

Monmouth Area Flying Club

Deductible Insurance Fund (DIF) Contract

- 1) As of January 1, 2005, MAFC members will be liable for up to \$1,000. in aircraft damages due to increased insurance deductibles on our aircraft. In order to reduce this maximum cost to \$500, a member funded "self-insurance" pool, the Deductible Insurance Fund (DIF) is being created. The DIF shall not supersede MAFC Bylaws or Rules and Regulations. The MAFC Board of Trustees (BOT) shall make all decisions regarding the DIF and such decisions will be binding on all DIF members.
- 2) The monies in the DIF shall be used only for an accident involving MAFC aircraft piloted by a MAFC member who is a member of the DIF and who has been held responsible for the accident. The DIF shall be applied to "in flight" or "in motion" accidents only. If an action of the DIF member voids the insurance (e.g., violation of a FAR), then the DIF will not cover the accident and the member shall be responsible for the entire amount of the loss. The DIF shall apply regardless of whether or not the BOT decides to make an insurance claim.
- 3) A DIF member involved in an accident must pay the first \$500 of loss per the MAFC Rules and Regulations. The DIF shall then be used to cover a DIF member's responsibility on loss for the amount between \$501 and \$1,000.
- 4) The MAFC BOT shall determine how much money is required to maintain the DIF, and when and for how much any additional assessment shall be made. In general, an additional assessment shall be levied if the funds in the DIF fall below \$500. Additional assessments shall be announced via member-wide email and at a MAFC General Membership meeting. DIF members must pay any additional assessments within two months after the initial announcement. Failure to pay an additional assessment shall be assumed to be a resignation from the DIF.
- 5) Any amount paid into the DIF becomes an asset of the DIF. If a member resigns from the MAFC or from the DIF, they will not receive any payment from the DIF, nor shall the amount be used as a credit toward any money owed to the MAFC.
- 6) Payment into the DIF shall be in the form of a separate check made out to "MAFC" with the words "DIF" or "Insurance" written in the check's memo area. The receipt of a member's DIF check shall imply that the member agrees to abide by the DIF policies. All DIF funds are handled separately from general MAFC club funds, and for accounting reasons, DIF payments cannot be taken from the MAFC member's block account.
- 7) While the MAFC BOT shall maintain records of current membership if the DIF, this approved form (or an email message from the DIF administrator) shall be considered the member's proof of DIF membership. This form (or the email) should be retained by the DIF member.

Jan 2005 Initial DIF Membership Fee: \$25

Jan 2005 Additional DIF Assessment: \$0

I have read the above policies and agree to abide by them:

Name (printed): _____

Date: _____

MAFC Member # _____ Amount paid: _____

Approved by (Authorized DIF administrator): _____ Date: _____