

CUT-THROUGH ENDORSEMENT

The Reinsurers hereby agree, at the request and with the agreement of the Reinsured, that if a valid hull or aircraft spares claim arises hereunder the Reinsurers shall pay to the order of the party(/ies) entitled to indemnity under the original insurance effected by the Insured that portion of any loss which the Reinsurers would otherwise be liable to pay to the Reinsured, subject to the following provisions:

- (1) such loss payment shall be in lieu of payment to the Reinsured or its successors in interest and assigns, and shall fully discharge and release the Reinsurers from any and all liability in connection with such a claim under the hull and aircraft spares insurances;
- (2) such loss payment shall be made notwithstanding non-payment of the Reinsured's portion under the original insurance;
- (3) the Reinsurers reserve the right to set off against such payment any outstanding premiums due on the subject hull or aircraft spares;
- (4) if the Reinsured is declared insolvent, bankrupt, in liquidation, in dissolution or in administration by a court of competent jurisdiction to which the Reinsured is subject, the Reinsurers shall only be obliged to make payment under this Endorsement if the court consents to such payment and confirms that such payment fully discharges and releases Reinsurers from further liability in relation to such a claim under the hull or aircraft spares insurances, such consent and confirmation being in a form satisfactory to the Reinsurers. The Reinsurers shall take reasonable steps to obtain such consent and confirmation at Reinsurers' cost. If there is a dispute as to such matters, then the Reinsurers' liability shall be determined by such court at Reinsurers' cost, prior to payment;
- (5) Reinsurers shall not be obliged to make a payment under this Endorsement if such payment would contravene the laws of the jurisdiction to which the Reinsured is subject. The Reinsurers and the Reinsured shall each take all reasonable steps at their own cost to obtain any necessary governmental consent or licence in order to permit such payment to be lawfully made.

AVN 109 24.9.09

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