

**NON-OCCURRENCE 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 Insuring Agreement for COVERAGE B – GROUNDING LIABILITY is deleted in its entirety and replaced with the following:

To pay on behalf of the Insured all sums which the Insured shall become legally liable to pay as damages for the loss of use of aircraft occurring after delivery to and acceptance by a purchaser or purchasers or operator or operators of such aircraft in respect of a Grounding that:

- A. results from an Occurrence arising out of the Products Hazard to which this Insurance applies; or
- B. arises out of the Products Hazard to which this Insurance applies and does not result from an Occurrence.

In the event of a Grounding that results from an Occurrence, the date of loss of all claims arising from the Grounding shall be the date on which the last Occurrence takes place which gives rise to the first airworthiness directive or mandatory order imposing the Grounding.

In the event of a Grounding that does not result from an Occurrence, the date of loss of all claims arising from the Grounding shall be the Effective Date of the first airworthiness directive or mandatory order imposing the Grounding.

2. The following paragraph within the definition of Grounding is deleted:

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 all flight operations in accordance with such earlier airworthiness directive or mandatory order or service bulletin or equivalent.

and replaced with the following:

then the Grounding shall be deemed to commence on the date on which the affected aircraft ceases all flight operations in accordance with such earlier airworthiness directive or mandatory order or service bulletin or equivalent.

## AIRCRAFT BUILDERS COUNCIL - PRODUCTS LIABILITY POLICY

3. Definitions is amended by the addition of the following definition:

### EFFECTIVE DATE

“Effective Date” means the effective date as stated in the airworthiness directive or mandatory order, or if not stated as a specific date, the issued date of the airworthiness directive or mandatory order.

4. Exclusions

In addition to the exclusions applicable to Grounding coverage, the insurance afforded by this endorsement does not apply, in respect of Coverage B only, to:

loss of use of any aircraft resulting from:

- i. a delay in or lack of performance by the Insured of any contract or agreement, or
- ii. the failure of any product furnished by the Insured or work performed by or for the Insured to meet the level of performance warranted or represented by the Insured.

5. Limits of Liability

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

Grounding which results

From an Occurrence:           USD                   aggregate

Grounding which does not

result from an Occurrence:           USD                   aggregate

Subject to a total limit

applicable to all Groundings of:    USD                   aggregate