



U.S. Department of Transportation
Federal Aviation Administration

800 Independence Ave., SW
Washington, DC 20591

February 2, 2004

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

As authorized by Presidential Determination 2004-13, issued on December 11, 2003, for the Secretary of Transportation, this letter proffers an extension of your FAA Aviation Insurance Policy covering events of terror and war, which is scheduled to terminate at 23:59 GMT on Sunday, February 8, 2004. The policy will remain in effect for 205 days until 23:59 GMT on August 31, 2004, unless otherwise amended or terminated.

Amendment 13 replaces in entirety the existing policy and incorporates the text of amendments made through December, 2003. In addition the following provisions have been included:

1. Expiration date is extended to August 31, 2004.
2. Invoicing and payments for the 205-day duration of the Amendment will be conducted on two dates. The first payment for 50% of the total premium is due on or before February 19, 2004, and the second and final payment is due on or before May 19, 2004.
3. Defines Material Change and establishes requirements for notification to the FAA for Material Changes.
4. Provides for the termination of the contract of insurance if a Material Change results in a condition that goes beyond the statutory authority of the Insurer.
5. Establishes two periods for the reconciliation of deposit to earned premiums.
6. Establishes a date that the Insured must provide an updated schedule of aircraft to the FAA.

Amendment 13A replaces in entirety the existing policy and incorporates the text of amendments made through December, 2003. In addition to items 1 through 5 above, the following provisions have been included:

1. Definition of a "Passenger."
2. A provision for "Other Insured Parties."
3. 50/50 clause provision.

AMENDMENTS FOR EXTENDING FAA INSURANCE

Amendment 13: Provides Hull; Passenger, Crew and Personal Property; and 3rd Party Liability Insurance. If you are currently insured under Amendment 12, which provided this three-part coverage, and you want to continue with this coverage, then you should use Amendment 13 to renew your policy.

Amendment 13A: Provides 3rd Party Liability Insurance Only. If you are currently insured under Amendment 12A (which provided 3rd party liability only) and you want to continue with this coverage, then your policy will be renewed with Amendment 13A. If you are currently insured under Amendment 12A and want the full three-part coverage of Amendment 13, you must go to the website (<http://Insurance.faa.gov>) and download the application materials for new applicants.

The Amendments are posted on our website at <http://Insurance.faa.gov>.

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

Regardless of which extension amendment is applicable, you must sign and fax a copy to the FAA by 5:00 P.M. EST on Thursday, February 5, 2004 to ensure uninterrupted insurance coverage.

Sincerely,

John M. Rodgers
Director, Office of Aviation Policy and Plans