all **UAS** shall not exceed the sum of 500 hours multiplied by the number of units warranted to be flown at any one time. If the **period of insurance** is greater than twelve months proportionately, this total figure will be increased by the ratio that the period in excess of the **period of insurance** bears to the **period of insurance**.
  - 8 Any **UAS** with inbuilt Return to home function will have it be set to 'on' at all times.
  - 9 The **UAS** is airworthy at the commencement of each flight.
  - 10 The **insured** shall maintain all log books and other records in connection with the **UAS** and produce them to the **insurer** or their agents on request.

