

15 JUNE 1990

INCLUDES CHANGE 1, 1 JULY 1991

Miscellaneous

HULL SELF INSURANCE (HSI)

This regulation governs policies and procedures relating to the internal CAP Hull Self Insurance Program for the protection of the corporate aircraft fleet.

1. General:

a. The Hull Self Insurance (HSI) is an internal CAP program for protection of the CAP aircraft fleet. It does not shield the individual CAP member from pecuniary liability for damage to an aircraft due to his/her gross negligence (see CAPR 62-2). CAP retains the right to recover from negligent members and/or third parties. The CAP HSI is in excess to other valid and collectable property insurance covering the loss.

b. The HSI is administered by the National Headquarters Director of Logistics (LG), herein referred to as LG.

2. Limits of Coverage:

a. Only Civil Air Patrol owned aircraft may be covered by the HSI.

b. HSI coverage for all aircraft is mandatory unless waived by the National Executive Committee (NEC).

3. How to obtain Coverage:

a. Initial Application:

(1) Initial application for HSI coverage is made through the LG by telephone (AV 875-6032/5737/5427 - AC (205) 293-6032/5737/5427). The following information must be provided the LG for each aircraft to be insured:

- (a) Type and model
- (b) FAA registration number
- (c) Manufacturers serial number
- (d) Year manufactured
- (e) Current location of aircraft

(2) Coverage will begin upon receipt of the above information by the LG. The LG will prepare a CAP Form 131 (see attachment 1) in three (3) copies, for each aircraft. Two copies will be sent to the requesting wing/region. The commander or designated representative should check for accuracy and completeness. Make any changes in red, sip and return the original with full premium payment to the LG.

b. Continuing Coverage. Continuing coverage will be provided using the RCS S-5 Report, Aircraft Hull Self Insurance/Inventory (see attachment 2).

4. Aircraft Premiums:

a. Effective 1 July 1990 the following rate schedule will be effective:

(1) The annual premium base rate will be one percent (1%) of the fair market value of each aircraft at the beginning of the fiscal year.

(2) HSI losses which exceed HSI income in a given year will be assessed in the subsequent year at a rate not to exceed one point three percent (1.3%) of the fair market value.

(3) In addition to annual premium amounts, a reserve of \$500,000 has been established for the HSI account. If the HSI reserve account exceeds \$700,000, a pro rata amount will be credited to accident free wings upon declaration by the National Commander.

b. Payment of Premiums. The initial premium notice will be made on the CAP Form 131 and will be due 30 days from the date the coverage begins. After the initial notice, quarterly premium notices, RCS: S-5 Report, will be sent at least 30 days prior to the beginning of each quarter. Premiums must be received postmarked not later than 1 January, 1 April, 1 July, and 1 October. *NOTE Hull Self Insurance is normally written on a quarterly basis and due by the first day of the quarter. Premiums may be paid on an annual basis (1 Jul - 30 Jun) if desired. The full quarter premium will be due if an aircraft is covered for any period in a quarter.*

c. Premium Adjustments. Premium adjustments for sold or destroyed aircraft may be made. Final determination will be made between the losing wing/region and the LG.

d. Premium Surcharge. A surcharge of up to twenty percent (20%) of a wing's annual HSI premium may be imposed on any wing that creates or presents excessive HSI claims in any fiscal year. The decision to impose any surcharge shall be made by the National Commander based on the recommendation of LG.

5. Cancellation. Coverage may be cancelled by written notice. Annotation of the S-5 Report is considered written notice. Cancellation is automatic for the following reasons:

a. Sale or total destruction of an aircraft.

b. Quarterly premiums not paid by the 15th day of the first month of the quarter unless extended by the LG.

6. Claims:

a. Claims will normally be adjusted between the wing/region and the LG. Independent adjusters may be used when the LG deems it necessary. The LG will have final determination on all claims.

b. When a covered loss occurs, the insured wing/region/must:

(1) Protect the aircraft. Any further loss due to failure to protect the aircraft will not be covered. However, all reasonable expenses incurred protecting the aircraft will be paid as part of the loss claim.

(2) Notify National Headquarters by phone as soon as practicable (reference CAPR 62-2). Follow the telephone notice by written notice using CAP Form 132, HSI Claim Form, (see attachment 3). Send the required documents

Supersedes CAPR 900-6, 3 July 1989. (See signature page for summary of changes.)

OPR: LG

Distribution: In accordance with CAPR 5-4.

to:

National HQ CAP/LG
Building 714
Maxwell AFB; AL 36112-5572

(3) Written notice must be received by LG within 30 days after the loss unless extended by the LG. This notice will include a copy of the CAP Form 78 and a completed CAP Form 79 Investigation, if required (see CAPR 62-2), pictures of the damage, and at least (2) written estimates. Only one written estimate is required for an aircraft that is totaled (cost of repair plus salvage value exceeds the current value listed on the S-5 Report). If an estimate would be impossible to get or would require payment, the region commander may certify an aircraft as totaled.

(4) If the pilot in command is covered by non-owner hull insurance, it is the primary coverage on the loss. LG will work with the wing and the individual's insurance company to settle the claim. Amounts recovered in excess of HSI cost will be remitted to the wing/region/responsible for the aircraft.

(a) All claims will be reduced by a \$500 deductible.

(b) Damaged and lost aircraft parts will be replaced with like kind and quality but will not exceed:

1 When repaired by CAP personnel, the actual cost of parts and materials only.

2 When repaired by a commercial source, up to the amount of the lowest estimate unless a supplemental estimate has been submitted and approved by the LG.

c. All payments for partial losses will be made after

the repairs are completed and submission of a final bill(s) to verify all work accomplished.

d. Monies for a total loss will be transferred into the wing/region's Aircraft Modernization Program (AMP) account to be used only for the procurement of aircraft, associated equipment or parts and/or major aircraft repairs.

e. The LG will make final disposition determination of any salvage in accordance with CAPR 67-4.

7. Exclusions. The following losses are not covered by the HSI:

a. Loss to tires unless damaged by fire or theft.

b. Loss due to normal wear and tear or deterioration.

c. Loss due to depreciation.

d. Loss of use.

e. Loss due to war, invasion/revolution or confiscation by legal authority.

f. Loss while aircraft is operated without a valid airworthiness certificate.

g. Loss while aircraft is operated by a pilot not properly certified in accordance with FAA regulations and CAPR 60-1 (proper license, medical, etc.).

h. Loss while aircraft is operated by a CAP pilot who has not been properly released in accordance with CAPR 60-1.

i. Loss of personal effects.

8. Waivers. Waivers may be granted to any of the provisions of this regulation by the National Commander or the Executive Director.

OFFICIAL

Signed

WILLIAM A. HEATH III, Ma, USAF
Director of Administration

CLYDE O. WESTBROOK, Jr., Col, USAF
Executive Director

E.E. HARWELL, Maj Gen, CAP
National Commander

3 Attachments

1. CAP Form 131

2. Aircraft Hull Self Insurance/Inventory Report - CAP S-5 Report

3. CAP Form 131

SUMMARY OF CHANGES

This revision establishes premium rates in lieu of the previous four (para 4a); revises RCS: S-5, and CAP Form 131 to reflect the above changes.

Attachment 1. CAP Form 131

CAPR 900-6 (E) Attachment 1

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**HULL SELF INSURANCE
(HSI)**

WING: _____		REGION: _____	
N NUMBER: _____		YEAR: _____	
MAKE-MODEL-SERIAL NUMBER: _____			
DATE AIRCRAFT RECEIVED BY WING (REGION): _____			
PREMIUMS			
CURRENT VALUE*	ANNUAL PREMIUM	QUARTERLY PREMIUM	
\$ _____	\$ _____ ÷ 4 =	\$ _____	
<p>Quarterly premiums will be due and payable on the below listed dates:</p> <p>JANUARY 1st APRIL 1st JULY 1st OCTOBER 1st</p>			
<p>MAKE CHECKS PAYABLE TO: National Headquarters CAP Attn: AC Bldg 714 Maxwell AFB AL 36112-5572</p>			
<p>*CURRENT value cannot exceed the Aircraft Bluebook-Price Digest value for a specific year and model without written justification.</p>			

REGION/WING CC or REPRESENTATIVE			
FOR HQ CAP-USAF/LG USE ONLY			
_____ Initial Insurance Application		Insurance Period _____	
_____ Premium Due - Amt \$ _____		Date Due _____	
_____		_____	
NATIONAL HQ/LG OR REPRESENTATIVE		DATE	
REMARKS:			

Please sign and return original with premium. _____			

<p>NATIONAL HQ CAP/LG - AIRCRAFT MODERNIZATION PROGRAM (AMP) - HULL SELF INSURANCE (HSI) AV 875-6032/5737 or AC 205 293-6032/5737/5427</p>			

Attachment 2. Aircraft Hull Self Insurance/Inventory Report (HSI) - CAP S-5 Report

1. CAP S-5 Report. The instrument for accounting and renewing hull insurance for corporate aircraft is the "Aircraft Hull Self Insurance/Inventory Report, HSI: CAP S-5 Report." Only corporate owned aircraft will be insured through the Hull Self Insurance Program.

2. Procedures. National Headquarters/LG will prepare a quarterly HSI: CAP S-5 Report for each region and wing participating in the program. The report will be sent to the respective region and wing headquarters at least thirty days prior to the first of each quarter. Each commander should ensure that the report is immediately processed and updated as required.

a. Type Aircraft. This column contains the type aircraft and model number.

b. "N" Number. The FAA registration number of the aircraft.

c. Serial Number. The manufacturers serial number of the aircraft.

d. Source Code. The two digit alpha code which shows the source from which the corporation originally obtained the aircraft.

e. Actual Value. This column contains the current Aircraft Bluebook Price Digest value if type and model is included in the publication. If not included in the publication, current sales history will be used to value the aircraft. It is the maximum value for which an aircraft can be insured without written approval from the National Headquarters/LG. It will be adjusted each July as the Price Digest and or sales history changes.

f. Reference Year. This column contains the insurance rehabilitation year for aircraft that have been through the Aircraft Modernization Program. This is a reference for future valuation and not the actual year manufactured or rehabilitated. *NOTE: The code SD in this column represents that the actual value of the aircraft is not included in the Aircraft Bluebook Price Digest, but is determined by past sales history for this type aircraft*

g. Year Manufactured. The year the aircraft was manufactured.

h. Year Acquired. This column contains the year the aircraft was acquired by CAP, not a particular wing.

i. Region and Charter Number. Verify charter number. It is permissible to show all aircraft under the wing charter number.

j. Quarterly Premium. This column will show the quarterly premium due based on the amount of insurance coverage on each aircraft. The total quarterly premium for each region/wing will be due by the first day of each quarter.

3. Suspense Date. The S-5 Report is produced in six copies. A suspense copy is retained by National Headquarters/LG, and the remaining copies are mailed to the respective regions and wings. After the report has been reviewed and updated as necessary, it should be signed by the region/wing commander or designated representative. Copies should then be distributed to the following offices: Wing, Wing LO, Region, Region LO. The original copy and full HSI payment should be returned to National Headquarters/AC postmarked NLT 1 January, 1 April, 1 July, and 1 October.

31 May 90

AIRCRAFT HULL SELF INSURANCE/INVENTORY REPORT (S5) PGM: LG220
 INVOICE #90-01 JUL-SEP 90

ARKANSAS WING

TYPE	AIRCRAFT	N	SERIAL	SRCE	CURRENT	REF	YEAR	YEAR	R	CHARTER	QUARTERLY	REMARKS
MFG	MODEL	NUMBER	NUMBER	CODE	VALUE	YEAR	MFG	ACQ	G	NUMBER	PREMIUM	
CSNA	172	N111ZY	17276611	AF	70,000		86	89	6	03001	219	
CSNA	172	N3173E	17271462	DP	30,500		79	79	6	03001	95	
CSNA	172	N54872	17275074	AF	45,000		82	86	6	03001	141	
CSNA	182	N9303E	18268392	DA	84,000		84	87	6	03001	263	
CSNA	172	N9474L	17276560	AF	70,000		86	87	6	03001	219	
CSNA	172	N98502	17276302	DA	60,500		85	87	5	03001	189	
CSNA	172	N99329	17276432	DA	60,500		85	87	6	03001	189	
CSNA	172	N99792	17276513	AF	60,500		85	85	6	03001	189	
											504,500	
												1,504.00

PLEASE SIGN AND RETURN ORIGINAL WITH PREMIUM TO HQ CAP/AC BY 01 JUN 90

 RGN/WG CG OR REPRESENTATIVE

Attachment 3. CAP Form 132

HSI CLAIM FORM

HSI Claim No. _____
(Hqtrs CAP LG use only)

1. Wing/Region: _____; Date Claim Submitted: _____

2. Aircraft Type: _____; Aircraft N Number: _____ Accident Date: _____

3. The following are attached (enter remarks for items not attached):

	Yes	No	Remarks
a. Copy of CAP Form 78	<input type="checkbox"/>	<input type="checkbox"/>	_____
b. Photographs of damage	<input type="checkbox"/>	<input type="checkbox"/>	_____
c. Two written repair estimates	<input type="checkbox"/>	<input type="checkbox"/>	_____

4. The pilot carries nonowner hull insurance, Yes No ; Insurance will cover the accident, Yes No .

If yes to both questions in paragraph 4:

specify company name, _____

local agent's name and phone number, _____

local agent's address, _____

5. I certify that the damage reported in this HSI claim occurred while the aircraft was on an official CAP activity.

Wing CC or Designated Representative Signature

Printed Name

Duty Title

Date of Signature

Miscellaneous

HULL SELF INSURANCE (HSI)

CAPR 900-6, 15 June 1990, is changed as follows:

Write-in Changes:

Page	Paragraph	Line	Action
2	6b(3)	3	Delete comma after CAP Form 78 and add: "and a completed CAP Form 79 Investigation, if required (see CAPR 62-2),"

OFFICIAL

JOSEPH M. NALL, Colonel, USAF
Executive Director

//Signed//

WILLIAM A. HEATH, Major, USAF
Director of Administration

WARREN J. BARRY, Brigadier General, CAP
National Commander

OPR: LG

Distribution: In accordance with CAPR 5-4.