



Convention Legal Documentation Implemented: 6/1/2002

The NMRA depends on its members, elected to positions of leadership, to maintain the terms & conditions of their insurance policy in order to avoid legal and financial ramifications caused by a breach of their contract.

There are several groups in the RMR that, by the regular commingling of non-NMRA members, have, by NMRA's Insurance Ts & Cs, defined themselves as Model RR Clubs not eligible for insurance coverage. In some instances, these clubs have secured insurance certificates from the NMRA by having the NMRA members claim the event is "Division" sponsored when in fact the entire event has been of mixed sponsorship.

This practice is neither a forthright or honest treatment of the NMRA's trust and confidence in the leaders, or their local organization. This must stop if we are to maintain credibility with the NMRA and not run the risk of jeopardizing the insurance contract.

The contract premium is based on estimated risks for a 23K+/- member corporation (approximate NMRA membership in 2001) holding events of reasonably pre-defined venue with an estimated number of non-members invited as participants. A significant increase in participants would represent a corresponding increase in risk that would require additional compensation. Since the invited participants are not members of the NMRA, there is no means to collect premiums from them and the additional cost would be borne by the NMRA members.

Additionally, the NMRA does not control who is sued in the event of an accident. If the named party is not a member of the NMRA, even though they are an invited participant, they may not be covered by the NMRA's policy.

The NMRA does recognize that NMRA members do not wish to divorce themselves from their non-NMRA friends and therefore have in many instances formed groups of mixed membership. It is important to be able to demonstrate that, in fact, the NMRA members who call themselves the Division, be able to demonstrate that they have done the work required to sponsor the show. The following proposal has been discussed with NMRA VP John Roberts and Tim Maier of J.A. Bash Co. and accepted as a reasonable demonstration of that effort.

- The NMRA entity holds sufficient meetings to plan and manage the event
- Minutes of meetings are documented and include attendance of NMRA members and others
- Non-NMRA members with specific roles or special knowledge required to run the event are also invited

- A letter of invitation is sent to perspective Non-NMRA participants advising them of the appropriate event details and the limitations of the NMRA insurance. The coverage limitations are:
 - The NMRA Entity sponsoring the event
 - The NMRA members named in a suit
 - The Non-NMRA members may not be covered if named in a suit

The probability that someone will eventually be hurt at an NMRA event and sue is certain. The question is when and where. Learning about NMRA insurance coverage after the accident could be embarrassing and costly. This simple process and documentation will avoid the situation.

This proposal was reviewed with John Roberts, NMRA VP, and Tim Maier of J.A. Bash, NMRA agent on or about 5/10, 2002 and found to be a reasonable means of risk management for involving non-NMRA members in NMRA insured events when the most common forum for meetings is with mixed membership.