



U.S. Department of Transportation
Federal Aviation Administration

800 Independence Ave., SW
Washington, DC 20591

August 18, 2004

To: U.S. Carriers with a Federal Aviation Administration (FAA)
Chapter 443 Aviation Insurance Policy

As authorized on July 30, 2004, by extension of Presidential Determination 2004-13 by the Secretary of Transportation, this letter offers aviation war risk insurance for the period September 1, 2004 through 23.59 GMT, December 31, 2004. The insurance coverage being offered for the period is the essentially the same as now being provided by the Federal Aviation Administration and is available for either a combination of hull loss, passenger liability, and third party liability, or if desired, for third party liability only.

A new policy will replace both policies amended to provide coverage starting on February 9, 2004 and new policies issued since that date in their entirety and thereby eliminate the need to issue different sets of amendments based on the date of initial issue of the policy. Changes from existing policies or amendments thereof are minimal. The changes are necessary to reflect the new period insurance, exclusive reliance on Special Federal Aviation Regulations (SFARs) to determine geographical coverage restrictions and exemption procedures, an edit to make the Subrogation Rights statements identical throughout the policy, and correction of miscellaneous typographical errors and omissions in the previous policy. Specific changes to and recurring requirements of the contract of insurance include:

1. The dates of coverage will be from September 1, 2004 through December 31, 2004.
2. Submission of schedules of insured aircraft.
3. Specification of new dates of payment of estimated premiums.
4. Specification of hull insurance premium for the period of coverage (122 day prorata share of the annual hull premium rate).
5. Specification of time requirements for the reconciliation of estimated and actual premium for the period of policy coverage.
6. Restatement of the role of SFAR's in determining applicability of insurance coverage.
7. Edits to make statements of Subrogation Right identical for Parts I, II, and III in policies providing hull, liability, and third party liability coverage and for policies providing only third party liability.

Policies of insurance for the period September 1, 2004 through December 31, 2004 are posted on our website as well as instructions for calculating estimated premiums and a premium invoice. If you are currently insured under Amendment 13 or a policy which provides combined three part coverage, and you want to continue this coverage, you should download *War Risk Insurance Policy (9/1/04 to 12/31/04)* from our website: [Http://Insurance.faa.gov](http://Insurance.faa.gov). Current policyholders wishing to switch from a third-party only liability policy (Amendment 13A) to the combined coverage policy should also download *War Risk Insurance Policy (9/1/04 to 12/31/04)*. If you are currently insured under Amendment 13A and want to continue only third-party liability coverage you should download *War Risk Insurance Policy Liability Only (9/1/04 to 12/31/04)*.

You must sign and fax a copy of the applicable insurance policy to the FAA by 5:00 PM EDT on August 27, 2004 to ensure uninterrupted insurance coverage.

Contact your insurance representative or Eric Nelson at (202) 267-3090, Helen Kish at (202) 267-9943, or Doug Thieman at (202) 267-3315 if you have any questions.

Sincerely,

John M. Rodgers
Director, Aviation Insurance Program Office