

Blanket Accident Insurance

SPECIAL RISK INSURANCE PROGRAM

FOR: ACADEMY OF MODEL AERONAUTICS

Producer:

FIRST INSURANCE GROUP, LLC DBA THE HARRY A KOCH CO
11949 Q STREET
OMAHA, NE 68137-0000
ATTN LESLIE BOESEN

Chubb Servicing Office:

GROUP BENEFITS
SEARS TOWER
233 S. WACKER DR., SUITE 4700
CHICAGO, IL 60606
ATTN SUSAN HAVRISH

Federal Insurance Company
a member insurer of the
Chubb Group of Insurance Companies
15 Mountain View Road
P.O. Box 1615
Warren, New Jersey 07061-1615

Words and phrases that appear in **bold** print have special meanings and are defined in the Definitions section(s) of this contract.

Throughout this policy the words "you" and "your" refer to the **Policyholder** shown in the Declarations of this policy. The words "we", "us" and "our" refer to the **Company** providing this insurance.

PRIVACY POLICY AND PRACTICES

THIS NOTICE IS BEING SENT TO THE MASTER POLICYHOLDER OF A GROUP INSURANCE POLICY. IT DESCRIBES CHUBB'S POLICY FOR HANDLING CERTAIN PERSONAL INFORMATION OF ITS INDIVIDUAL CUSTOMERS.

Chubb has been serving the insurance needs of our customers for more than a century. To continue to provide innovative products and services that respond to your insurance needs, Chubb collects certain personal information about you, which is described below in **The Personal Information We Collect**. At Chubb, we respect the privacy of our customers. Chubb's personal information handling practices are regulated by law, and this Privacy Policy describes those practices.

Chubb's Privacy Policy

The Personal Information We Collect. Chubb collects personal information about you and the members of your household to conduct business operations, provide customer service, offer new products, and satisfy legal and regulatory requirements.

We may collect the following categories of information about you from these sources:

- Information from you directly or through your agent, broker, or, automobile assigned risk plan, including information from applications, worksheets, questionnaires, claim forms or other documents (such as name, address, driver's license number, and amount of coverage requested).
- Information about your transactions with us, our affiliates or others (such as products or services purchased, claims made, account balances and payment history).
- Information from a consumer reporting agency (such as motor vehicle reports).
- Information from other non-Chubb sources (such as prior loss information and demographic information).
- Information from visitors to our websites (such as that provided through online forms and online information collecting devices known as "cookies"). Chubb does not use "cookies" to retrieve information from a visitor's computer that was not originally sent in a "cookie".
- Information from an employer, benefit plan sponsor, benefit plan administrator or master policyholder for any Chubb individual or group insurance product that you may have (such as name, address and amount of coverage requested).

The Personal Information We Share. Chubb may disclose the personal information we collect to service, process, or administer business operations such as underwriting and claims, and for other purposes such as the marketing of products or services, regulatory compliance, the detection or prevention of fraud, or as otherwise required or allowed by law. These disclosures may be made without prior authorization from you, as permitted by law.

Sharing Personal Information With Others. Chubb may disclose the personal information we collect to affiliated and non-affiliated parties for processing and servicing transactions, such as reinsurers, insurance agents or brokers, property and automobile appraisers, auditors, claim adjusters, third party administrators and, in the case of group insurance, employers, benefit plan sponsors, benefit plan administrators or master policyholders. For example, Chubb may disclose personal information to our affiliates and other parties that perform services for us such as customer service or account maintenance. Specific examples include mailing information to you and maintaining or developing software for us. Chubb may also disclose personal information to nonaffiliated parties as permitted by law. For example, we may disclose information in response to a subpoena, to detect or prevent fraud, or to comply with an inquiry or requirement of a government agency or regulator.

Sharing Personal Information With Service Providers or for Joint Marketing. Chubb may disclose the personal information we collect to agents and brokers so that they can market financial products and services and to service providers who perform functions for us. Any such disclosure is required to be subject to an agreement with us that includes a confidentiality provision. We do not disclose personal information to other financial institutions with which we may have joint marketing arrangements; however, we reserve the right to do so in the future, subject to the other financial institution entering into an agreement with us that includes a confidentiality provision.

Confidentiality and Security of Personal Information. Access to personal information is allowed for business purposes only. The people who have access to personal information, including employees of Chubb and its affiliates, and non-employees performing business functions for Chubb, are under obligations to safeguard such information. Chubb maintains physical, electronic, and procedural safeguards to guard your personal information.

Reference Copy

Personal Health Information. Under certain circumstances, we also collect personal health information about our customers, such as information regarding an accident, disability or injury, for underwriting or claim purposes. Chubb does not disclose your personal health information to others for the purpose of marketing to you unless we have your express consent.

Personal Information of Former Customers. Chubb's personal information privacy policy also applies to former customers.

Changes in Privacy Policy. Chubb may choose to modify this policy at any time. We will notify customers of any modifications at least annually.

Definitions.

"Chubb" means the following companies on whose behalf this notice is given:

Chubb & Son Inc.
Chubb & Son Inc. (of Illinois)
Chubb Custom Insurance Company
Chubb Custom Market, Inc.
Chubb Indemnity Insurance Company
Chubb Insurance Company of New Jersey
Chubb Lloyds Insurance Company of Texas
Chubb Multinational Managers, Inc.
Chubb National Insurance Company
Executive Risk Indemnity Inc
Executive Risk Specialty Insurance Company
Federal Insurance Company
Great Northern Insurance Company
Northwestern Pacific Indemnity Company
Pacific Indemnity Company
Quadrant Indemnity Company
Texas Pacific Indemnity Company
Vigilant Insurance Company

"Customer" and "you" mean any individual who obtains or has obtained a financial product or service from Chubb that is to be used primarily for personal, family or household purposes. This notice applies to customers only.

"Personal information" means non-public personal information, which is defined by law as personally identifiable financial information provided by you to Chubb, resulting from a transaction with or any service performed for you by Chubb, or otherwise obtained by Chubb. Personal information does not include publicly available information as defined by applicable law.

**Chubb Group of Insurance Companies
Accident Benefits and Life Department
Attention: Privacy Inquiries
202 Hall's Mill Road
P.O. Box 1600
Whitehouse Station, New Jersey, 08889-1600**

Reference Copy

Blanket Accident Insurance

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Blanket Accident Insurance

Insuring Agreement

Chubb Group of Insurance Companies
15 Mountain View Road
Warren, NJ 07059

Policyholder's Name and Mailing Address

ACADEMY OF MODEL AERONAUTICS
5151 EAST MEMORIAL DR.
MUNCIE, IN 473029050

Policy Number 9906-03-58

Effective Date JANUARY 1, 2008

Issued by the stock insurance company indicated below, herein called the company.

**FEDERAL INSURANCE
COMPANY**

Producer No. 0014419

*Incorporated under the laws of
INDIANA*

Producer FIRST INSURANCE GROUP, LLC DBA THE HARRY A KOCH CO
11949 Q STREET
OMAHA, NE 68137-0000

Company and Policy Period

Insurance is issued by the **Company** in consideration of payment of the required premium.

This policy begins and ends at 12:01 AM Standard Time at the **Policyholder's** address on the dates shown below:

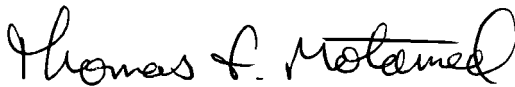
From: JANUARY 1, 2008 To: JANUARY 1, 2011

The **Policyholder's** acceptance of this policy terminates, any prior policy of the same number issued to the **Policyholder** by the **Company**, effective with the inception of this policy.

This Insuring Agreement, together with the Premium Summary, Schedule Of Forms, Declarations, Contract, Hazards, Common Policy Conditions and Endorsements comprise this policy. If this policy is a renewal, we have only reissued to you those policy documents containing changes from your previous policy period coverages and any new additional coverages or policy provisions. All other policy documents continue in effect.

The **Company** issuing this policy has caused this policy to be signed by its authorized officers, but this policy shall not be valid unless also signed by a duly authorized representative of the **Company**.

FEDERAL INSURANCE COMPANY (incorporated under the laws of Indiana)


President


Secretary

Authorized Representative



Reference Copy

Blanket Accident Insurance

Schedule of Forms

Policy Period JANUARY 1, 2008 TO JANUARY 1, 2011

Effective Date JANUARY 01, 2008

Policy Number 9906-03-58

Policyholder ACADEMY OF MODEL AERONAUTICS

Name of Company FEDERAL INSURANCE COMPANY

Date Issued MARCH 12, 2008

The following is a schedule of forms issued with the policy at inception.

<i>Form Name</i>	<i>Form Number</i>	
INSURING AGREEMENT	44-02-0890	(01/95)
DECLARATIONS	44-02-1796	(02/99)
BLANKET ACCIDENT CONTRACT	44-02-0894	(01/95)
COMMON POLICY CONDITIONS	44-02-0895	(01/95)
INDIANA AMENDATORY ENDORSEMENT	44-02-0962	(01/95)
ENDORSEMENT-LOSS OF USE	44-02-0926	(01/95)
COVERED ACTIVITIES HAZARD	44-02-1671	(02/99)
INTOXICATION AND NARCOTIC EXCLUSION	44-02-1717	(02/99)
EXCESS ACCIDENTAL MEDICAL EXPENSE	44-02-1795	(02/99)
LOSS OF USE	44-02-0901	(01/95)

Blanket Accident Insurance

Declarations

Chubb Group of Insurance Companies
15 Mountain View Road
Warren, NJ 07059

Policyholder's Name and Mailing Address

ACADEMY OF MODEL AERONAUTICS
5151 EAST MEMORIAL DR.
MUNCIE, IN 473029050

Policy Number 9906-03-58

Effective Date JANUARY 1, 2008

Issued by the stock insurance company indicated below.

**FEDERAL INSURANCE
COMPANY**

*Incorporated under the laws of
INDIANA*

Producer No. 0014419

Producer FIRST INSURANCE GROUP, LLC DBA THE HARRY A KOCH CO
11949 Q STREET
OMAHA, NE 68137-0000

Section I – Policy Period

From: JANUARY 1, 2008 To: JANUARY 1, 2011
12:01 A.M. standard time at the **Policyholder's** mailing address shown above.

Section II – Persons Insured

The following are the Persons Insured under this policy:

<u>Class</u>	<u>Description</u>
1	ALL MEMBERS OF THE POLICYHOLDER IN GOOD STANDING, EXCLUDING PARK PILOT MEMBERS.

If an **Insured Person** is included in more than one **Class**, the **Insured Person** will be covered for only the **Benefit Amount** applicable to one **Class**. The **Insured Person** will be considered a member of the applicable **Class** that provides the **Insured Person** the largest **Benefit Amount** for the particular **Accident** and **Loss** that has occurred.

An **Insured Person** is added for coverage as a **Class** member at any time during the policy period that the **Insured Person** fits the **Class** description. An **Insured Person** will be deleted from a **Class** and coverage ends at any time the **Insured Person** no longer fits the **Class** description. All premium adjustments will be made according to the terms of this policy.

Section III – Hazards

The following are the **Hazards** during which coverage applies:

<u>Hazards</u>	<u>Form Number</u>
COVERED ACTIVITIES	44-02-167(10/98)

Reference Copy

continued

(continued)

Section IV – Covered Activities

The following are the circumstances for which the **Insured Person** is covered under the policy:

<u>Class</u>	<u>Covered Activities</u>
1	WHILE ENGAGED IN HOBBY MODELING ACTIVITIES INVOLVING MODEL AIRCRAFT, MODEL ROCKETS, MODEL CARS AND MODEL BOATS; INCLUDING MODEL OPERATION AND RELATED ACTIVITY, MODEL CONSTRUCTION, OR MAINTENANCE, CLUB SITE CONSTRUCTION OR MAINTENANCE, AND PARTICIPATION IN HOBBY EVENTS OR SHOWS.

Section V – Benefits

BENEFIT AMOUNTS

Accidental Loss of Life and Scheduled Benefits

The following are **Loss of Life Benefit Amounts** for each **Class** and corresponding **Hazards**:

<i>Class</i>	<i>Benefit Amounts</i>
	<i>COVERED ACTIVITIES</i>
1	\$10,000

Multiple of salary applies, refer to the Supplemental Benefit Amounts Declarations.

The following are **Losses** covered and the corresponding Scheduled **Benefit Amounts**.

<u>Accidental Loss of</u>	<u>Percent of Loss of Life Benefit Amount</u>
Life	100%
Speech and Hearing	100%
Speech and one of: Hand, Foot or Sight of One Eye	100%
Hearing and one of: Hand, Foot or Sight of One Eye	100%
Both Hands, Both Feet or Sight of Both Eyes or a Combination of a Hand, a Foot or Sight of One Eye	100%
One Hand or One Foot or Sight of One Eye	50%
Speech or Hearing	50%
Thumb and Index Finger of the same Hand	25%

Blanket Accident Insurance

Declarations

Effective Date JANUARY 01, 2008

Policy Number 9906-03-58

(continued)

LOSS OF USE

The following are **Loss of Life Benefit Amounts** for each **Class**. The same **Hazards** apply as stated above for **Accidental Loss of Life**.

<u>Class</u>	<u>Benefit Amount</u>
1	\$10,000

If an **Insured Person** has multiple **Losses** as the result of one **Accident**, we will pay only the single largest **Benefit Amount** applicable to the **Losses** suffered.

EXCESS ACCIDENTAL MEDICAL EXPENSE

The following are Excess **Accidental Medical Expense Benefit Amounts** for each **Class**. The Excess **Accidental Medical Expense Benefit Amount** applies only to the **Hazard(s)** shown below.

<u>Class</u>	<u>Hazard</u>	<u>Excess Accidental Medical Expense Benefit Amount</u>	<u>Dental Benefit Amount</u>	<u>Orthopedic Benefit Amount</u>	<u>Physical Therapy Benefit Amount</u>	<u>Deductible Amount</u>	<u>Transportation Benefit Amount</u>
1	COVERED ACTIVITIES HAZARD	\$25,000	\$250	N/A	N/A	\$750	N/A

Section VI – Maximum Limit Of Insurance

The following are the maximum amounts we will pay:

Limit of Insurance

\$250,000 per ACCIDENT

Reference Copy

continued

(continued)

If more than one (1) **Insured Person** suffers **Accidental:**

Loss of Life,

Loss of Speech and Loss of Hearing,

Loss of Speech and Loss of one of: Hand, Foot or Sight of an Eye,

Loss of Hearing and Loss of one of: Hand, Foot or Sight of an Eye,

Loss of both Hands, Loss of Both Feet, Loss of Sight of Both Eyes or a

Combination of any two of a Loss of Hand, a Loss of Foot or Loss of Sight of an Eye,

Loss of One Hand, Loss of One Foot or Loss of Sight of an Eye,

Loss of Speech or Loss of Hearing, or

Loss of Thumb and Index Finger of the same hand

in the same **Accident**, we will not pay more than the maximum Limit of Insurance shown above. If an **Accident** results in Percent of **Loss of Life Benefit Amounts** becoming payable, which when totaled, exceed the applicable Limit of Insurance shown above, the maximum Limit of Insurance will be divided proportionally among the **Insured Persons**, based on each applicable **Benefit Amount**.

Coverage only applies for the **Classes, Hazards, Benefit Amounts** and **Losses** that are specifically indicated as covered.

Blanket Accident Insurance

Contract

Words and phrases that appear in **bold** print have special meanings and are defined in the Definitions section(s) of this contract.

Throughout this policy the words "you" and "your" refer to the **Policyholder** shown in the Declarations of this policy. The words "we", "us" and "our" refer to the **Company** providing this insurance.

Section I – Coverage

We will pay the applicable **Benefit Amount** if an **Accident** results in a **Loss** not otherwise excluded. The **Accident** must result from a covered **Hazard** and occur during the policy period. The **Loss** must occur within one (1) year of the **Accident**.

Section II – Extensions Of Coverage

Disappearance

If the **Insured Person** has not been found within one (1) year of the disappearance, stranding, sinking, wrecking or breakdown of any conveyance in which the **Insured Person** was covered as an occupant, it will be assumed, subject to all other terms of the policy, that the **Insured Person** has suffered **Loss of Life** covered under this policy.

Exposure

Accident includes unavoidable exposure to elements arising from a covered **Hazard**.

Section III – Territory

This insurance applies worldwide.

Section IV – Exclusions

Aircraft Owned, Leased Or Operated

This insurance does not apply to an **Accident** occurring while an **Insured Person** is in, entering, or exiting any aircraft owned, leased or operated by the **Policyholder** or any aircraft owned, leased or operated by an employee of the **Policyholder** on behalf of the **Policyholder**.

This exclusion does not apply to aircraft chartered with pilot or crew on a one time charter basis.

Aircraft Pilot Or Crew

This insurance does not apply to an **Accident** occurring while an **Insured Person** is in, entering, or exiting any aircraft while acting or training as a pilot or crew member.

This exclusion does not apply to passengers who temporarily perform pilot or crew functions in a life threatening emergency.

Disease Or Illness

This insurance does not apply to **Loss** caused by or resulting from an **Insured Person**'s emotional trauma, mental or physical illness, disease, pregnancy, childbirth or miscarriage, bacterial or viral infection, or bodily malfunctions.

Section IV – Exclusions

Disease Or Illness
(continued)

This exclusion does not apply to **Loss** resulting from an **Insured Person's** bacterial infection caused by an **Accident** or from **Accidental** consumption of a substance contaminated by bacteria.

Suicide Or Intentional Injury

This insurance does not apply to suicide, attempted suicide or **Loss** that is intentionally self-inflicted.

War

This insurance does not apply to **Loss** caused by or resulting from a declared or undeclared **War**. Declared or undeclared **War** does not include acts of terrorism.

Blanket Accident Insurance

Section V –Definitions

<i>Accident Or Accidental</i>	Accident or Accidental means a sudden, unforeseen and unexpected event happening by chance.
<i>Accidental Bodily Injury(ies)</i>	Accidental Bodily Injury(ies) means bodily injury which is Accidental , is the direct source of a Loss , is independent of disease, illness or other cause and occurs while this policy is in force.
<i>Benefit Amount</i>	Benefit Amount means the Loss amount applicable to each Class and Hazard as shown in Section IV of the Declarations, Benefits.
<i>Class</i>	Class means the persons described in Section II of the Declarations, Persons Insured.
<i>Company</i>	Company means the Federal Insurance Company.
<i>Hazard</i>	Hazard means the covered circumstances for which this insurance is provided as stated in Section III of the Declarations, Hazards , and described in the Hazards form.
<i>Insured Person</i>	Insured Person means a person described as a Class member in Section II of the Declarations, Persons Insured.
<i>Loss</i>	Loss means the types of Accidental Bodily Injuries listed in Section IV of the Declarations, Benefits, and for which this insurance provides coverage.
<i>Loss Of Foot</i>	Loss of Foot means the complete severance through or above the ankle joint. We will consider it a Loss of Foot even if the foot is later reattached.
<i>Loss Of Hand</i>	Loss of Hand means complete severance through or above the knuckle joints of at least 4 fingers on the same hand or at least 3 fingers and the thumb on the same hand. We will consider it a Loss of Hand even if the fingers and/or thumb are later reattached.
<i>Loss Of Hearing</i>	Loss of Hearing means the permanent and irrecoverable Loss of Hearing in both ears, as determined by a Physician .
<i>Loss Of Life</i>	Loss of Life means death, including clinical death determined by the local governing medical authorities.

Section V – Definitions

(continued)

Loss Of Sight Of An Eye

Loss of Sight of an Eye means the permanent loss of vision in one eye. Remaining vision must be no better than 20/200 using a corrective aid or device as determined by a **Physician**.

Loss Of Speech

Loss of Speech means the permanent and irrecoverable total loss of the capability of speech without the aid of mechanical devices, as determined by a **Physician**.

Loss Of Thumb And Index Finger

Loss of Thumb and Index Finger means complete severance through or above the knuckle joints of the thumb and index finger of the same hand. We will consider it a **Loss of Thumb and Index Finger** even if one or both are later reattached.

Physician

Physician means a person who is licensed as a medical doctor or a doctor of osteopathy by the laws of the jurisdiction in which treatment is given and who is qualified to provide the medical treatment. A **Physician** does not include a family member of the **Insured Person**, a social worker, a physical therapist or an intern.

Policyholder

Policyholder means the entity responsible for the payment of premium, identified and stated in the Insuring Agreement.

War

War means:

- 1) hostilities following a declaration of **War** by a governmental authority;
- 2) if there is no declaration of **War**, then armed, open and continuous hostilities between two countries; or
- 3) armed, open and continuous hostilities between two factions, each in control of territory, or claiming jurisdiction over the site of the area of hostility.

Blanket Accident Insurance

Common Policy Conditions

Addition Of New Persons Insured

All new persons added to the **Class(es)** described in Section II of the Declarations, Persons Insured, will automatically be **Insured Persons** under this policy.

Advertisement

The **Policyholder** and its representatives must obtain our prior written approval of all material used for advertising and solicitation of this policy. We will not be responsible for any increase in **Loss** payment or any changes in coverage resulting from such materials that have not been approved by us.

Arbitration

In the event of a dispute under this policy, either we or the **Insured Person** may make a written demand for arbitration. In that case, we and the **Insured Person** will each select an arbitrator. The two arbitrators will select a third. If they cannot agree within fifteen (15) days, either we or the **Insured Person** may request that the choice of arbitrator be submitted to the American Arbitration Association. The arbitration will be held in the state of the **Insured Person's** principal residence.

Beneficiary

The **Loss of Life** benefit will be paid to the beneficiary designated by the **Insured Person**. This choice must be in writing and filed with the **Policyholder**. All other **Benefit Amounts** are paid to the **Insured Person**, unless otherwise directed by the **Insured Person** or the **Insured Person's** designee.

If the **Insured Person** has not chosen a beneficiary, or if there is no beneficiary alive when the **Insured Person** dies, we will pay the **Benefit Amount** to the first surviving class in the following order:

- a) the **Insured Person's** spouse;
- b) in equal shares to the **Insured Person's** surviving children;
- c) in equal shares to the **Insured Person's** surviving parents;
- d) in equal shares to the **Insured Person's** surviving brothers and sisters;
- e) to the **Insured Person's** estate.

Beneficiary Changes

The **Insured Person**, and no one else, has the right to change the beneficiary. The **Insured Person** does not need the consent of anyone to do so. Changes must be in writing and filed with the **Policyholder**. We do not assume any responsibility for the validity of these changes.

Benefit Assignment

Benefits may be assigned by giving us prior written notice.

**Cancellation,
Nonrenewal And
Grace Period**

The **Policyholder** may cancel this policy or any of its individual coverages by sending us written notice stating when cancellation is to take effect. The effective date of cancellation may not be earlier than the date notice is mailed or transmitted.

We may cancel this policy or any of its individual coverages if the **Policyholder** fails to pay the premium within the grace period of thirty-one(31) days after the premium due date. We will send written notice stating the effective date of cancellation, which will be no earlier than ten (10) days from the date of the notice.

The **Policyholder** is entitled to a grace period of thirty-one(31) days for the payment of premium due. This policy will continue in force during the grace period. The grace period does not apply to the first premium payable during the policy term. Failure to pay the first premium on or before the due date will immediately terminate this policy. We are not required to provide notification of such termination.

If this is a multi-year policy, we may cancel the policy or any of its individual coverages effective on the annual anniversary date. We will send written notice of the cancellation at least forty-five (45) days before the anniversary date.

We may nonrenew this policy by sending written notice at least thirty (30) days before the expiration date.

We will send notice of cancellation or nonrenewal to the **Policyholder** at its last known address. If the notice is mailed, proof of mailing will be considered proof of cancellation or nonrenewal.

The earned premium will be computed on a pro-ratabasis. Any unearned premium will be returned to the **Policyholder** as soon as practicable.

Certificate

When required by law, we will issue to the **Policyholder** for delivery to the **Insured Person** a Certificate of Insurance. The Certificate of Insurance will describe the benefits, exclusions, limitations, and provisions of this policy and state to whom benefits are payable. Any subsequent changes to the policy will also apply to the existing Certificates.

Changes

This policy can only be changed by a written endorsement that becomes a part of this policy. The endorsement must be approved by one of our officers and signed by one of our authorized representatives. No agent has the authority to change this policy or waive any of its provisions.

Claim Forms

When we receive notice of a claim we will send the **Insured Person** or the **Insured Person's** designee, within fifteen (15) days, forms for giving us Proof of Loss. If the **Insured Person** or the **Insured Person's** designee does not receive the forms, the **Insured Person** or the **Insured Person's** designee should send us a written description of the **Loss**. This written description should include information covering the occurrence, character and extent of the **Loss** for which claim is made.

Claim Notice

Written Notice of Claim must be given to us or any of our appointed agents or brokers within twenty (20) days after the occurrence or commencement of any **Loss** covered by this policy or as soon as reasonably possible. Notice must include enough information to identify the **Insured Person** and **Policyholder**. Failure to give Notice of Claim within twenty (20) days will not invalidate or reduce any claim if notice is given as soon as reasonably possible.

Blanket Accident Insurance

Claim Payment

For benefits payable involving disability, we will pay the **Insured Person** or beneficiary the applicable **Benefit Amount** no less frequently than monthly during the continuance of the period for which we are liable. At the end of this period, we will immediately pay any remaining balance of the **Benefit Amount**. All payments by us are subject to receipt of written Proof of Loss.

For all benefits payable under this policy except those for disability, we will pay the **Insured Person** or beneficiary the applicable **Benefit Amount** within sixty (60) days after we receive a complete Proof of Loss, if the **Insured Person** and **Policyholder** have complied with all the terms of this policy.

Claim Proof Of Loss

For claims involving disability, written Proof of Loss must be given to us within thirty (30) days after commencement of the period for which we are liable. Subsequent written proof of the continuance of such disability must be given to us at such intervals as we may reasonably require.

Failure to give written Proof of Loss within these time frames will not invalidate or reduce any claim if notice is given as soon as reasonably possible, and in no event, except in cases where the claimant lacks legal capacity, later than one (1) year after the deadline to submit written Proof of Loss.

For all claims except those involving disability, written Proof of Loss must be given to us within ninety (90) days after the date of **Loss**, or as soon as reasonably possible.

Claim And Suit Cooperation

In the event of a claim under this policy, the **Policyholder** and the **Insured Person** must fully cooperate with us in our handling of the claim, including but not limited to the timely submission of all medical and other reports, and full cooperation with all physical examinations and autopsies that we may choose to conduct.

If the **Policyholder** is sued in connection with a claim under this policy, the **Policyholder** will immediately give us copies of every demand, notice and summons which the **Policyholder** receives relating to such suit. The **Policyholder** must fully cooperate with us in the handling of such suit. At our request, the **Policyholder** will assist in the settlement or conduct of the suit, and in the enforcement of any right of contribution or indemnity against any person who may be liable to an **Insured Person** in connection with a covered **Loss** under this policy. The **Policyholder** or its designee will attend all hearings and trials and assist in giving evidence and securing the attendance of witnesses. The **Policyholder** must not, except at its own expense, voluntarily make any payment or assume any obligation in connection with such suit without our prior written consent.

Compliance By Policyholder And Insured

We have no duty to provide coverage under this policy unless the **Policyholder** and the **Insured Person** have fully complied with all the terms and conditions of this policy.

Conformance With Statutes

Any terms of this policy which are in conflict with the applicable statutes, laws or regulations of the state or territory in which this policy is issued are amended to conform to such statutes.

Entire Contract And Application

This policy, together with the endorsements and other attached papers, if any, constitutes the entire contract of insurance. If an application is completed by the **Policyholder** in connection with this policy, we will attach the application to the policy when it is issued, and the application will be part of the policy.

Examination Under Oath

The **Company** has a right to examine under oath, as often as it may reasonably require, the **Insured Person**, the **Policyholder** or the beneficiary. The **Company** may also require the **Insured Person**, the **Policyholder** or the beneficiary to provide a signed description of the circumstances surrounding the **Loss** and their interest in the **Loss**. The **Insured Person**, the **Policyholder** and the beneficiary will also produce all records and documents requested by the **Company**, and will permit the **Company** to make copies of such records or documents.

Legal Action Against Us

No legal action may be brought to recover on this policy until sixty (60) days after we have been given complete written Proof of Loss. No such action may be brought after three (3) years from the time written Proof of Loss is required to be given. No such action may be brought unless there has been full compliance with all of the terms of this policy.

In no case will we be liable for benefits that are not payable under the terms of this policy or that exceed the applicable **Benefit Amounts** or Limits of Insurance.

Liberalization

If we adopt any changes:

- 1) within 45 days prior to the effective date shown in the Insuring Agreement; or
- 2) during the policy period,

which could broaden this insurance without an additional premium charge, the **Insured Person** will automatically receive the benefit of the broadened coverage.

Newly Acquired Or Newly Formed Organizations

If the **Policyholder** acquires another entity, the newly acquired entity will be included as a **Policyholder** and the following will qualify as **Insured Persons**:

- 1) all eligible employees of a newly acquired organization and/or subsidiary of the **Policyholder** that fit the **Class** Description; or
- 2) all eligible members of an organization the **Policyholder** has newly acquired or formed that fit the **Class** description.

The acquisition or formation of another entity must occur during the Policy Period shown in Section I of the Declarations. The **Policyholder** will report to the **Company** the name of such newly acquired or formed organization and/or subsidiary, together with information necessary for the **Company** to determine the appropriate additional premium. Coverage will be effective on the acquisition or formation date and will be provided for no more than ninety (90) days, unless the required report has been received by the **Company** and the additional premium has been agreed upon and paid. In any event, the **Policyholder** will be responsible for the payment of premium for the period such coverage remains in effect.

Blanket Accident Insurance

Physical Examination And Autopsy

We have the right to have the **Insured Person** examined by a **Physician** approved by the **Company**, as often as reasonably necessary while a claim is pending. We may also have an autopsy done, unless prohibited by law. Any examinations or autopsies that we require will be done at our expense and by a **Physician**.

Premium Provisions

The **Policyholder** will pay all premium due under this policy, subject to the grace period specified under Cancellation, Nonrenewal and Grace Period. Annual Premiums and Deposit Premiums are due at the beginning of the policy period and each future anniversary unless otherwise indicated on the Premium Summary.

If premiums are auditable, we will compute the earned premium for each audit reporting period based on the applicable rates and exposures. The **Policyholder** must keep records of the information we need to perform the audit and send us copies at our request.

If the policy is written subject to adjustment, then the **Policyholder** must report to us the complete information for the reporting period shown in the Premium Summary. The **Policyholder** must submit the reports within the specified number of days after the end of each reporting period.

At the expiration of the policy period or when the policy is terminated, earned premium will be determined based on the reported values or exposures. If the resulting earned premium is less than the Deposit Premium, if any, we will return the excess to the **Policyholder**. If the resulting earned premium is greater than the Deposit Premium, if any, we will bill the **Policyholder** for the additional premium. The **Policyholder** will pay us within thirty (30) days any additional premium generated from the audit or premium adjustment.

Premium Rate Changes

We may change the premium rates for this policy as of any policy anniversary date. We will give the **Policyholder** at least thirty (30) days prior written notice.

Record Examination And Audit

We may examine the **Policyholder's** books and records relating to this policy at any time during the policy term and up to three (3) years after expiration of the policy or until final adjustment and settlement of all claims under this policy, whichever is later.

Record Maintenance

The **Policyholder** must maintain information pertaining to **Hazards** and Persons Insured, such as, but not limited to, compensation of the **Insured Persons** and beneficiary designations.

Statement By Policyholder Or Insured Person And Incontestability

We will not use any statements made by the **Policyholder** or an **Insured Person** to void the insurance or reduce benefits payable under this policy, or to otherwise contest the validity of this policy, unless such statements are contained in a written document signed by the **Policyholder** or the **Insured Person**. If we rely on such statements for this purpose, we will provide a copy of the written document to the **Policyholder**, the **Insured Person**, the **Insured Person's** designee or beneficiary, as appropriate.

We will consider all statements made by the **Policyholder** and the **Insured Person** to be representations and not warranties.

**Statement By
Policyholder Or
Insured Person And
Incontestability**

(continued)

Except for nonpayment of premium, we will not use statements made by the **Policyholder** or an **Insured Person** regarding insurability to contest the validity of this policy when the statements are made more than two (2) years after this policy has been in force during the **Policyholder**'s or **Insured Person**'s lifetime.

Nothing in this section will preclude us from asserting, at any time, defenses based upon a claimant's ineligibility for coverage under this policy, or upon any other policy provision.

Titles Of Paragraphs

The titles of the various paragraphs of this policy and any endorsements attached to this policy are inserted solely for convenience of reference and do not limit or affect in any way the provisions to which they relate.

**Workers'
Compensation**

The benefits payable under the policy are not in lieu of and do not affect any requirement for Workers' Compensation Insurance.

Blanket Accident Insurance

Endorsement

Policy Period JANUARY 1, 2008 TO JANUARY 1, 2011
Effective Date JANUARY 01, 2008
Policy Number 9906-03-58
Policyholder ACADEMY OF MODEL AERONAUTICS
Name of Company FEDERAL INSURANCE COMPANY
Date Issued MARCH 12, 2008

Indiana Amendatory Endorsement

The Cancellation, Nonrenewal and Grace Period Condition of the Common Policy Conditions is deleted in its entirety and replaced by the following:

The **Policyholder** may cancel this policy or any of its individual coverages by sending us written notice stating when cancellation is to take effect. The effective date of cancellation may not be earlier than the date notice is mailed or transmitted.

We may cancel this policy or any of its individual coverages if the **Policyholder** fails to pay the premium within the grace period of forty-five(45) days after the premium due date. We will send written notice stating the effective date of cancellation, which will be no earlier than ten (10) days from the date of the notice.

The **Policyholder** is entitled to a grace period of forty-five(45) days from the payment of premium due. This policy will continue in force during the grace period. The grace period does not apply to the first premium payable during the policy term. Failure to pay the first premium on or before the due date will immediately terminate this policy. We are not required to provide notification of such termination.

If this is a multi-year policy, we may cancel the policy or any of its individual coverages effective on the annual anniversary date. We will send written notice of the cancellation at least forty-five(45) days before the anniversary date.

We may nonrenew this policy by sending written notice at least forty-five(45) days before the expiration date.

We will send notice of cancellation or nonrenewal to the **Policyholder** at its last known address. If the notice is mailed, proof of mailing will be considered proof of cancellation or nonrenewal.

The earned premium will be computed on a pro-rata basis. Any unearned premium will be returned to the **Policyholder** as soon as practicable.

All other terms and conditions of the policy remain unchanged.

Authorized Representative



Blanket Accident Insurance

Endorsement

Policy Period JANUARY 1, 2008 TO JANUARY 1, 2011
Effective Date JANUARY 01, 2008
Policy Number 9906-03-58
Policyholder ACADEMY OF MODEL AERONAUTICS

Name of Company FEDERAL INSURANCE COMPANY

Date Issued MARCH 12, 2008

The following amends the Blanket Accident Insurance Contract:

ENDORSEMENT LOSS OF USE

EFFECTIVE 1/1/08, THE LOSS OF USE ENDORSEMENT, CLAIM PAYMENT IS AMENDED AS FOLLOWS:

BOTH ARMS AND BOTH LEGS OR A COMBINATION OF AN ARM OR A LEG: 100%

All other terms and conditions remain unchanged.

Authorized Representative



Blanket Accident Insurance

Hazard

Policy Period JANUARY 1, 2008 TO JANUARY 1, 2011
Effective Date JANUARY 01, 2008
Policy Number 9906-03-58
Policyholder ACADEMY OF MODEL AERONAUTICS
Name of Company FEDERAL INSURANCE COMPANY
Date Issued MARCH 12, 2008

Covered Activities Hazard

Covered Activities Hazard means all circumstances subject to the terms and conditions of the policy, arising from and occurring while the **Insured Person** is participating in **Covered Activities**.

Definitions

Covered Activities

Covered Activities means those activities set forth in Section IV of the Declarations, **Covered Activities**, and for which the **Insured Person** is covered under the policy.

Blanket Accident Insurance

Endorsement

Policy Period JANUARY 1, 2008 TO JANUARY 1, 2011
Effective Date JANUARY 01, 2008
Policy Number 9906-03-58
Policyholder ACADEMY OF MODEL AERONAUTICS
Name of Company FEDERAL INSURANCE COMPANY
Date Issued MARCH 12, 2008

Intoxication And Narcotic Exclusion

The following exclusion is added to Section IV of the Blanket Accident Insurance Contract, Exclusions:

Intoxication And Narcotic

This insurance does not apply to **Loss** caused by or resulting from an **Insured Person** being intoxicated, as defined by laws of the jurisdiction where the **Loss** occurred, or under the influence of any narcotic unless taken on the advice of a **Physician** and used in accordance with the prescription.

All other terms and conditions of the policy remain unchanged.

Authorized Representative



Blanket Accident Insurance

Endorsement

Policy Period JANUARY 1, 2008 TO JANUARY 1, 2011
Effective Date JANUARY 01, 2008
Policy Number 9906-03-58
Policyholder ACADEMY OF MODEL AERONAUTICS
Name of Company FEDERAL INSURANCE COMPANY
Date Issued MARCH 12, 2008

Excess Accidental Medical Expense

With respect to Excess **Accidental Medical Expense** only, Section I of the Blanket Accident Insurance Contract, Coverage, is amended to include the following:

If **Accidental Bodily Injury** causes the **Insured Person** to require medical care and treatment within 90 days of a covered **Accident**, we will pay up to the Excess **Accidental Medical Expense Benefit Amount** shown in Section V of the Declarations, Benefits. The Excess **Accidental Medical Expense Benefit Amount** is payable only for **Medical Expenses** incurred within 52 weeks after the date of the **Accident** causing the **Accidental Bodily Injury**.

Excess Accidental Medical Expense Limitations

Dental Benefit Amount

If the **Insured Person** requires dental care and treatment due to injury, our payment for such dental care and treatment will not exceed the Dental **Benefit Amount** shown in Section V of the Declarations, Benefits.

Physical Therapy Benefit Amount

If the **Insured Person** is not hospital confined and requires diathermy, ultrasonic, whirlpool or heat treatment, adjustment, manipulation, massage or any form of physical therapy and the office visit associated with such therapy, our payment for such therapy will not exceed the Physical Therapy **Benefit Amount** shown in Section V of the Declarations, Benefits.

Orthopedic Benefit Amount

If the **Insured Person** is not hospital confined and requires orthopedic appliances or braces, our payment for such appliances or braces will not exceed the **Orthopedic Benefit Amount** shown in Section V of the Declarations, Benefits.

In no event will our total payment for the **Insured Person's** dental care and treatment, physical therapy, orthopedic and **Medical Expense** exceed the Excess **Accidental Medical Expense Benefit Amount** shown in Section V of the Declarations, Benefits.

Definitions

Medical Expense

Medical Expense means the **Reasonable and Customary** charges for **Medical Services** that are **Medically Necessary** for the care and treatment of **Accidental Bodily Injuries** sustained in a covered **Accident**.

Medically Necessary

Medically Necessary means any medical or dental service, supply or course of treatment which:

- 1) is ordered or prescribed by a **Physician** or a dentist;
- 2) is appropriate and consistent with the patient's diagnosis;
- 3) is in accord with current accepted medical or dental practice; and
- 4) could not be eliminated without adversely affecting the patient's condition or quality of medical or dental care.

Medical Services

Medical Services means the costs for the following **Medically Necessary** services:

- 1) medical care and treatment by a **Physician** or a dentist;
- 2) hospital room and board and hospital care, both inpatient and outpatient;
- 3) drugs and medicines required and prescribed by a **Physician** or a dentist;
- 4) diagnostic tests and x-rays prescribed by a **Physician** or a dentist;
- 5) transporting the **Insured Person** in an emergency transportation vehicle from the location where the **Insured Person** becomes injured to the nearest hospital where appropriate medical treatment can be obtained;
- 6) dental care and treatment due to injury, subject to the Dental **Benefit Amount** shown in Section V of the Declarations, Benefits;
- 7) physical therapy, including diathermy, ultrasonic, whirlpool or heat treatment, adjustment, manipulation, massage and the office visit associated with such therapy, subject to the Physical Therapy **Benefit Amount** shown in Section V of the Declarations, Benefits;
- 8) treatment performed by a licensed medical professional when prescribed by a **Physician**, if hospitalization would have been otherwise required;
- 9) rental of durable medical equipment designed primarily for use, and used primarily, by people who are injured, such as a wheelchair or a hospital bed;
- 10) artificial limbs and other prosthetic appliances;
- 11) orthopedic appliances or braces, subject to the Orthopedic **Benefit Amount** shown in Section V of the Declarations, Benefits.

Other Plan

Other Plan means any: other insurance or other payment source for **Medical Services** including, but not limited to: health coverage, disability or similar; governmental plan or program; or coverage provided or required by any law or statute, including automobile "fault" and "no-fault" coverage and Workers' Compensation.

Blanket Accident Insurance

Endorsement

Effective Date JANUARY 01, 2008

Policy Number 9906-03-58

Definitions

(continued)

Reasonable And Customary

Reasonable and Customary means the lesser of:

- 1) the **Physician's** or other health care provider's actual charge; or
- 2) the usual charge made by **Physicians** or other health care providers for a given service or supply; or
- 3) the charge we determine to be the prevailing charge made by **Physicians** or other health care providers for a given service or supply in the geographical area where it is furnished; or
- 4) the amount negotiated by the insurer, the **Physician** or the other health care provider.

Excess Provision

The Excess **Accidental Medical Expense Benefit Amount** is payable on an excess basis. We will determine the **Reasonable and Customary** charge for the covered **Medical Expense**. We will then reduce that amount by amounts already paid or payable by any **Other Plan**. We will pay the resulting amount, less the Excess **Accidental Medical Expense** Deductible, but in no event will we pay more than the Excess **Accidental Medical Expense Benefit Amount** shown in Section V of the Declarations, Benefits.

Excess Accidental Medical Expense Deductible

The Excess **Accidental Medical Expense** Deductible Amount, shown in Section V of the Declarations, Benefits, will be deducted from the Excess **Accidental Medical Expense Benefit Amount** we pay. This Excess **Accidental Medical Expense** Deductible Amount applies separately to each **Insured Person** and each **Accident**.

Exclusions

The following exclusions are added to the Blanket Accident Insurance Contract and apply only to the Excess **Accidental Medical Expense Benefit Amount**.

The Excess **Accidental Medical Expense Benefit Amount** does not apply to the following charges and services:

- 1) for which the **Insured Person** has no obligation to pay;
- 2) for eyeglasses, contact lenses and other vision or hearing aids;
- 3) for any injury for which Worker's Compensation benefits or occupational injury benefits are payable;
- 4) for treatment by a person employed or retained by the **Policyholder**;
- 5) for any injury occurring while fighting, except in self-defense;

Exclusions
(continued)

- 6) for treatment required for conditions caused by repetitive motion injuries and not a result of an **Accident**, including, but not limited to: Osgood–Schlatter’s Disease, bursitis, Chondromalacia, shin splints and tendinitis.

All other terms and conditions of the policy remain unchanged.

Authorized Representative



Blanket Accident Insurance

Endorsement

Policy Period JANUARY 1, 2008 TO JANUARY 1, 2011
Effective Date JANUARY 01, 2008
Policy Number 9906-03-58
Policyholder ACADEMY OF MODEL AERONAUTICS
Name of Company FEDERAL INSURANCE COMPANY
Date Issued MARCH 12, 2008

Loss Of Use

The following definitions are added to Section V of the Blanket Accident Insurance Contract, Definitions:

Loss of Use means the permanent and total inability of the specified body part to function, as determined by a **Physician** approved by the **Company**.

Loss Of Use Of Arm

Loss of Use of Arm means the **Loss of Use** of the arm at or above the elbow joint.

Loss Of Use Of Foot

Loss of Use of Foot means the **Loss of Use** of the foot at or above the ankle joint.

Loss Of Use Of Hand

Loss of Use of Hand means the **Loss of Use** at or above the knuckle joints of at least four (4) fingers on the same hand or at least three (3) fingers and the thumb on the same hand.

Loss Of Use Of Leg

Loss of Use of Leg means the **Loss of Use** of the leg at or above the knee joint.

Claim Payment

We will pay the following specified percent of **Loss of Life Benefit Amount**, if the **Accident** causes the **Insured Person** to suffer **Loss of Use**.

<u>Loss of Use</u>	<u>Percent of Loss of Life Benefit Amount</u>
One Hand or One Foot	25%
Both Hands or Both Feet or a Combination of a Hand and a Foot	50%
One Arm or One Leg	50%
Both Arms or Both Legs or a Combination of an Arm and a Leg	75%
Both Arms and Both Legs	100%

Claim Payment
(continued)

If an **Insured Person** has multiple **Losses** as the result of one **Accident**, we will pay only the single largest **Benefit Amount** applicable to the **Losses** suffered.

All other terms and conditions of the policy remain unchanged.

Authorized Representative