

AIRLINE FINANCE/LEASE CONTRACT ENDORSEMENT (HULL WAR)

It is noted that the **Contract Party(ies)** have an interest in respect of the **Equipment** under the **Contract(s)**. Accordingly, with respect to losses occurring during the period from the **Effective Date** until the expiry of the Insurance or until the expiry or agreed termination of the **Contract(s)** or until the obligations under the **Contract(s)** are terminated by any action of the Insured or the **Contract Party(ies)**, whichever shall first occur, in respect of the said interest of the **Contract Party(ies)** and in consideration of the **Additional Premium** it is confirmed that the Insurance afforded by the Policy is in full force and effect and it is further agreed that the following provisions are specifically endorsed to the Policy:-

1. In respect of any claim on **Equipment** that becomes payable on the basis of a Total Loss, settlement (net of any relevant **Policy Deductible**) shall be made to, or to the order of the **Contract Party(ies)**. In respect of any other claim, settlement (net of any relevant **Policy Deductible**) shall be made with such party(ies) as may be necessary to repair the **Equipment** unless otherwise agreed after consultation between the Insurers and the Insured and, where necessary under the terms of the **Contract(s)**, the **Contract Party(ies)**.

Such payments shall only be made provided they are in compliance with all applicable laws and regulations.

2. Insurers shall be entitled to the benefit of salvage in respect of any property for which a claims settlement has been made.
3. The **Contract Party(ies)** are included as Additional Insured(s).
4. The provisions of this Endorsement apply to the **Contract Party(ies)** solely in their capacity as financier(s)/lessor(s) in the identified **Contract(s)** and not in any other capacity. Knowledge that any **Contract Party** may have or acquire or actions that it may take or fail to take in that other capacity (pursuant to any other contract or otherwise) shall not be considered as invalidating the cover afforded by this Endorsement.
5. The cover afforded to each **Contract Party** by the Policy in accordance with this Endorsement shall not be invalidated by any act or omission (including misrepresentation and non-disclosure) of any other person or party which results in a breach of any term, condition or warranty of the Policy PROVIDED THAT the **Contract Party** so protected has not caused, contributed to or knowingly condoned the said act or omission.
6. The **Contract Party(ies)** shall have no responsibility for premium and Insurers shall waive any right of set-off or counterclaim against the **Contract Party(ies)**, except in respect of outstanding premium in respect of the **Equipment**.
7. Upon payment of any loss or claim to or on behalf of any **Contract Party(ies)**, Insurers shall to the extent and in respect of such payment be thereupon subrogated to all legal and equitable rights of the **Contract Party(ies)** indemnified hereby (but not against any **Contract Party**). Insurers shall not exercise such rights without the consent of those indemnified, such consent not to be unreasonably withheld. At the expense of Insurers, such **Contract Party(ies)** shall do all things reasonably necessary to assist the Insurers to exercise said rights.
8. Except in respect of any provision for Cancellation or Automatic Termination specified in the Policy or any endorsement thereof, cover provided by this Endorsement may only be cancelled or materially altered in a manner adverse to the **Contract Party(ies)** by the giving of Seven (7) days (or such lesser period as may be customarily available) notice in writing to the **Appointed Broker**. Notice shall be deemed to commence from the date such notice is given by the Insurers. Such notice will NOT however be given at normal expiration date of the Policy or any endorsement.

EXCEPT AS SPECIFICALLY VARIED OR PROVIDED BY THE TERMS OF THIS ENDORSEMENT:-

1. **THE CONTRACT PARTY(IES) ARE COVERED BY THE POLICY SUBJECT TO ALL TERMS, CONDITIONS, LIMITATIONS, WARRANTIES, EXCLUSIONS AND CANCELLATION PROVISIONS THEREOF.**
2. **THE POLICY SHALL NOT BE VARIED BY ANY PROVISIONS CONTAINED IN THE CONTRACT(S) WHICH PURPORT TO SERVE AS AN ENDORSEMENT OR AMENDMENT TO THE POLICY.**

SCHEDULE IDENTIFYING TERMS USED IN THIS ENDORSEMENT

1. **Equipment** (Specify details of any aircraft, engines or spares to be covered):
2. **Policy Deductible** applicable to physical damage to the **Equipment** (insert all applicable Policy deductibles):
3. **Contract Party(ies):**
4. **Contract(s):**
5. **Effective Date** (being the date that the **Equipment** attaches to the Policy or a specific date thereafter):
6. **Additional Premium:**
7. **Appointed Broker:**

AVN 67B (Hull War) 28.9.94