**Clause Description:**

The *Aviation Liability* insurance clause is used to provide coverage for contracts where there is a requirement for the use of an aircraft, operation of an airport premises, or products or services that may be provided or intended for use in flight related activities.

For the purposes of this recommendation, assume that reference is made only for the anticipated use of an aircraft.

**The Recommended Clause – Aviation Liability Insurance**

The Contractor shall obtain Aviation Liability Insurance which shall have limits of not less than ($5,000,000) (CAD) inclusive, per accident or occurrence, and in the aggregate, for bodily injury (including passenger Bodily Injury), death, and damage to property and must maintain that coverage in force throughout the duration of the Contract.

The Purchaser shall be added to the Policy as an Additional Insured with respect to the liability arising out of the Contractor’s work / performance of the Contract.

The Policy shall contain a Cross Liability clause, also known as a Separation of Insureds clause, such that the Policy will provide protection to each Insured in the same manner and to the same extent as if there were a separate policy that had been issued to each Insured.

The Policy shall contain Aviation Passenger Liability and include Medical Payments. Where sub-limits are applicable to the Contractor's policy, such sub-limits must not be less than ($500,000) (CAD) per person. The per accident aggregate limit shall not be less than ($500,000) (CAD) multiplied by the number of passengers.

If such coverage is afforded through a “Claims-Made” style of policy, then such insurance shall be maintained in force at all times during the term of the Contract and for a period of two years thereafter for services completed during the term of the Contract.

Where available, the Contractor shall provide the Owner with not less than 30 days’ written notice in advance of cancellation, material change or amendment restricting coverage.

*(The entities (i.e. Owner, Contractor), and the number (i.e. $500,000), in red font are descriptors that you can substitute for the entities and numbers required for your own specific contract.)*