



# Commercial Union Assurance

2010.052.42 (1 LET...)  
03

British General Insurance Company Limited · Commercial Union Assurance Company Limited · Edinburgh Assurance Company Limited  
Employers' Liability Assurance Corporation Limited · Fine Art & General Insurance Company Limited  
Indemnity Marine Assurance Company Limited · London and Scottish Assurance Corporation Limited  
Merchants Marine Insurance Company Limited · National Guarantee and Suretyship Association Limited  
National Insurance Co. of Great Britain Limited · North British & Mercantile Insurance Company Limited  
Northern Assurance Company Limited · Ocean Accident & Guarantee Corporation Limited  
Ocean Marine Insurance Company Limited · Palatine Insurance Company Limited · Railway Passengers Assurance Company  
Scottish Metropolitan Assurance Company Limited · Union Assurance Society Limited  
Welsh Insurance Corporation Limited · West of Scotland Insurance Office Limited · White Cross Insurance Company Limited

34, High Street, Wick, Caithness

Wick 2348/9

G.F. Trowbridge, Esq.,  
Town Clerk,  
Dornoch Town Council,  
Dornoch,  
Sutherland.

*This matter is being dealt with by:*  
Mr. Gardiner.

29th June, 1972.

Dear Mr. Trowbridge,

### AIRSTRIP - LIABILITY INSURANCE

Referring to our conversation yesterday I enclose a specimen copy of the "Ariel" Airport Owners & Operators Liability Insurance policy form. At this stage the only cover you would require would be obtained under Section 1 of the form.

Basically this provides the Council with an indemnity in respect of claims made upon them by parties who have suffered bodily injury or property damage caused by the fault or negligence of the Council or its employees in connection with the operation of the airstrip, subject to the terms and conditions of the policy.

The limit of indemnity required for any one accident has to be decided by the Council and the appropriate premiums quoted by the Lloyds underwriters are as follows:-

<u>Limit of Indemnity</u>	<u>Annual Premium</u>
£100,000	£ 50
£250,000	£ 75
£500,000	£125 X
£1000,000	£200

If you will be good enough to advise me what limit the Council selects/

/selects I shall arrange for the policy to be issued to you.  
Should you have any queries about this insurance please let me know.

Yours sincerely,

*Argentine*

LOCAL MANAGER.

Enc.

# ARIEL

## AIRPORT OWNERS AND OPERATORS LIABILITY INSURANCE

**Whereas** the Assured named in the Schedule herein has made to Us the Underwriters who have hereunto subscribed our Names, a written proposal and declaration, bearing the date specified in the Schedule, which is hereby agreed to be the basis of this contract and is deemed to be incorporated herein and has paid to Us the premium or consideration (subject to adjustment as hereinafter provided) specified in the Schedule.

**Now we the Underwriters** hereby agree to the extent and in the manner hereinafter provided, to pay on behalf of the Assured all sums which the Assured shall become legally obligated to pay or by final judgment be adjudged to pay up to but not exceeding the amounts specified in the Schedule, to any person or persons as damages

- (a) for bodily injury including death at any time resulting therefrom (hereinafter referred to as bodily injury) or
- (b) for loss of or damage to property of others (hereinafter referred to as property damage) caused by accident occurring during the period mentioned in the Schedule and arising out of the hazards set forth in Sections 1, 2 and 3 below.

### SECTION 1

Bodily injury or property damage

- (a) in or about the premises specified in the Schedule, as a direct result of the services granted by the Assured
  - (b) elsewhere in the course of any work or of the performance of any duties carried out by the Assured or his employees in connection with the business or operations specified in the Schedule,
- caused by the fault or negligence of the Assured or any of his employees engaged in the Assured's business or by any defect in the Assured's premises, ways, works, machinery or plant used in the Assured's business.

**This section is subject to the following exclusions:—**

1. Loss of or damage to property owned or occupied by or in the care, custody or control of the Assured or of any servant of the Assured, but this exclusion shall be deemed not to apply to vehicles that are not the property of the Assured whilst on the premises specified in the Schedule.
2. Bodily injury or property damage caused by
  - (a) any mechanically propelled vehicle which the Assured 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.
  - (b) any Ships, Vessels, Craft or Aircraft owned, chartered, used or operated by or on account of the Assured, but this exclusion shall be deemed not to apply to aircraft owned by others which are on the ground and for which indemnity is otherwise granted under Section 2 of this Policy, whether such Section is insured hereunder or not.
3. 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 Underwriters.
4. Bodily injury or property damage arising out of construction of, demolition of or alterations to Buildings, Runways, or Installations by the Assured or his contractors or sub-contractors (other than normal maintenance operations) unless previously agreed by Underwriters.
5. Bodily injury or property damage arising out of any goods or products manufactured, constructed, altered, repaired, serviced, treated, sold, supplied or distributed by the Assured or his employees after such goods or products have ceased to be in the possession or under the control of the Assured, but this exclusion shall be deemed not to apply to the supply, by the Assured, of food or drink at the premises specified in the Schedule.

### SECTION 2

Loss of or damage to Aircraft or Aircraft equipment, not the property of the Assured, whilst on the ground in the care, custody or control of the Assured.

**This section is subject to the following exclusions:—**

- (a) Loss of or damage to robes, wearing apparel, personal effects or merchandise of any description.
- (b) Loss of or damage to Aircraft or Aircraft equipment, hired or leased by or loaned to the Assured.
- (c) Loss of or damage to any Aircraft while in flight as defined.

### SECTION 3

Bodily injury or property damage arising out of the possession, use, consumption or handling of any goods or products manufactured, constructed, altered, repaired, serviced, treated, sold, supplied or distributed by the Assured or his employees after such goods or products have ceased to be in the possession or under the control of the Assured.

**This section is subject to the following exclusions:—**

- (a) Damage to the property of the Assured or to property within his care, custody or control.
- (b) The cost of repairing or replacing any defective goods or products manufactured, constructed, altered, repaired, serviced, treated, sold, supplied or distributed by the Assured or any defective part or parts thereof.
- (c) Loss arising out of improper or inadequate performance, design or specification but this exclusion shall be deemed not to apply to bodily injury or property damage as insured hereby resulting therefrom.
- (d) Loss of use of any Aircraft not actually lost or damaged in an accident giving rise to a claim hereunder.

**Exclusions applicable to all sections of this policy:—**

1. THIS POLICY DOES NOT COVER liability for bodily injury to any person, who at the time of sustaining such injury is engaged in the service of the Assured or acting on his behalf, or liability for which the Assured or his insurer may be held liable under any workmans compensation, unemployment compensation or disability benefits law or any similar law.
2. THIS POLICY DOES NOT COVER the cost of making good any faulty workmanship for which the Assured, his employees, contractors or subcontractors may be liable (but this limitation shall not exclude resulting damage arising out of such faulty workmanship).
3. THIS POLICY DOES NOT COVER liability assumed by the Assured by Agreement under any Contract unless such liability would have attached to the Assured even in the absence of such Agreement.
4. THIS POLICY DOES NOT COVER liability of the Assured directly or indirectly occasioned by, happening through or in consequence of War, invasions, act of foreign enemy, hostilities (whether War be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.
5. THIS POLICY DOES NOT COVER liability arising out of the operation of an airfield control tower unless previously agreed by Underwriters.
6. Each section of this Policy excludes liability which is or would be covered under any other

In addition to the limits set out in the Schedule, Underwriters will pay all legal and other costs incurred with their consent in the defence of any claim made against the Assured.

**PROVIDED THAT**

in the event of their requiring any claim to be contested

- (a) If the claim be successfully resisted by the Assured the Underwriters will pay all costs, charges and expenses incurred by the Assured in connection therewith up to but not exceeding the sum insured under this Policy.
- (b) If a payment exceeding the sum insured has to be made to dispose of a claim, the liability of Underwriters to pay any costs, charges and expenses in connection therewith shall be limited to such proportion of the said costs, charges and expenses as the sum insured by this Policy bears to the amount paid to dispose of the claim.

**Definitions :-**

- 1. ACCIDENT. The word "accident" shall be understood to mean an accident or series of accidents arising out of one event or occurrence.
- 2. FLIGHT. The term "in flight" means the time commencing with the actual take off run of the aircraft and continuing thereafter until it has completed its landing run.

**General conditions :-**

- 1. Upon the happening of any accident likely to give rise to a claim under this Policy or upon the receipt by the Assured of notice of any claim or of any other subsequent proceedings, notice in writing with full particulars shall be given to the Underwriters as soon as possible after same shall come to the knowledge of the Assured or the Assured's representative. Every letter, claim, writ, summons or process shall be forwarded to Underwriters immediately on receipt by the Assured.
- 2. All notices as specified above shall be given by the Assured to the person(s) or firm named for the purpose in the Schedule.
- 3. If any claim under this Policy is also covered in whole or in part by any other insurance, the liability of Underwriters shall be limited to their rateable proportion of such claim.
- 4. If the Assured shall make any claim knowing the same to be false or fraudulent as regards amount or otherwise, this Policy shall become void, and all claims hereunder shall be forfeited.
- 5. This Policy may be cancelled at any time at the written request of the Assured or may be cancelled by or on behalf of the Underwriters provided 15 days notice in writing be given. (Where 15 days notice is contrary to the law or statute then the minimum period that is permitted shall be substituted therefor.)  
 If the Policy shall be cancelled by the Assured the Underwriters shall retain the earned premium hereon for the period that this Policy has been in force calculated in accordance with the basis in the Schedule, or the short rate proportion of the minimum premium, calculated in accordance with the customary scale whichever is the greater.  
 If the Policy shall be cancelled by Underwriters they shall retain the earned premium hereon for the period that this Policy has been in force, calculated in accordance with the basis in the Schedule or pro rata of the minimum premium whichever is the greater. Notice of cancellation by the Underwriters shall be effective even though the Underwriters make no payment or tender of return premium.
- 6. It is a condition precedent to the right of the Assured to be indemnified under this Insurance that
  - (a) If after this Insurance has been effected, the risk is materially altered, such alterations must be notified in writing to the Underwriters immediately.
  - (b) No liability shall be admitted and no admission, arrangement, offer, promise or payment shall be made by the Assured without the written consent of Underwriters, who shall be entitled, if they so desire, to take over and conduct in the name of the Assured the defence of any claim or to prosecute in the name of the Assured for their own benefit any claim for indemnity or damages or otherwise against any third party, and shall have full discretion in the conduct of any negotiations or proceedings or the settlement of any claim, and the Assured shall give all such information and assistance as Underwriters may require.
  - (c) The Assured shall and will at all times exercise reasonable care in seeing that the ways, implements, plant, machinery and appliances used in the Assured's business are substantial and sound and in proper order, and fit for the purpose for which they are used, and that all reasonable safeguards and precautions against accidents are provided and used.
  - (d) The Assured shall comply with all International and Government Regulations and Civil Instructions.

**SCHEDULE**

1. THE POLICY NUMBER IS:--	
2. THE NAME AND ADDRESS OF THE ASSURED ARE:--	
3. THE NATURE OF THE ASSURED'S BUSINESS OR OPERATION IN RESPECT OF WHICH THE POLICY IS EFFECTED IS:--	
4. THE PLACE(S) IN OR ABOUT WHICH THE INDEMNITY GRANTED BY THE POLICY IS TO APPLY IS (ARE):--	
5. THE AMOUNT OF INDEMNITY SHALL NOT EXCEED:--	
Section 1.	any one accident
Section 2.	any one accident
Section 3.	any one accident and in the aggregate arising out of all accidents occurring during any one annual period of Insurance.
6. THE DEPOSIT PREMIUM IS	THE MINIMUM PREMIUM IS
AND SHALL BE SUBJECT TO ADJUSTMENT AS FOLLOWS:--	
7. THE PERIOD OF INSURANCE IS FROM	
TO	
8. THE NAME AND ADDRESS OF PERSON(S) OR FIRM TO WHOM ALL NOTICES SHALL BE GIVEN IS:--	
9. THE DATE OF THE PROPOSAL IS:--	