

FAQ LOSS OF LICENCE “SEPLA”

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- **What does the loss of licence insurance cover?**

The insurance company gives you the purchased capital¹ if you lose your flight crew licence permanently.

- **What is the age limit to purchase the insurance?**

With an increasing premium rate it would be up to 49 years old (actuarial age). With a level premium rate it would be up to 44 years old (actuarial age).

In both cases the maximum duration is up to 65 years old.

- **What is the difference between level premium and increasing premium?**

An increasing premium is paid according to the age you have each year whereas with a level premium you pay the same premium year after year (except for possible accident revisions, so much as to raise or lower the premium).

In the first years of the contract the increasing premium rate is more inexpensive.

¹ Insured sum

➤ **What is the meaning of actuarial age?**

It is the closest real age. For example, if you are 40 years and 7 months old, it is considered that you are already 41 years old, because you are closest to being 41 than 40.

➤ **What coverage can I purchase?**

It depends on the rate of your choice:

With a fixed rate, purchasing the Loss of Licence the company gives you the same capital for the Death Benefit up to 200,000€. For example, if you purchase 150,000€ in Loss of Licence, they give you 150,000€ in Death Benefit. If you purchase 300,000€ in Loss of Licence, they give you 200,000€ in Death Benefit. In addition, you can purchase more Death Benefit capital

With an increasing rate, you can purchase Loss of Licence or also Death Benefit.

➤ **What is the maximum capital amount that I can purchase?**

In both options the minimum capital is 100,000€ and the maximum capital depends on the age that you have when you purchase it.

If you are under 30 the maximum capital is 600,000€, between 30 and 34, 550,000€, if you are between 35 and 44, 450,000€, and if you are between 45 and 49, 350,000€.

The maximum capital is limited to 200,000€ if you have temporary employment contracts lasting less than two years or self-employed contracts.

For Temporary disability, the minimum capital is 1,000€ and a maximum is 3,500€ per month. The maximum limit of this coverage for Iberia pilots is 2,200€ per month.

➤ **Is capital reduced at a certain age?**

Indeed, from the age of 53 and depending on the retirement age, in both increasing and level premium rates.

➤ **In which cases am I not covered?**

There are two types of Excluded risks

For all guarantees:

Nuclear reaction or radiation or radioactive, chemical or biological contamination, either directly or indirectly, events which due to their magnitude or severity are rated by the relevant authority as a "catastrophe or calamity", epidemic or

pandemic, armed conflict, even when not preceded by a formal declaration of war, temporary and permanent disability predating the date when the insured joins the policy and which has not been reported to the insurer before joining the policy, the consequences of any criminal act for which the insured is convicted, damage covered by the Insurance Compensation Consortium;

In case of death: the insured's suicide during the first year in which they are a member of the policy.

In case of permanent loss of flight crew licence:

- The consequences of conscious or unconscious suicide attempts or self-harm.
- The consequences of illnesses or accidents intentionally caused by the insured.
- Voluntary acts of the insured, regardless of their mental state, or while under the influence of alcohol, drugs, narcotics, stimulants or similar substances not medically prescribed, or when of unsound mind. The insured is deemed to be under the influence of alcohol if they exceed the limits set by traffic, motor vehicle and road safety legislation for driving any non-special vehicle, irrespective of the insured's external symptoms and behaviour and whether or not the loss occurs when the insured is driving a motor vehicle.
- Acts of recklessness or gross negligence on the part of the insured, illnesses or accidents intentionally caused by them, as well as those resulting from their participation in duels and brawls, provided that in the latter case they have not acted in self-defence or when attempting to save people or property.
- Direct or indirect consequences of acts of war (between countries or civil war), whether or not declared, popular movements, insurrection or revolt and generally the actions of armed or organised groups or individuals in which the insured has taken part. However, the consequences of any of the aforementioned events are included provided they occur when the pilot is working for the airline which employs them.
- The consequences of flying in an aircraft that needs a valid airworthiness certificate and does not have one. However, this exclusion does not apply to test flights or to tests carried out on reception of new, repaired or overhauled aircraft.
- The consequences of psychiatric (such as anxiety or stress), neuropsychiatric and/or epileptic disorders, unless the sole, direct and evident cause of such losses is external trauma or a determined objective aetiology such as Basedow's disease, abscess of the third ventricle, internal frontal osteoma or Biermer's anaemia. Neurodegenerative diseases such as Alzheimer's are not excluded.
- Compensation is limited to 50% of the sum insured if the loss of licence is due to the following conditions that are difficult to describe objectively: hearing loss, headaches and dizziness or vertiginous syndrome. These conditions are

considered to be objective when the pathology is a direct consequence of an accident or illness or adverse development can be demonstrated by medical tests over a period of six months prior to the medical examination which determines the loss of licence.

In case of temporary disability

In addition to the exclusions stated for the permanent loss of flight crew licence cover, which are equally applicable to this cover, also excluded from cover is leave caused by the following events:

- Pregnancy.
- Childbirth and its consequences.
- Voluntary or legally recognised maternity leave.
- Any dental or aesthetic surgery performed at the insured's will, except for the ones derived from accidents or medical prescription.

➤ **In case of claim, how do I receive the compensation?**

Once the required documents for processing the compensation are received, whether it is for loss of licence or accidental death the payment term is short (approximately 7 days).

In the event of temporary disability, if you already have the social security discharge, the payment term is 24 hours. Furthermore, there is no need to wait for the discharge since advance payments are also paid after 30 days.

➤ **What specific advantages do I have if I purchase Loss of licence insurance with SEPLA instead of other products of the competition?**

The advantages of our product can be summarized as follow:

- a) A better price in the increasing premium rate
- b) An even distribution of the cost in the long-term and a more competitive price in the level premium rate.
- c) Stability. In spite of the different results in the last terms, with the SEPLA program stability has been obtained and this has been the foundation to face the future with enough backing. Also, airlines' private programs are subject to factors that are external to the insurance program, such as: company policy changes, bankruptcy, mergers, etc.

d) Flexibility. You may increase or decrease capitals, purchase more or less guarantees at any moment depending on your personal circumstances. Also a more convenient monthly instalment payment system.

➤ **Do I get any tax benefits if I am the policyholder and not the airline?**

- If the policyholder is the pilot, it is taxed as capital gains with a maximum taxation of 23%.

- If it's the airline, it is taxed as labour income with a maximum taxation of 45% in the general rate (according to the autonomous community), depending on the average taxation of the amount of the benefit.

Undoubtedly, taxation is more beneficial when the policyholder is the pilot.

➤ **So, what are the advantages of purchasing the insurance with SEPLA and not with my airline?**

The main advantages can be summarized as follow:

- A) Stability provided by a program external to your company and its difficulties. In other words, you take advantage of a program that serves you regardless of the company you work for. This way you avoid losing your loss of licence insurance if you change from company or airline, which could be a serious problem if you surpass the age limit for purchasing.
- B) Tax advantages mentioned above that can be of great importance depending on the purchased insurance.
- C) Freedom to choose your insurance coverage and above all the capital to purchase, considering that a pilot's personal circumstances are not the same.

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