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 Chicago, IL 60606
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HOT AIR BALLOON

PROPOSED EFFECTIVE DATE: _____

A. General Information

Applicant's Name: _____

Applicant's Mailing Address: _____

City: _____ State: _____ Zip: _____

E-Mail: _____ County: _____

Business Telephone Number: _____ Fax: _____

Physical Location of Aircraft: _____

Population within 50 miles of launch site: _____

Other Locations Used (attach additional sheet if required):

Physical Address: _____

City: _____ State: _____ Zip: _____

States, territory, or area balloon will be operated in: _____

Applicant's Contact Person: _____

Producer's Name: _____

Applicant is: Individual Corporation Partnership Other (please describe): _____

Applicant is: Aircraft Owner Aircraft Lessee Borrows or Uses Aircraft Owned by Others

1. Number of years of experience: _____ Number of balloons to be insured: _____

Describe all fractional Aircraft ownership in detail: _____

B. Insurance History

Who is your current insurance carrier (or your last if no current provider)? _____

Provide name(s) for all insurance companies that have provided Applicant insurance for the last three years:

| | Coverage: | Coverage: | Coverage: |
|-----------------|-----------|-----------|-----------|
| Company Name | | | |
| Expiration Date | | | |
| Annual Premium | \$ | \$ | \$ |

Has the Applicant had a claim in the last five years? Yes No

If yes, please describe the circumstances of the claim: _____

Has the Applicant, or any Pilot to be insured, been cited by the FAA in the past five years? Yes No

If yes, please explain: _____

Attach a five year loss/claims history, including details. (REQUIRED)

Have you had any incident, event, occurrence, loss, or Wrongful Act which might give rise to a Claim covered by this Policy, prior to the inception of this Policy? Yes No

If yes, please explain: _____

Has the Applicant, or anyone on the Applicant's behalf, attempted to place this risk in standard markets? Yes No

If the standard markets are declining placement, please explain why: _____

C. Desired Insurance

Hull Coverage:

Basket Hull Value \$ _____ How determined? _____

Envelope Hull Value \$ _____ How determined? _____

Amount of encumbrance: _____ Full Coverage Loan Amount

Lienholder: _____

Lienholder Address: _____

Loan Number: _____ Loan Balance: \$ _____

Will any Lienholder require breach of warranty coverage? Yes No

Limit of Liability:

- \$100,000 per person / \$200,000 per accident / \$300,000 aggregate
- \$100,000 per person / \$200,000 per accident / \$500,000 aggregate
- \$100,000 per person / \$500,000 per accident / \$1,000,000 aggregate
- \$100,000 per person / \$750,000 per accident / \$1,000,000 aggregate
- \$100,000 per person / \$1,000,000 per accident / \$1,000,000 aggregate
- \$250,000 per person / \$1,000,000 per accident / \$1,000,000 aggregate

Other: _____

Select your desired Self-Insured Retention (SIR):

- \$1,000 (Minimum) \$1,500 \$2,500 \$5,000 \$10,000

D. Business Activities

2. Annual Gross Receipts: \$ _____

3. Average cost per ride: \$ _____

4. Is there any unrepaired damage to any of the balloons? Yes No

If yes, please describe: _____

5. Number of passengers allowed in balloon at any one time: _____

6. Maximum number of balloons allowed in air at the same time: _____

7. Estimated number of hours each balloon will be flown for the next 12 months:
(attach additional sheets as required.)

MINIMUM

| | |
|-----------|--|
| Balloon 1 | |
| Balloon 2 | |
| Balloon 3 | |

8. What, if any, are the minimum and maximum age, weight, or height requirements for participants?

| | MINIMUM | MAXIMUM |
|--------------------------|---------|---------|
| Age | | |
| Height (in feet, inches) | | |
| Weight (in pounds) | | |

9. Approximately how many people participate annually? _____

10. Any anticipated operation outside the United States? Yes No

11. Number of pilots: _____

12. Pilot Information:

| Name | License No. | Age | Type of License: Priv, Comm, or Student | # of Years Exper. | Hours Last 12 Months | List Safety Seminar Last 12 months | Hours in this size balloon |
|------|-------------|-----|---|-------------------------|----------------------------|--|-------------------------------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

13. Is Applicant a member of any professional organizations? Yes No
If yes, please identify them: _____

14. How often is balloon checked and inspected? _____

15. Do you keep maintenance records? Yes No
If yes, please describe: _____

16. Who completes required maintenance and repair work?

Name: _____

E-Mail: _____ Business Telephone No.: _____

Fax: _____ Date of last service: _____

Service Description: _____

17. Do you have an accident/emergency plan? Yes No

18. Do you use liability waivers? Yes No
If yes, please attach a copy.

19. Do you have an operating plan or procedures manual? Yes No
If yes, please attach a copy.

E. Activity Breakdown

20. How many weeks out of the year do you fly? _____

21. How many days do you fly per week? _____ How many rides per day? _____

22. %: Pleasure: _____ Advertising: _____ Events: _____ Rides: _____

23. # of Days: Pleasure: _____ Advertising: _____ Events: _____ Rides: _____

24. # of Passengers: Pleasure: _____ Advertising: _____ Events: _____ Rides: _____

Balloon Information

| | Balloon #1 | Balloon #2 | Balloon #3 | Balloon #4 | Balloon #5 |
|---|------------|------------|------------|------------|------------|
| Year Built | | | | | |
| Make | | | | | |
| Model | | | | | |
| "N" Number | | | | | |
| Gondola Serial No. | | | | | |
| Date Purchased | | | | | |
| New or Used? | | | | | |
| Envelope Value *Only if coverage desired | \$ | \$ | \$ | \$ | \$ |
| Gondola Value *if desired (includes burners, frames, and tanks) | \$ | \$ | \$ | \$ | \$ |
| Cubic Feet | | | | | |
| Kevlar Cables? | | | | | |
| Date of Last Inspection | | | | | |
| Inspector's Name | | | | | |
| # of passengers excl. pilot | | | | | |
| Total Hours on Balloon | | | | | |
| # of Hours per year | | | | | |
| Custom Design? | | | | | |
| Custom Artwork? | | | | | |
| Airworthiness Cert. Current? | | | | | |

REPRESENTATIONS AND WARRANTIES

The "Applicant" is the party to be named as the "Insured" in any insuring contract if issued. By signing this Application, the Applicant for insurance hereby represents and warrants that the information provided in the Application, together with all supplemental information and documents provided in conjunction with the Application, is true, correct, inclusive of all relevant and material information necessary for the Insurer to accurately and completely assess the Application, and is not misleading in any way. The Applicant further represents that the Applicant understands and agrees as follows: (i) the Insurer can and will rely upon the Application and supplemental information provided by the Applicant, and any other relevant information, to assess the Applicant's request for insurance coverage and to quote and potentially bind, price, and provide coverage; (ii) the Application and all supplemental information and documents provided in conjunction with the Application are warranties that will become a part of any coverage contract that may be issued; (iii) the submission of an Application or the payment of any premium does not obligate the Insurer to quote, bind, or provide insurance coverage; and (iv) in the event the Applicant has or does provide any false, misleading, or incomplete information in conjunction with the Application, any coverage provided will be deemed void from initial issuance.

The Applicant hereby authorizes the Insurer and its agents to gather any additional information the Insurer deems necessary to process the Application for quoting, binding, pricing, and providing insurance coverage including, but not limited to, gathering information from federal, state, and industry regulatory authorities, insurers, creditors, customers, financial institutions, and credit rating agencies. The Insurer has no obligation to gather any information nor verify any information received from the Applicant or any other person or entity. The Applicant expressly authorizes the release of information

regarding the Applicant's losses, financial information, or any regulatory compliance issues to this Insurer in conjunction with consideration of the Application.

The Applicant further represents that the Applicant understands and agrees the Insurer may: (i) present a quote with a Sub-limit of liability for certain exposures, (ii) quote certain coverages with certain activities, events, services, or waivers excluded from the quote, and (iii) offer several optional quotes for consideration by the Applicant for insurance coverage. In the event coverage is offered, such coverage will not become effective until the Insurer's accounting office receives the required premium payment.

The Applicant agrees that the Insurer and any party from whom the Insurer may request information in conjunction with the Application may treat the Applicant's facsimile signature on the Application as an original signature for all purposes.

The Applicant acknowledges that under any insuring contract issued, the following provisions will apply:

1. A single Accident, or the accumulation of more than one Accident during the Policy Period, may cause the per Accident Limit and/or the annual aggregate maximum Limit of Liability to be exhausted, at which time the Insured will have no further benefits under the Policy.
2. The Insured may request the Insurer to reinstate the original Limit of Liability for the remainder of the Policy period for an additional coverage charge, as may be calculated and offered by the Insurer. The Insurer is under no obligation to accept the Insured's request.
3. The Applicant understands and agrees that the Insurer has no obligation to notify the Insured of the possibility that the maximum Limit of Liability may be exhausted by any Accident or combination of Accidents that may occur during the Policy Period. The Insured must determine if additional coverage should be purchased. The Insurer is expressly not obligated to make a determination about additional coverage, nor advise the Insured concerning additional coverage.
4. The Insurer is herein released and relieved from any and all responsibility to notify the Insured of the possible reduction in any applicable Limit of Liability. The Insured herein assumes the sole and individual responsibility to evaluate, consider, and initiate a request for additional coverage or reinstatement of the annual aggregate Limit of Liability which may be exhausted by any single Accident or combination of Accidents during the Policy Period.

Dated: _____

Dated: _____

Applicant:

Agent/Broker:

Signature

Signature

Print Name

Print Name