

OFFICE OF CIVILIAN DEFENSE
WASHINGTON, D.C.

CIVIL AIR PATROL

GM-24

NATIONAL HEADQUARTERS
WASHINGTON, MAY 15, 1942

Subject: Crash Insurance

To: All Unit Commanders

1. GENERAL

This insurance is provided by a master policy which has been filed at National Headquarters, Civil Air Patrol. The insurer under this policy is Great American Insurance Company, New York, a stock company and a member of Aero Insurance Underwriters. Sample copies of this master policy will be available for distribution to local units. Insurance may be obtained at this time by the owner of any plane which is to be used in Civil Air Patrol operations which are performed at the request of, and with funds furnished by, any federal or state government of the United States, or any subdivision, unit, department or agency thereof. Particulars of the policy are as follows:

2. COMPULSORY

On and after June 1, 1942, the carrying of this insurance shall be compulsory on all Civil Air Patrol operations which are performed at the request of, and with funds furnished by, any federal or state government of the United States, or any subdivision, unit, department or agency thereof. No plane shall be used in any such operation until the owner of the plane shall have completely filled out and signed an application for this insurance on a form, supplies of which will be distributed for this purpose to Civil Air Patrol units.

3. HOW TO SECURE THE INSURANCE

The master policy on file at National Headquarters will expire on February 28, 1943 and all insurance provided thereunder will then terminate. This insurance may be secured by the owner of any aircraft which is to be used in any of the Civil Air Patrol operations specified above. Prior to the time at which a plane is used in any of said operations, the owner must complete and sign an application for such insurance. The original and a copy of such application should then be sent at once to National Headquarters by the Base Commander or other Civil Air Patrol Commander who is in charge of the operations in which said plane is to be used. No further procedure is necessary to put this insurance into effect.

4. COST

The premium charge for this insurance will depend on the nature of the Civil Air Patrol operation in which the aircraft is to be used and will be computed on a flying hour basis, there being a standard rate for all aircraft falling within the specified horsepower.

classes. The premium for the various operations for each aircraft of the various horsepower classes may be determined from the following schedule:

<u>PREMIUM CHARGE PER FLYING HOUR PER AIRCRAFT</u>					
<u>HP Class</u>	<u>Coastal Patrol</u>	<u>Courier Service</u>	<u>Misc. Services for</u>		
			<u>State and Federal Defense Agencies</u>	<u>Forest Patrol</u>	<u>Pipe Line Patrol</u>
50-60	\$.75	\$.375	\$.375	\$.50	\$.562
65-75	1.00	.50	.50	.667	.75
80-120	2.25	1.125	1.125	1.50	1.687
125-165	2.75	1.375	1.375	1.833	2.062
175-200	3.25	1.625	1.625	2.166	2.437
225-245	4.00	2.00	2.00	2.666	3.00
250-295	5.00	2.50	2.50	3.333	3.75
300-345	7.50	3.75	3.75	5.00	5.625
350-395	9.00	4.50	4.50	6.00	6.75
400-445	10.50	5.25	5.25	7.00	7.875

When operations which do not fall within one of the above categories are set up, a schedule of premium charges will be worked out.

5. HOW PAYMENT IS MADE

For the use of the aircraft in Civil Air Patrol operations which are performed at the request of, and with funds furnished by, any federal or state government of the United States, or any subdivision, unit, department, or agency thereof, there will be received by the aircraft owner an hourly allowance for the use of such aircraft. This allowance will vary according to the type of operations in which the aircraft is to be involved, and has been determined with consideration of the cost to the owner of carrying crash insurance.

The daily operations report forms which will be submitted to National Headquarters for each of these operations will state the exact hours and minutes each aircraft is used. From these figures, there can be ascertained not only the amount due the owner from the employing agency but also the amount which the owner owes the insurance company for crash insurance. These daily operations reports, therefore, should be submitted to National Headquarters in duplicate, so that the duplicate copy may be forwarded to Aero Insurance Underwriters and the earned premium computed. The Base Commander or the Wing Commander of Civil Air Patrol who is in charge of each of the operations will then be advised at periodic intervals of the exact premium due from each of the aircraft owners for crash insurance and checks made payable to Aero Insurance Underwriters should then be sent into National Headquarters. No checks covering aircraft allowances should be delivered to the aircraft owners until proper arrangements have been made for the payment of the crash insurance premium charges.

6. COVERAGE

The policy covers direct loss or damage, including fire following crash, to the aircraft and to the engines, navigational instruments

and equipment usually and ordinarily attached to, or carried on, the said aircraft, arising during the period from the time the aircraft moves forward in taking off or in attempting to take off for air transit, while in the air, and until the aircraft completes its landing and landing run after contact with the land or water, or due to collision with the ground, water or other object, or due to stranding or sinking, or to towing following a forced landing on water, also disappearance if the aircraft is missing and not reported for 60 days after commencing flight.

It covers any C or NC aircraft owned by a civilian and operated under Civil Air Patrol operations orders by any certificated private or commercial pilot or military pilot approved by Base Commander or Wing Commander of Civil Air Patrol. The coverage shall automatically attach as soon as the owner or agent of the owner has filed a completed application form with a Base Commander or other Commander of the Civil Air Patrol.

The company's liability on any one aircraft does not exceed \$30,000.

In the case of a total loss, the company's liability shall not exceed the amount of insurance on the aircraft involved, less depreciation at an annual rate of 20 percent on new aircraft (i.e. not more than three months old at the time the application form was completed and signed) or at an annual rate of 15 percent on used aircraft.

With respect to any aircraft on which the company pays a total loss, there will become due and payable a premium figured at 10 percent of the amount of insurance, less the total amount of premium already earned under the policy on that aircraft.

The aircraft is covered while in use within the geographical limits of the Continental United States (including Alaska, Canada, 100 miles into Mexico, and waters adjacent thereto not beyond 25 miles from land.)

The policy does not cover any loss or damage while the aircraft is being used for any unlawful purpose if such use is with the knowledge and consent of the owner or while the aircraft is being operated in violation of the regulations of the C.A.A. unless such violation is made because of specific orders from a Base Commander or Wing Commander of Civil Air Patrol or is unavoidable in the performance of a Civil Air Patrol assignment.

Nor does the policy cover any loss or damage caused by, or resulting from:

- (1) The act of any enemy of the United States.
- (2) The insured or its occupants being shot at or bombed by any person whatsoever.

- (3) The participation of the aircraft or its occupants in actual hostilities.
- (4) Insurrection, strike, riot, or civil war.

7. IN CASE OF ACCIDENT

As soon as possible after the occurrence of any accident, the owner or the local CAP officer shall telegraph CAP National Headquarters and Aero Insurance Underwriters and within 60 days should render a statement signed and sworn to by the owner, stating in detail the time, cause, and amount of damage. In the event of any accident to any aircraft insured hereunder, the owner or persons representing him should protect the property from other or further loss or damage and no repairs should be made on the damaged aircraft until report has been made to Aero Insurance Underwriters and an adjuster has had an opportunity to examine the extent of the damage.

8. SUMMARY

The statements contained in this memorandum are merely a summary of the terms and provisions of the crash insurance policy. They are not intended to cover in detail all of the exact terms, provisions, or conditions but simply summarize the more important elements of the policy. For the exact details, reference should in all cases be made to the policy itself.

By direction of National Commander JOHNSON:



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