

### 4.1 About this Part

This part describes:

- [The CLI obligations of air carriers](#)
- [The format of an application for a Certificate of Compliance \(CoC\)](#)
- [Acceptable evidence of insurance/financial arrangements.](#)

This part also contains [sample documents](#)—viz., sample Declarations of Insurance and Certificates of Insurance.

### 4.2 Obligations of Air Carriers

A person is likely to have obligations under Part IVA of the *Civil Aviation (Carriers' Liability) Act 1959* (Cth) and/or complementary legislation in Australian States (together referred to as 'the Act' in this part) if the person is a carrier (as described in sections [3.5](#) and [3.6](#) of this manual).

#### 4.2.1 Carriers Who Are Not Crown Carriers

A carrier, who is not Crown Carrier for the purpose of sub-section 41CA(1) of the Act, is required to hold an acceptable contract of insurance.

The Act defines an 'acceptable contract of insurance' as one in respect of which a certificate is in force under sub-section 41C(7) of the Act.

CASA may issue a CoC to a carrier upon receipt of an application accompanied by acceptable evidence of insurance.

A person must apply to CASA for a CoC if/when:

- the person proposes being a carrier (as described in section [3.5](#) and [3.6](#) of this manual); or
- a carrier applies to CASA to modify the scope of passenger operations (including aircraft fleet changes) authorised by the carrier's AOC and the carrier's current insurance policy does not cover all of the operations authorised by the new AOC; or
- an existing CoC held by a carrier is due to expire; or
- a carrier renews or varies existing insurance arrangements; or
- there is a change to the particulars of the person(s) holding an AOC resulting in the need for CASA to issue a new AOC; or
- for any other reason, CASA is no longer satisfied that a carrier's existing insurance arrangements are satisfactory.

### 4.2.2 Crown Carriers

A carrier (as described in sections 3.5 and 3.6 of this manual) that is, or is an agent of, the Crown must apply to CASA for a CoC **only if**:

- CASA issues a notice pursuant to sub-section 41CA(1) of the Act to the Crown Carrier requiring the carrier to provide evidence that adequate financial arrangements exist to discharge any personal injury liabilities that may accrue to the carrier.

#### CASA POLICY

*CASA has decided that it will only issue a notice pursuant to sub-section 41CA(1) of the Act to a Crown Carrier if doubts exist about the carrier's willingness or ability to discharge its liabilities. This Policy is documented at folios 42–43 on file 00/12818.*

### 4.3 Application for a Certificate of Compliance

An application for a CoC should include:

- a completed [Compulsory Passenger Liability Insurance Certificate of Compliance Application \(Form 829\)](#); and
- acceptable evidence of insurance (refer to section 4.4); or
- in the case of a Crown Carrier, evidence that adequate financial arrangements exist to discharge any personal injury liabilities that may accrue to the carrier (refer to section 4.4.3).

### 4.4 Evidence of Insurance/Financial Arrangements

#### 4.4.1 Certificates/Declarations of Insurance

Sub-section 41C(2) of the *Civil Aviation (Carriers' Liability) Act 1959* (Cth) sets prescribed requirements for a contract of insurance but does **not** specify on what basis CASA may be satisfied that a carrier:

- has a suitable contract of insurance in place; or
- in the case of a Crown Carrier, has adequate financial arrangements in place to discharge any personal injury liabilities (refer to section 4.4.3 of this manual).

In the absence of a legally prescribed format for evidence of insurance, CASA may issue a CoC to a carrier on the basis of a declaration/certificate of insurance that:

1. Closely resembles the standard certificate formats used by the following major Australian aviation insurers/brokers/underwriters:
  - QBE Insurance (Australia) Limited
  - Australian Aviation Underwriting Pool (AAUP)
  - Australian Aviation Insurance Group (AAIG)
  - Aviation Office of Australia (AOA)
  - Rural & General Insurance Limited (no longer an aviation insurer).

Samples of the standard certificate formats of AAUP and AAIG Declarations of Insurance are at section 4.5.3 and 4.5.4 respectively.

The AOA certificate is acceptable on the basis that the insurer covers its clients under the AVN57A (Australia) endorsement (see item 3, below).

- Closely resembles the CASA preferred format for Certificates/Declarations, samples of which appear at 4.5.1 (CASA preferred Declaration of Insurance—declaration by broker; [Form 1067](#)) and 4.5.2 (CASA preferred Certificate of Insurance—format preferred by Lloyd's; [Form 1068](#)).

CASA officers can also provide the following Declarations of Insurance:

- Declaration of Insurance—declaration by insurer's agent (Form 1063)
- Declaration of Insurance—declaration by insurer (Form 1064)
- Declaration of Insurance—declaration by agent, including Schedule of Aircraft (Form 1065)
- Declaration of Insurance—declaration by insurer, including Schedule of Aircraft (Form 1066)

Officers can access these templates on CASAconnect at [manuals/templates.htm](#).



2. Certifies that the carrier is indemnified under the AVN57A (Australia) endorsement.
3. Sets out the full text of the insurer's CLI policy endorsement, and, the terms of the\* endorsement have been accepted by the Office of Legal Counsel (includes certificates received from certain United States' insurers/brokers).

Samples of Certificate of Insurance formats received from US insurers/brokers are provided at:

- 4.5.5 Certificate of Insurance with full text of endorsement—Certificate of Insurance for Emery Worldwide Airlines
- 4.5.6 Certificate of Insurance with full text of endorsement—Certificate of Insurance for Polar Air Cargo.

### 4.4.2 Certain Passengers May Be Excluded from an Insurance Contract

Sub-section 9(3) of the Civil Aviation (Carriers' Liability) Regulations provides that a person who is an employee of the carrier travelling in the course of his/her duties as an employee may be **excluded** from an insurance policy.

### 4.4.3 Evidence of Adequate Financial Arrangements—Crown Carriers

CASA has discretionary power under sub-section 41CA(1) of the Act to require Crown Carriers to provide evidence that adequate financial arrangements exist to discharge any personal injury liabilities that may accrue to the carrier.

CASA may accept one of the following forms of evidence as a basis for issuing a CoC to a Crown Carrier under sub-section 41CA(2) of the Act:

- a certificate/declaration of insurance (in a format described in section 4.4.1 of this manual); or
- other documentary evidence showing that the carrier has adequate financial arrangements in place to discharge any personal injury liabilities that may accrue to the carrier.

A CoC issued to a Crown Carrier is to be issued under sub-section 41CA(2) of the Act regardless of whether the carrier has provided CASA with a suitable certificate of insurance, or evidence of adequate financial arrangements.

### 4.5 Sample Documents

#### 4.5.1 CASA Preferred Declaration of Insurance—Declaration by Broker

[LETTERHEAD OF BROKER]

**DECLARATION OF INSURANCE**

CIVIL AVIATION (CARRIERS' LIABILITY) ACT 1959 - AUSTRALIA  
(INTERNATIONAL CARRIER)

**AIR CARRIER:** XXX (the "Carrier")  
**INSURANCE BROKER:** XXX (the "Broker")

In this declaration, "personal injury liability", in relation to the Carrier, means liability in respect of the death of, or bodily injury, sickness, disease, fright, shock or mental anguish suffered by, passengers carried by air by the Carrier.

The Broker declares that:

1. certain insurers (the "Insurers") have issued policies of insurance to the Carrier covering the risks of personal injury liability;
2. the policies of insurance became, or will become, effective from [date] and will expire on [date]
3. the Carrier's right of indemnity under the policies of insurance for personal injury liability;
  - (a) is for an amount of not less than 260,000 Special Drawing Rights per passenger;
  - (b) is not affected by any breach of a safety-related requirement imposed by or under any Australian Act of Parliament or by the Australian Civil Aviation Authority;
  - (c) is not contingent upon the financial condition or solvency of the Carrier or upon the Carrier not being or not becoming bankrupt or not beginning to be or not being wound up; and
  - (d) extends to liabilities arising from the operation of any aircraft by the Carrier in commercial air service;
4. each of the Insurers is either:
  - (a) authorised under section 23 or 24 of the Commonwealth of Australia's *Insurance Act 1973* to conduct insurance business in Australia; or
  - (b) permitted or authorised to carry on insurance business under the law of a country other than Australia, not being a country identified in a notice published under Regulation 8 of the Commonwealth of Australia's Civil Aviation (Carriers' Liability) Regulations; and
5. the Broker is issuing this declaration on behalf of the Insurers;
6. Personal injury liability coverage extended by the Policy(ies) is not subject to, or limited by, an AVN 2000 exclusion clause nor any other form of exclusion which may limit the insurer's indemnification of the insured in respect of liabilities arising from date recognition based, computer errors or failures.

[OR]

The Policy(ies) indemnify the insured for "personal injury liability", as required by the *Civil Aviation (Carriers' Liability) Act 1959* (including that Act as it has effect in a State of Australia), under the AVN57A (Australia) endorsement.

Signed for and on behalf of

[name of Broker] by

[name and position of signatory]

DATE: XXX

Figure 4.5-1: Declaration of Insurance—declaration by broker

### 4.5.2 CASA Preferred Certificate of Insurance—Format Preferred by Lloyd's

CERTIFICATE OF INSURANCE  
CIVIL AVIATION (CARRIERS LIABILITY) ACT 1959 - AUSTRALIA  
(Applicable to Passenger Liability only)

This is to certify that  
..... as Insurer via ..... as Insurance Broker  
has issued the Policy(ies) covering the risks of liability to passengers to ..... as Air Carrier  
effective from ..... (day) ..... (month) ..... (year)  
until ..... (day) ..... (month) ..... (year).  
or until (3) days after written notice is received by the Department of Transport.

1. The insurer has issued insurance in compliance with the prescribed requirements referred to in Part IVA subsection 41C(2) of the *Civil Aviation (Carriers' Liability) Act 1959*.
2. The Policy(ies) insure all aircraft operated by the Air Carrier in commercial air service.
3. The Insurer is licensed or approved by a foreign government to issue aircraft insurance policies. To the extent the insurance is not arranged with insurers in the aviation international insurance market, reinsurance is arranged in the aviation international insurance market.
4. Such coverage shall be within the limits of liability in the Policy(ies) and not in addition to or in excess thereof.
5. Such coverage shall continue until cancelled by Insurers or their authorised representative giving the appropriate notice.
6. Unless the Policy(ies) otherwise provides the following exclusions not prohibited by the provision of the said Act shall apply :-
  - 6.1 War Exclusion Clause AVN48B paragraphs (a) and (b) or equivalent clause(s).
  - 6.2 Noise and Pollution and other Perils Clause AVN46B or equivalent clause(s).
  - 6.3 Aviation Radioactive Contamination Exclusion Clause AVN38A or equivalent clause(s).
  - 6.4 Bodily injury to or sickness, disease or death of any employee arising out of and in the course of his/her employment.
7. The coverage for personal injury as required by the said Act to be provided by the Policy(ies) shall be understood to mean bodily injury, sickness, disease, fright, shock or mental anguish including death resulting therefrom.
8. If Insurers are called upon to provide coverage to the insured in compliance with the said Act including the defence and legal costs associated therewith and if by reason of the terms, conditions, limitations and exclusions of the Policy(ies) such coverage would not otherwise have been provided then the insured will reimburse Insurers for such payments made in providing coverage under the said Act.
9. The terms, conditions, limitations and exclusions of the Policy(ies) shall apply to claims made under the Policy(ies) which (a) are in excess of the limits specified in the said Act or (b) are not governed by the provisions of the said Act.
10. Personal injury liability coverage extended by the Policy(ies) is not subject to, or limited by, an AVN 2000 exclusion clause nor any other form of exclusion which may limit the insurer's indemnification of the Air Carrier in respect of liabilities arising from date recognition based, computer errors or failures.

[OR]

The Policy(ies) indemnify the Air Carrier for 'personal injury liability', as required by the *Civil Aviation (Carriers' Liability) Act 1959* (including that Act as it has effect in a State of Australia), under the AVN57A (Australia) endorsement.

Except as specifically varied hereby, the above is subject to the Policy terms, conditions, limitations, exclusions and cancellation provisions of Policy(ies) Numbered .....

On behalf of the Insurers:

Figure 4.5-2: Certificate of Insurance format preferred by Lloyd's



### 4.5.3 AAUP Standard Declaration of Insurance

**DECLARATION OF INSURANCE**  
**With write back**

**UNDERWRITING AGENT:** Australian Aviation Underwriting Pool Pty Ltd  
(A.C.N. 004 489 810) with its registered office at  
6th Floor, 15 Queen Street, MELBOURNE VIC  
3000 (the "Agent")

**INSURERS:** As per advice to CASA dated 29<sup>th</sup> December, 1999  
(the "Insurers")

**CARRIER:** **Name of Carrier**  
**(ACN 000 000 000)**  
(the "Carrier")

**POLICY NUMBER:** **Policy Number** (the "Policy")

In this declaration, "personal injury liability", in relation to the Carrier, means liability under the Commonwealth Civil Aviation (Carriers' Liability) Act 1959 (or similar State legislation) in respect of the death of, or personal injury suffered by, passengers carried by air by the Carrier.

The Agent declares that:

1. each of the Insurers is authorised under section 23 or 24 of the Insurance Act 1973 to conduct insurance business in Australia;
2. The Agent as agent for the Insurers has issued the Policy to the Carrier
3. the Policy commenced, or will commence on 17<sup>th</sup> September 2000 and will expire on 16<sup>th</sup> September 2001.
4. the Carrier has a right of indemnity under the Policy (subject to the terms and conditions of the Policy) against personal injury liability arising from the operation by the Carrier of any of the types of aircraft (and only those types of aircraft:  
  
Beech 58 Type, 76 type, 95 type, Cessna 152 type, 172 type, 182 type, 310 type, 340 type, 401 type, 402 type Partenavia P.68 type, Piper PA-30 type, PA-31 type PA-31 and -350 models, PA-39 type, PA-44 type.

Figure 4.5-3: AAUP standard Declaration of Insurance format

SAMPLE

5. the Carriers' right of indemnity under the Policy in respect of personal injury liability is:

- (a) for an amount not less than A\$500,000 per passenger carried, or to be carried, by air by the Carrier;
- (b) not affected by any breach of a safety-related requirement imposed by or under any Act or by the Civil Aviation Safety Authority; and
- (c) not contingent upon the financial condition or solvency of the carrier or upon the Carrier not being or not becoming bankrupt or not beginning to be or not being wound up; and
- (d) limited under the following clauses as permitted by paragraph 9 (2) (aa) "Nuclear Risks Exclusion Clause" (AVN 38A)  
9 (2) (b) "Noise and Pollution and other Perils Exclusion Clause" (AVN 46B)  
9 (2) (c) "War, Hijacking and other Perils Exclusion Clause (Aviation)" (AVN 48B)  
of the Civil Aviation (Carriers' Liability ) Regulations:

6. each of the types of aircraft listed in paragraph 4 of this declaration is endorsed on the Policy.

Signed for and on behalf of  
Australian Aviation Underwriting Pool Pty Ltd  
Manager for Victoria  
02 November 2001

Figure 4-5.3: AAUP standard Declaration of Insurance format (cont)



### 4.5.4 AAIG Standard Declaration of Insurance

**DECLARATION OF INSURANCE**

(AUSTRALIAN DOMESTIC CARRIER - SINGLE UNDERWRITING AGENT)

**UNDERWRITING AGENT:** Australian Aviation Insurance Group (Agency) Pty. Ltd.  
(the "Agent")

**ABN:** 87 056 014 496

**INSURERS:** Gerling Australia Insurance Company Pty. Ltd. and  
Indemnity Insurance Company of North America Pty. Ltd.  
(the "Insurers")

**CARRIER:** [Carrier Name]  
(the "Carriers")

**ACN:** [Carrier ACN]

**POLICY NUMBER:** VA 00

In this declaration, "personal injury liability", in relation to the Carrier, means liability under the Commonwealth *Civil Aviation (Carriers' Liability) Act 1959* (or similar State legislation) in respect of the death of, or personal injury suffered by, passengers carried by air by the Carrier.

The Agent declares that:

1. [each of the Insurers is authorised under section 23 or 24 of the *Insurance Act 1973* to conduct insurance business in Australia;] or  
[each of the Insurers is either:
  - (a) authorised under section 23 or 24 of the *Insurance Act 1973* to conduct insurance business in Australia; or
  - (b) permitted or authorised under the law of United Kingdom to carry on insurance business:
2. the Agent as agent for the Insurers has issued the Policy to the Carrier;
3. the Policy commenced, or will commence, on the [Date] and will expire on the [Date];
4. the Carrier has a right of indemnity under the Policy (subject to the terms and conditions of the Policy) against personal injury liability arising from the operation by the Carrier of any of the following types of aircraft (and only those types of aircraft):  
[Aircraft type descriptions]

../2..

Figure 4.5-4: AAIG standard Declaration of Insurance format

**SAMPLE**  
- 2 -

- 5. the Carrier's right of indemnity under the Policy in respect of personal injury liability is:
  - (a) for an amount not less than A\$500,000 per passenger carried, or to be carried, by air by the Carrier;
  - (b) not affected by any breach of a safety-related requirement imposed by or under any Act or by the Civil Aviation Safety Authority; and
  - (c) not contingent upon the financial condition or solvency of the Carrier or upon the Carrier not being or not becoming bankrupt or not beginning to be or not being wound up; and
- 6. each of the types of aircraft listed in paragraph 4 of this declaration is endorsed on the Policy.

Signed for an on behalf of  
**Australian Aviation Insurance Group (Agency) Pty. Ltd.**

by \_\_\_\_\_  
(G.D. Butler, Director)

DATE:        dd/mm/yyyy

Figure 4-5.4: AAIG standard Declaration of Insurance format (cont)



### 4.5.5 Certificate of Insurance with Full Text of Endorsement—Sample 1

Marsh USA Inc.  
111 SW Columbia Avenue  
Portland, Oregon 97201-5897  
(503) 248-6400 Fax: (503) 248-1224

**MARSH**  
An **MMC** Company

**Certificate of Insurance**  
**CIVIL AVIATION (CARRIERS' LIABILITY) ACT 1959 - AUSTRALIA**  
(applicable to Passenger Liability only)

This is to certify that

**USAIG (Lead)** as Insurer

via **Marsh USA Inc.** as Insurance Brokers

has issued the Policy(ies) covering the risk of liability to passengers of

**Emery Worldwide Airlines** as Air Carrier

effective from 1/September/2000

until 1/September/2001

or until three (3) days after written notice is received by the Department of Transport.

1. The Insurer has issued insurance in compliance with the prescribed requirements referred to in Part IVA, subsection 41C(2) of the Civil Aviation (Carriers' Liability) Act 1959.

2. The Policy(ies) insure all aircraft operated by the Air Carrier in commercial air service.

3. The Insurer is licensed or approved by a foreign government to issue aircraft insurance policies. To the extent the insurance is not arranged with insurers in the aviation international insurance market, reinsurance is arranged in the aviation international insurance market.

4. Such coverage shall be within the limits of liability 'm the Policy(ies) and not in addition to or in excess thereof.

5. Such coverage shall continue until cancelled by Insurers or their authorized representative giving the appropriate notice.

6. Unless the Policy(ies) otherwise provides the following exclusions not prohibited by the provisions of the said Act shall apply -

6.1 War Exclusion Clause AVN48B, paragraphs (a) and (b) or equivalent clause(s).

6.2 Noise and Pollution and Other Perils Clause AVN46B or equivalent clause(s).

6.3 Aviation Radioactivity Contamination Exclusion Clause AVN38A or equivalent clause(s).

6.4 Bodily Injury to or sickness, disease, or death of any employee arising out of and in the course of his/her employment.

ATTACHMENT TO  
Certificate Number  
CU-509409/5  
Delegate: W 30/2/2001

KEJ\CNF\009.doc (3)

Figure 4.5-5: Certificate of Insurance for Emery Worldwide Airlines with accompanying policy endorsement

Marsh USA Inc.

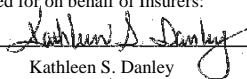
7. The coverage for *personal injury* as required by the said Act to be provided by the Policy(ies) shall be understood to mean bodily injury, sickness, disease, fright, shock or mental anguish including death resulting therefrom.

8. If Insurers are called upon to provide coverage to the Insured in compliance with the said Act including the defense and legal costs associated therewith and if by reason of the terms, conditions, limitations and exclusions of the Policy(ies) such coverage would not otherwise have been provided then to the Insured will reimburse Insurers for such payments made in providing coverage under the said Act.

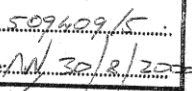
9. The terms, conditions, limitations and exclusions of the Policy(ies) shall apply to claims made under the Policy(ies) which are (a) in excess of the limits specified in the said Act or (b) are not governed by the provisions of the said Act.

The policy(ies) indemnify the insured for "personal injury" as required by the Civil Aviation (Carriers' Liability) Act 1959 (including that Act as it has effect in the State of Australia), under the attached endorsement.

Except as specifically varied hereby, the above is subject to the Policy terms, conditions, limitations, exclusions and cancellation provisions of Policy(ies) (see attached schedule).

Signed for on behalf of Insurers:  
by:   
Kathleen S. Danley  
Assistant Vice President

August 23, 2000

ATTACHMENT TO  
Certificate Number  
CU-509409/K  
Delegate:  30/8/2000

KEJ/CNF/009.doc (4)

Figure 4-5.5: Certificate of Insurance for Emery Worldwide Airlines with accompanying policy endorsement (cont)

CIVIL AVIATION (CARRIER LIABILITY) ACT 1959 - AUSTRALIA  
(applicable to Passenger Liability only)

It is hereby understood and agreed that:

1. The policy to which this endorsement is attached is hereby amended to provide coverage in compliance with the prescribed requirements referred to in Part IVA subsection 41Q2) of the Civil Aviation (Carriers' Liability) Act 1959.
2. Such coverage shall be within the limits of liability in the policy and not in addition to or in excess thereof.
3. Such coverage shall continue until cancelled by Insurers or their authorized representative giving the appropriate notice.
4. Unless the policy otherwise provides the following exclusions not prohibited by the provisions of the said Act shall apply-
  - (i) War Exclusion Clause AVN.48B paragraphs (a) and (b) or equivalent clause(s).
  - (ii) Noise and Pollution and Other Perils Clause AVN.46B or equivalent clause(s).
  - (iii) Nuclear Risks Exclusion Clause AVN.38A or equivalent clause(s).
  - (iv) Bodily Injury to or sickness, disease or death of any employee arising out of and in the course of his/her employment.
  - (v) Injury to or destruction of property owned, rented, leased, loaned to, occupied or used by the Insured.
5. If the Company is called upon to provide coverage to the Insured in compliance with Part IVA subsection 41Q2) of the Civil Aviation (Carriers' Liability) Act 1959, including the defense and legal costs associated therewith and if by reason of the terms, conditions, limitations and exclusion of the policy such coverage would not have been provided except for this endorsement then the Insured shall reimburse the Company for such payments made in providing coverage under Part IVA subsection 41Q2) of the Civil Aviation (Carriers' Liability) Act 1959.

Emery Air Freight Corporation, et al  
SIHL1-8983 Endorsement Number 25

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ATTACHMENT TO Certificate Number CU-509409/K Delegate: M/ 30/8/200
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Figure 4-5.5: Certificate of Insurance for Emery Worldwide Airlines with accompanying policy endorsement (cont)

- 6. The terms, conditions, limitations and exclusions of the policy shall apply to claims made under the policy which (a) are in excess of the limits specified in Part IVA of the Civil Aviation (Carriers' Liability) Act 1959; or (b) are not governed by the provisions of Part IVA of the Civil Aviation (Carriers' Liability) Act 1959.

SAMPLE

Nothing herein contained shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements, or representations of the undermentioned policy, other than as above stated.

This endorsement shall form a part of AIRLINE INSURANCE FORM EW-99 attached to Policy Number SIHLI-8983 issued through United States Aviation Underwriters, Incorporated in favor of Emery Air Freight Corporation, et al and shall take effect on the First day of September, 1999 12:01 A.M. Local Standard Time.

UNITED STATES AVIATION UNDERWRITERS, INCORPORATED  
Aviation Managers

By *Richard S. Dunby*

Emery Air Freight Corporation, et al  
SIHLI-8983 Endorsement Number 25

Page 25.2

ATTACHMENT TO Certificate Number ..... <i>509409/5</i> ..... Delegate: <i>AW 30/8/2000</i>
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Figure 4-5.5: Certificate of Insurance for Emery Worldwide Airlines with accompanying policy endorsement (cont)



### 4.5.6 Certificate of Insurance with Full Text of Endorsement—Sample 2

Certificate #PAC058

CERTIFICATE OF INSURANCE  
CIVIL AVIATION (CARRIERS LAIBILITY) ACT 1959 - AUSTRALIA  
(Applicable to Passenger Liability only)

This is to certify that

See Attached Schedule of Insurers as Insurer via Marsh Aviation as Insurance Broker  
has issued the Policy(ies) covering the risks of liability to passengers to  
Polar Air Cargo as Air Carrier  
effective from 23 (day) June (month) 2000 (year)  
until 23 (day) June (month) 2001 (year).  
or until (3) days after written notice is received by the Department of Transport.

1. The insurer has issued insurance in compliance with the prescribed requirements referred to in Part IVA subsection 41C(2) of the *Civil Aviation (Carriers' Liability) Act 1959* (or similar legislation in Australian States).
2. The Policy(ies) insure all aircraft operated by the Air Carrier in commercial air service.
3. The Insurer is licensed or approved by a foreign government to issue aircraft insurance policies. To the extent the insurance is not arranged with insurers in the aviation international insurance market, reinsurance is arranged in the aviation international insurance market.
4. Such coverage shall be within the limits of liability in the Policy(ies) and not in addition to or in excess thereof.
5. Such coverage shall continue until cancelled by Insurers or their authorised representative giving the appropriate notice.
6. Unless the Policy(ies) otherwise provides the following exclusions not prohibited by the provision of the said Act shall apply :-
  - 6.1 War Exclusion Clause AVN48B paragraphs (a) and (b) or equivalent clause(s).
  - 6.2 Noise and Pollution and other Perils Clause AVN46B or equivalent clause(s).
  - 6.3 Aviation Radioactive Contamination Exclusion Clause AVN38A or equivalent clause(s).
  - 6.4 Bodily injury to or sickness, disease or death of any employee arising out of and in the course of his/her employment.
7. The coverage for personal injury as required by the said Act to be provided by the Policy(ies) shall be understood to mean bodily injury, sickness, disease, fright, shock or mental anguish including death resulting therefrom.
8. If Insurers are called upon to provide coverage to the insured in compliance with the said Act including the defence and legal costs associated therewith and if by reason of the terms, conditions, limitations and exclusions of the Policy(ies) such coverage would not otherwise have been provided then the insured will reimburse Insurers for such payments made in providing coverage under the said Act.
9. The terms, conditions, limitations and exclusions of the Policy(ies) shall apply to claims made under the Policy(ies) which (a) are in excess of the limits specified in the said Act or (b) are not governed by the provisions of the said Act.
10. Personal injury liability coverage extended by the Policy(ies) is not subject to, or limited by, an AVN 2000 exclusion clause nor any other form of exclusion which may limit the insurer's indemnification of the Air Carrier in respect of liabilities arising from date recognition based, computer errors or failures.

[OR]

The Policy(ies) indemnify the Air Carrier for 'personal injury liability', as required by the *Civil Aviation (Carriers' Liability) Act 1959* (including that Act as it has effect in a State of Australia), under the AVN57A (Australia) endorsement.

Except as specifically varied hereby, the above is subject to the Policy terms, conditions, limitations, exclusions and cancellation provisions of Policy(ies) Numbered See Attached Schedule of Insurers


On behalf of the Insurers:  
  
Authorized Representative  
Marsh Aviation

Figure 4.5-6: Certificate of Insurance for Polar Air Cargo with accompanying policy endorsement

Certificate #PAC058

CIVIL AVIATION (CARRIER LIABILITY) ACT 1959 - AUSTRALIA  
(applicable to Passenger Liability only)

It is hereby understood and agreed that:

1. The policy to which this endorsement is attached is hereby amended to provide coverage in compliance with the prescribed requirements referred to in Part IVA subsection 41(2) of the Civil Aviation (Carriers' Liability) Act 1959.
2. Such coverage shall be within the limits of liability in the policy and not in addition to or in excess thereof.
3. Such coverage shall continue until cancelled by Insurers or their authorized representative giving the appropriate notice.
4. Unless the policy otherwise provides the following exclusions not prohibited by the provisions of the said Act shall apply-
  - (i) War Exclusion Clause AVN1.48B paragraphs (a) and (b) or equivalent clause(s).
  - (ii) Noise and Pollution and Other Perils Clause AW46B or equivalent clause(s).
  - (iii) Nuclear Risks Exclusion Clause AVN.38A or equivalent clause(s).
  - (iv) Bodily Injury to or sickness, disease or death of any employee arising out of and in the course of his/her employment.
  - (v) Injury to or destruction of property owned, rented, leased, loaned to, occupied or used by the Insured.
5. If the Company is called upon to provide coverage to the Insured in compliance with Part IVA subsection 41Q2) of the Civil Aviation (Carriers' Liability) Act 1959, including the defense and legal costs associated therewith and if by reason of the terms, conditions, limitations and exclusion of the policy such coverage would not have been provided except for this endorsement then the Insured shall reimburse the Company for such payments made in providing coverage under Part IVA subsection 41C(2) of the Civil Aviation (Carriers' Liability) Act 1959.

Polar Air Cargo, Inc.  
SIHL1-8976

Endorsement Number 11.

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Figure 4-5.6: Certificate of Insurance for Polar Air Cargo with accompanying policy endorsement (cont)



Certificate #PAC058

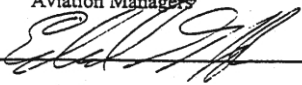
6. The terms, conditions, limitations, and exclusions of the policy shall apply to claims made under the policy which (a) are in excess of the limits specified in Part IVA subsection 41C(2) of the Civil Aviation (Carriers' Liability) Act 1959 are not governed by the provisions of Part IVA subsection 41C(2) of the Civil Aviation (Carriers' Liability) Act 1959.

SAMPLE

Nothing herein contained shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements, or representations of the undermentioned policy, other than as above stated.

This endorsement shall form a part of AIRLINE INSURANCE FORM PAC-99 attached to Policy Number SIHL1-8576 issued through United States Aviation Underwriters, Incorporated in favor of Polar Air Cargo, Inc. and shall take effect on the 23rd day of June 1999, 12:01 AM Local Standard Time.

UNITED STATES AVIATION UNDERWRITERS, INCORPORATED  
Aviation Managers

By \_\_\_\_\_ 

Polar Air Cargo, Inc.  
SIHL1-8976

Endorsement Number 11.

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Figure 4-5.6: Certificate of Insurance for Polar Air Cargo with accompanying policy endorsement (cont)



**MARSH**  
An MW Company

**Schedule of Insurers**

**Polar Air Cargo, Inc.**

**Term:** June 23, 2000 to June 23, 2001

**Coverages:**  
AIRCRAFT LIABILITY INSURANCE  
AIRCRAFT HULL INSURANCE  
AIRCRAFT SPARE PARTS INSURANCE  
COMPREHENSIVE GENERAL LIABILITY INSURANCE

<b><u>INSURERS</u></b>	<b><u>POLICY NUMBER</u></b>	<b><u>PARTICIPATION</u></b>
<b>United States Aircraft Insurance Group</b> Address: One Seaport Plaza, 199 Water Street, New York, NY 10038	SWL 1-9001	22.5%
<b>Various Insurers through Marsh Aviation (London)</b> Subscribing Lloyd's Underwriters for percentages as on file with Marsh Aviation being part of 100% of 33.5%  Subscribing members of the Institute of London Underwriters for percentages as on file with Marsh Aviation being part of 100% of 33.5%  Subscribing Insurance Companies for percentages as on file with Marsh Aviation being part of 100% of 33.5%  Address: Marsh Ltd., Aviation Division, 2nd Flr, No. 1 the Marsh Centre, London E1 8DX UK	AW818600	33.5%
<b>The Member Companies of Associated Aviation Under-writers, Inc.</b> Address: 51 JFK Parkway, Short Hills, NJ 07078	SP6480	10.0%
<b>GENERALI France</b> (through La Reunion Aerieenne) Address: 50, rue Ampere, 75017 Paris, France	2000/01228	19.0%
<b>American Home Assurance Company</b> (through AIAA, Inc.) Address: 100 Colony Square, Suite 1000, Atlanta, CA 30361	HL33391316-01	5.0%
<b>New York Marine &amp; General Insurance Company</b> (through Mutual Marine Office, Inc.) Address: 330 Madison Avenue, 7th Flr, New York, NY 10017-5001	MMO-21882AV500	5.0%
<b>Intercargo Insurance Company</b> (through Brockbank Insurance Services, Inc.) Address: 1111 Chapala Street, Suite 300, Santa Barbara, CA 93101	PXLA37000021-00	5.0%
	<b>TOTAL</b>	<b>100.0%</b>

**SEVERAL LIABILITY NOTICE**

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligation.

Each of the above Insurers, Individually, has authorized Marsh Aviation to issue this certificate on its behalf. Marsh Aviation is not an insurer and has no liability of any sort under the above policies, nor as a result of the issuance of this Certificate.

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Figure 4-5.6: Certificate of Insurance for Polar Air Cargo with accompanying policy endorsement (cont)