

31 March 1999

Miscellaneous

THE CAP INSURANCE/BENEFITS PROGRAM

This regulation explains what insurance coverages are provided for Civil Air Patrol (CAP) members and what benefits are available in the case of death or injury during CAP activities.

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Supersedes CAPR 900-5, 1 November 1996. (See signature page for Summary of Changes.)

OPR: GC

Distribution: In accordance with CAPR 5-4

SECTION A—GENERAL INFORMATION

1. The Civil Air Patrol Risk Management Program:

a. General. CAP along with the Air Force provide a network of liability coverages for CAP the organization and CAP members who volunteer their services to CAP and country. CAP coverage will apply when CAP is engaged in corporate activities or missions. The Air Force coverage applies when CAP is engaged in missions certified by CAP-USAF as Air Force assigned.

b. The Air Force/CAP MOU. The Air Force/CAP MOU outlines the basic relationship between CAP and the Air Force. The MOU lists Air Force missions CAP may perform under which CAP and its members receive protection under the Federal Torts Claims Act (FTCA) and the Federal Employees Compensation Act (FECA). Those missions are further defined and explained in CAP's operating directives, CAPR 60-1, *CAP Flight Management*; CAPR 55-1, *CAP Emergency Services Mission Procedures*; and CAPR 50-15, *CAP Operational Missions*.

2. CAP's Insurance Agent. CAP's insurance policies are issued through CAP's authorized agents. See Attachment 1 to this regulation for toll-free numbers, mailing and fax information.

3. Copies of CAP's Insurance Policies, Policy Limits. CAP's insurance policies are maintained at National Headquarters and are not released to anyone absent unusual circumstances. Policy limits are also not publicly released but are ample for normal CAP activities.

4. Proof of CAP Insurance Coverage-Certificates of CAP Liability Insurance. CAP units may be asked to "prove" that CAP has certain liability insurance before being permitted to use facilities or lease buildings. CAPR 87-1, *Acquiring and Accounting for Real Estate and Facilities for Civil Air Patrol*, provides guidance on insurance and hold harmless clauses used in CAP leases of real estate. In general, "hold harmless" clauses should not be included in any CAP lease without the approval of the General Counsel at National Headquarters. CAP members negotiating leases should attempt to use CAP's insurance liability coverage in lieu of "hold harmless" clauses. Also CAP officials negotiating leases for CAP should recognize that CAP's liability insurance does not cover the damage or loss to the building or property being occupied. That coverage is called "fire and extended coverage" and must be obtained by the local unit if required to occupy a building.

How to Prove CAP's Liability Insurance. CAP units may obtain a certificate of any of CAP's liability insurance coverages which constitutes proof of CAP's liability coverage. Those certificates may be obtained by contacting CAP's insurance agents directly. See Attachment 2.

5. Importance of CAP Form 78. It is vitally important that the CAP Form 78, *Mishap Report Form*, be submitted promptly in all cases involving CAP accidents. REPORT ALL ACCIDENTS including, but not limited to bodily injury, vehicle and aircraft. Failure to do so could result in a member being held personally responsible for the damages or medical expenses incurred as a result of an accident. The contents of CAP Forms 78 involving death or serious injury cases should be coordinated in advance with the General Counsel at National Headquarters. Also, no CAP Form 78 should be submitted in cases involving member-owned vehicles without prior coordination with the General Counsel.

6. Notice of Claim or Suit Against CAP. If a claim is made or suit filed against CAP or any person arising out of CAP activities, the person served or notified must immediately contact the Office of General Counsel (see Attachment 2) and forward copies of the served documents to that office by the most expeditious means. Failure to do so may result in a default judgment being entered against CAP and the members being sued.

7. Air Shows. No unit or member of CAP is authorized to sponsor or co-sponsor any air show. CAP units and members may assist with an air show sponsored and conducted wholly by agencies and organizations other than CAP. Prior permission to assist or participate in any air show must be obtained from the National Headquarters/GC. No such advance permission is required if the CAP assistance or participation in an air show is limited to the following:

a. CAP members may be used as guides or to provide directions or information. CAP members may not be used as security guards, or damage control.

b. CAP units may setup a recruiting booth and/or a concession stand selling food and drinks on the premises of an air show, providing that CAP is not in any way acting as a sponsor.

c. CAP members may be used around parked or static display aircraft for guidance, information, or direction. CAP members may be used to direct parking of aircraft but may not taxi aircraft before, during, or after an air show. CAP members may not accept rides in an air show as a part of any official CAP activity.

SECTION B—CAP's NATIONAL INSURANCE PROGRAM—LIABILITY

8. The National Headquarters Liability Insurance Program:

a. General Information. National Headquarters maintains liability insurance policies, which provide liability coverage for CAP organizations. Those policies are (a) General Liability insurance; (b) Vehicle Liability insurance; (c) Aviation Liability insurance. These policies provide liability protection for CAP members while

engaged in CAP duties and are paid for by a combination of dues, assessments and other revenues.

b. Liability Insurance Excludes Property Coverage. Liability insurance protects against claims for negligence, but will not pay for the repair or replacement of member's property damaged or destroyed on CAP activities. CAP and the Air Force both disclaim responsibility for member owned or furnished equipment on CAP activities or Air Force missions. Members are encouraged to provide their own property insurance in the form of hull insurance for aircraft, and collision and comprehensive coverage for vehicles and other personal property.

9. CAP's General Liability Insurance. This policy provides liability protection for CAP and CAP members while performing official CAP activities, including the ground activities on "Corporate Missions" as defined in the various CAP directives, but specifically excludes aviation and vehicle activities.

a. CAP's general liability policy provides coverage for unit meetings, encampments, and general CAP activities. It also provides liability protection for CAP's use of meeting places, buildings, or airport facilities. A certificate of insurance can be obtained from CAP's insurance agent to satisfy lease obligations or the requests of owners while using their facilities.

b. CAP's general liability policy does not cover physical damage to the building which the CAP unit occupies whether under a lease or otherwise. Coverage for the building itself must be obtained locally by the CAP unit occupying the building.

c. CAP's general liability policy also provides coverage to CAP officials for claims of libel and slander. This is intended to protect CAP officials while performing their duties, particularly with respect to membership terminations and nonrenewals.

10. CAP's Vehicle Liability Insurance:

a. CAP Owned Vehicles. CAP's vehicle liability policy provides protection for CAP and CAP members driving CAP owned vehicles on official CAP business other than Air Force assigned missions. The policy protects against claims by anyone in or outside the vehicle who is injured as a result of the alleged negligence of CAP or an authorized CAP driver. See CAPR 77-1, *Operation and Maintenance of Civil Air Patrol Owned Vehicles*, on the use of CAP vehicles.

b. Member Owned Vehicles. The general rule is that travel to and from CAP meetings, conferences, encampments, and other CAP activities in CAP member owned/furnished vehicles is not considered a part of CAP official travel and, therefore, is performed at the risk of the member—not CAP. CAP assumes absolutely no liability for such travel, which is known as the "home-to-work rule." CAP unit commanders may, on a case-by-case basis, specifically authorize the use of a member's vehicle which will make that use the responsibility of CAP and be covered by CAP's vehicle liability policy, but that

prerogative should be exercised only in unusual situations. See CAPR 77-1.

c. Damage to Member Owned Vehicles. CAP assumes no responsibility for loss or damage to member owned or furnished vehicles used on CAP activities. Members are responsible for protecting their own vehicles by carrying collision insurance.

11. CAP's Aviation Liability Insurance:

a. CAP "Corporate Aircraft." CAP's aviation liability policy provides liability protection for CAP and CAP members arising out of CAP aviation "corporate missions" as defined in CAPR 60-1. Gliders and hot air balloons are covered for liability under this policy.

b. Member Owned/Furnished Aircraft. CAP members flying their own or furnished aircraft are also covered by CAP's aviation liability policy while being operated on "corporate missions" as defined in CAPR 60-1.

c. Damage to Member Owned/Furnished Aircraft. CAP assumes no responsibility for loss or damage to member owned or member furnished aircraft used on CAP "corporate missions."

d. Those Protected by CAP's Aviation Liability Insurance. All CAP members involved in CAP aviation "corporate missions" and acting under the scope of CAP regulations are protected under this policy. That includes CAP aircrew members, pilots, check pilots, instructor pilots, CAP maintenance personnel and CAP flight release officials.

SECTION C—AIR FORCE ASSIGNED MISSIONS LIABILITY COVERAGE UNDER FEDERAL TORT CLAIMS ACT (FTCA)

12. General. The Federal Government, through the Department of the Air Force, provides liability protection under the Federal Torts Claim Act (FTCA) to CAP and its members while performing "Air Force assigned missions" within the United States, its territories and possessions as defined and outlined in the Air Force/CAP MOU and various CAP directives including CAPR 60-1. Air Force assigned missions fall into two basic categories, i.e., reimbursed missions or nonreimbursed missions.

a. CAP Aircraft Liability. The FTCA provides protection to CAP or the CAP member arising out of CAP aircraft operations providing such use is on an Air Force assigned mission under CAPR 60-1.

b. CAP Vehicle Liability. The FTCA will provide liability protection to CAP and CAP members arising out of the use of CAP owned vehicles or CAP member owned/furnished vehicles while such operation or use is on an Air Force assigned mission. Travel to and from reimbursable Air Force assigned missions is also covered by both FTCA and FECA. See CAPRs 55-1 and 77-1 for further guidance.

c. Damage to CAP Owned or Member Owned/Furnished Aircraft or Vehicles. The Air Force assumes no responsibility for damage or loss to CAP owned or member owned/furnished aircraft or vehicles

used on Air Force assigned missions. Members are encouraged to furnish their own hull coverage or collision insurance for protection.

**SECTION D—AIR FORCE ASSIGNED MISSIONS—
FECA (FEDERAL EMPLOYEES COMPENSATION ACT) COVERAGE FOR CAP MEMBERS**

13. FECA Coverage For CAP Members. FECA is the Worker's Compensation Program for federal workers. By special law (5 USC 8141), FECA is made applicable to CAP seniors and cadets 18 and older while serving on Air Force assigned missions as follows:

a. While participating in an Air Force assigned *reimbursable mission* including travel to and from.

b. While participating in an Air Force assigned *nonreimbursable flying* mission (but not while traveling to or from).

14. FECA Benefits. FECA benefits for paid federal employees are computed on a percentage of actual salary. There is a special provision in the FECA law that makes CAP volunteers "federal employees" and "presumes" that the CAP member is paid at a GS 9, Step 1 level. Percentages of that salary are taken to compute CAP FECA benefits. A GS-9, Step 1 annual salary as of January 1, 1998 is \$30,257. FECA benefits for CAP members are as follows:

a. **Medical Benefits.** Almost unlimited medical benefits are available without deductions for coinsurance or contribution from the member.

b. Death Benefits:

(1) A surviving spouse entitled to Social Security Survivors benefits will receive 45% of the GS-9, Step 1 pay, (presently \$1,134 per month tax-free) with no additional entitlement for children.

(2) A surviving spouse not entitled to Social Security with no children will receive 50% of the GS-9, Step 1 pay (presently \$1,261 per month tax-free).

(3) A surviving spouse not entitled to receive Social Security will receive 45% and an additional 15% for each child not to exceed a total of 75% of the total GS-9, Step 1 benefit for the surviving spouse and children (presently \$1,891 per month).

(4) Children's eligibility ceases when they reach 18 years of age.

(5) Children without surviving spouse and parents are eligible for reduced compensation.

(6) **Burial Benefits.** \$800 per member, plus transportation expenses of the body if the death occurs away from home.

(7) **Termination of Benefits.** Surviving spouses benefits cease on death or remarriage before age 55,

although a lump-sum settlement may be made with DOL if remarriage takes place before reaching 55. Full benefits are paid if remarriage occurs on reaching 55 or beyond.

c. **Disability Benefits.** Members disabled depending on the degree of disability may be eligible for total disability (presently \$1891 per month) tax-free.

15. Excluded Conduct. If death or injury is caused by any of the following, no FECA benefits shall be payable

a. caused by willful misconduct of the employee;

b. caused by the employee's intention to bring about the injury or death of himself or of another; or

c. proximately caused by the intoxication of the injured employee.

16. Exclusive Remedy. By virtue of being covered by FECA, CAP members and their next of kin may not sue the United States, CAP, or its members for injury or death incurred on missions. This legal bar to suing exists even if the CAP member or next of kin do not receive benefits. Mere coverage creates the bar. CAP members or next of kin who receive FECA benefits must reimburse the United States for those benefits if they sue a third party and recover damages.

17. Casualty Assistance—FECA Claims. Generally, FECA is administered by the US Department of Labor (DOL) who retains final decision authority on FECA claims.

a. **Claims Assistance Responsibility.** HQ CAP- USAF/JA assists with FECA claim processing. The wing CAP liaison officer/NCO is tasked to work directly with the CAP member and/or next of kin to assist in the preparation and submission of necessary claim documents to perfect a FECA claim. This includes assistance in preparing and securing various forms and documents, and extends until such time as the FECA claim is approved or denied. The CAP wing commander may appoint CAP members to assist with the claims effort as circumstances warrant. A *Federal FECA Procedures Manual* is also available through written request to HQ CAP/GC, 105 South Hansell Street, Maxwell AFB AL 36112-6332. This manual is designed to give detailed information regarding the claims process.

**SECTION E—SENIOR MEMBER AND CADET ACCIDENT, LIFE AND MEDICAL BENEFITS—
AUTOMATIC COVERAGE**

18. General. As a benefit of membership, CAP provides a self-insured accident coverage for both senior members and cadets, which provides benefits in the event of injury or death that occur during CAP authorized activities. This is a self-insured program paid out of CAP's general fund and not a commercial insurance policy.

19. Senior and Cadet Benefits:

- a. Accidental Death - \$10,000
- b. Medical Expenses - \$8,000 less a \$50 deductible per claim

20. Medical Expense Benefit Excess to Existing Coverage. The medical expense benefits payable under this regulation is excess to any existing medical coverage available to senior or cadet members including family or employer type "Blue Cross" or HMO coverages. These other coverage must be exhausted before CAP provided self-insured medical expense benefits apply. The CAP medical expense benefits will pay (a) if there is no other applicable insurance, or (b) for that portion of the other policy coverage not paid such as coinsurance deductible (not including standard deductibles), etc., up to \$8,000 per occurrence. All medical expense benefit payments are subject to the \$50 per claim deductible.

21. Death Benefits Not Excess to Existing Coverage.

The accidental death benefit of \$10,000 is payable regardless of the availability of other insurance.



DAVID L. MILLER
Chief, Administration

22. Excludable Claims. No CAP accidental death or medical benefit is payable if:

- a. Injuries or death are self inflicted or caused by intoxication, drug use or gross misconduct.
- b. There is coverage by FECA, state or any other type of Workmen's Compensation. Provisions (a) and (b) may be waived by the Executive Director.

23. Claims Procedures. All claims for these benefits must be submitted on a CAP Form 80, *Civil Air Patrol Death Benefit/Medical Expense Claim Form*, (reproducible copy at Attachment 2) together with a CAP Form 78 and such other documents that pertain to the incident. The claim documents must be submitted to National Headquarters:

HQ CAP /GC
Building 714, 105 South Hansell Street
Maxwell AFB AL 36112-6332

SECTION F—MISCELLANEOUS COVERAGES

24. Aircraft Hull Self Insurance (HSI)/Vehicle Self Insurance (VSI). CAP owned aircraft and certain CAP owned vehicles are covered by separate self-insurance funds maintained at National Headquarters/LG. These are not commercial insurance policies, but rather a fund created out of CAP revenues. See CAPR 900-6, *Hull Self Insurance (HSI)*, and CAPR 900-7, *Vehicle Self Insurance (VSI)*. These programs have separate assessments for coverages.

PAUL J ALBANO SR.
Colonel, CAP
Executive Director

JAMES C. BOBICK
Brigadier General, CAP
National Commander

SUMMARY OF CHANGES

Corporate Legal Counsel (CLC) has been changed to the Office of the General Counsel (GC). The purpose of the change in title of this position is to conform to the title most commonly used in the corporate world (as well as in the office of the Secretary of the Air force). The importance of CAPFs 78 being promptly submitted in all cases involving injury or death while participating in CAP activities. In accordance to the US OPM--1998 General Schedule, new rates have been established for the FECA death benefit package. The OWCP has provided CAP with a *Federal FECA Procedures Manual* to give detailed information regarding the claims process.

NOTE: Bars in the margins identify updated information.

Insurance Information

All commercial policies for Civil Air Patrol's national insurance program are issued through the following agents:
(For all certificates of insurance)

AGENT

Huntleigh/McGehee, Inc.
1401 South Brentwood Blvd., Suite 625
St. Louis MO 63144
Toll Free: 1-800-489-6626
FAX: 314-725-0908

COVERAGE

Automobile Liability

AirSure Ltd
25548 Genessee Trail Road
Golden CO 80401
Toll Free: 1-888-947-3365
FAX: 303-526-5303

Aviation Liability
General Liability

Other Contacts

AF JUDGE ADVOCATE

David R. Cordingly, Major, USAF
HQ CAP-USAF/JA
Bldg 714, 105 S. Hansell St.
Maxwell AFB AL 36112-6332
Tel: 334-953-6644

GENERAL COUNSEL

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National Headquarters Civil Air Patrol
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DSN: 493-6019
FAX: 334-265-4352

**CIVIL AIR PATROL DEATH BENEFIT/MEDICAL EXPENSE CLAIM FORM
(SENIOR MEMBERS AND CADETS)**

Name of Injured or Deceased Member _____ Senior Cadet
Last First Middle Initial

CAP Charter No: _____ CAP Member Serial No: _____ Date of Birth _____
Day Month Year

Address: _____
Street City State Zip

PART I: ACCIDENT INFORMATION

When and Where did this accident occur: _____
Date City State

Give a brief description of the accident: _____

Was the injured person involved in an official activity? _____

Person who authorized CAP Activity:

Name and Grade: _____ Position: _____

Address: _____ Phone No. _____
Street City State

NOTE: ATTACH CAP FORM 78 IF AVAILABLE. ATTACH DEATH CERTIFICATE IF APPLICABLE.

PART II: FAMILY INFORMATION (Do Not Complete in Death Cases)

Name of Employer, (Parents of Cadets): _____

Occupation: _____

PART III: OTHER INSURANCE INFORMATION (Do Not Complete in Death Cases)

Is there medical reimbursement coverage available from any insurance company or program e.g.

Champus: Yes _____ No _____

Name of Insurance Company: _____ Policy No: _____

Address: _____ Phone No. _____
Street City State

Agent Name & Address: _____

Agent Telephone Number: (Area Code) _____

Have you filed a claim with another insurance company? _____

Are you covered by Workers Compensation from this accident? _____

PART IV: REIMBURSEMENT INFORMATION (Do Not Complete in Death Cases)

Total amount of medical expenses incurred for the accident (attach bills) _____

Reimbursement from other insurance (attach claim information & copy of payment) _____

Indicate amount of other insurance deductible _____

Indicate amount of other insurance co-insurance (attach copy of payment) _____

Indicate to whom CAP benefit check should be payable: _____

Will there be additional amounts claimed from CAP? Yes _____ No _____

IMPORTANT: To avoid delay, please sign Authorization below:

I hereby authorize any Insurance Company, Organization, Employer, Hospital, Physician, Surgeon, or Pharmacist to release any information requested with respect to this claim and the attached bills.

I certify that the information furnished in this report is true and correct to the best of my knowledge.

Date _____ 19 ____

Signed Member: _____

Charter No.: _____ Serial No.: _____

Parent/Guardian/Next of kin: _____
(if member is a minor)

Address: _____
Street City State Zip Code

Telephone No.: _____ Home

_____ Work

ALL BILLS TO BE CONSIDERED FOR REIMBURSEMENT MUST BE ATTACHED TO THIS STATEMENT.

SEND TO: NATIONAL HEADQUARTERS
CIVIL AIR PATROL/GC
BLDG 714, 105 S. HANSELL ST.
MAXWELL AFB AL 36112-6332

NOTE: Benefits are payable only for accidental injuries or deaths incurred on official CAP activities. Medical benefits are excess to existing coverage and will be made to the member or family only. (See CAPR 900-5)