

PARTIAL GROUNDING LIABILITY

Subject to the following terms and conditions which are applicable only to the insurance afforded by this endorsement and which shall be in addition to all other applicable provisions not revised in this endorsement, it is agreed that:

1. The Definition of GROUNDING is deleted in its entirety and replaced with the following:

“Grounding” means a withdrawal from:

- (a) all flight operations; or
- (b) specified flight operations

of a Certified Aircraft imposed by an airworthiness directive or mandatory order which:

- i. is issued by a Regulatory Authority because of an existing, alleged or suspected condition affecting the safe operation of such aircraft; and
- ii. does not permit flight operations for more than 48 consecutive hours or 5 flight cycles or 10 flight hours, before the withdrawal from flight operations is imposed.

A Grounding shall commence on the date on which the affected aircraft ceases flight operations in accordance with the first airworthiness directive or mandatory order imposing the Grounding.

If the first airworthiness directive or mandatory order imposing the Grounding is preceded by:

- i. an airworthiness directive or mandatory order issued by another civil aviation authority; or
- ii. a service bulletin or equivalent issued by the Insured

in respect of the same existing, alleged or suspected condition affecting the safe operation of aircraft and which does not permit flight operations for more than 48 consecutive hours or 5 flight cycles or 10 flight hours, before the withdrawal from flight operations is imposed

that results from an Occurrence arising out of the Products Hazard to which this Insurance applies, then the Grounding shall be deemed to commence on the date on which the affected aircraft ceases flight operations in accordance with such earlier airworthiness directive or mandatory order or service bulletin or equivalent

A Grounding shall be deemed to continue notwithstanding any operation of affected aircraft for non-commercial, non-revenue flights that are permitted by the airworthiness directive or mandatory order, or by other specific approval issued by the civil aviation authority with jurisdiction over the affected aircraft.

AIRCRAFT BUILDERS COUNCIL - PRODUCTS LIABILITY POLICY

A Grounding shall cease on the earlier of the date when:

- i. applicable to Grounding from all flight operations: the affected aircraft is no longer withdrawn from all flight operations by the terms of any airworthiness directive or mandatory order issued by a Regulatory Authority in respect of the existing, alleged or suspected condition; or
- ii. applicable to Grounding from specified flight operations: the affected aircraft is no longer withdrawn from the specified flight operations by the terms of any airworthiness directive or mandatory order issued by a Regulatory Authority in respect of the existing, alleged or suspected condition or
- iii. all airworthiness directives and mandatory orders issued by Regulatory Authorities in respect of the existing, alleged or suspected condition are withdrawn or become ineffective in respect of the affected aircraft.

2. Limits of Liability

The Limits of Liability applicable to this endorsement are as follows:

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| Grounding from specified flight operations: | USD | aggregate |
| Subject to a total limit applicable to all Groundings of: | USD | aggregate |