



National Model Railroad Association, Inc.

May 1, 2018

The following is an update on the NMRA Property and Liability Insurance program. For information on liability limits, please contact NMRA Chief Administrative Officer Jenny Hendricks at nmracao@nmra.org.

To: All Directors, Region Presidents, Division Superintendents, 100% NMRA Club Coordinator, NMRA SIG Coordinator

From: Michael C. Brestel, HLM, Insurance Coordinator, At-Large World-Wide District Director, and Past President

Date: May 1, 2018

Subject: Current NMRA Liability and Property Insurance Program

As is our usual practice, late last year we concluded our negotiations for the NMRA's insurance coverage for the current year. Our primary coverages renew each January 1. They continue to require less administrative effort on the part of HQ, Regions, and Divisions than previously needed. Coverage continues to extend to most 100% NMRA Clubs and NMRA Special Interest Groups (SIGs). *(Note: NMRA liability coverage CANNOT be extended to clubs operating ride-on or amusement equipment, as explained later.)*

Our main insurance carrier for liability and property coverages continues to be the Peerless Insurance Company of Boston, Massachusetts, which is part of Liberty Mutual Insurance Group and has been providing business insurance to groups like the NMRA since 1901.

It is our hope that this memo will assist the leaders of all levels of the NMRA in understanding how our liability insurance program works, and how the policy impacts each level of the organization. We've also included a list of questions and answers that are most frequently asked.

Please read this memo carefully, and please help us make sure that each Division Superintendent, 100% NMRA Club, and NMRA SIG Group does the same. If you have any questions, please forward them to HQ Administration Department (Jenny Hendricks, CAO, nmracao@nmra.org) or to me (mbrestel@zoomtown.com) for review and/or clarification. **Do not contact our broker/agent or insurance supplier directly.** The contract is with the NMRA national organization, and we have agreed that all communication will be handled through NMRA HQ staff only.

This policy is in place primarily to protect the NMRA national corporation, and secondarily to protect the interests of Regions, Divisions, 100% clubs, NMRA SIGs, and members where conventions and regular and special activities warrant coverage.

Overview of Coverage:

The current Liability and Property Insurance Program is with Peerless Insurance Company (same company as last year). Our General Liability Insurance Policy covers all NMRA business activities in the U.S. and Canada, including NMRA Canada. All Region-, Division-, 100% NMRA Club-, and NMRA SIG-sponsored events are covered up to a specific limit of liability provided for in the policy. For clarity, consistency, and assurance of coverage, it is necessary that SIG events be co-sponsored by the National, a Region, or a Division.

The policy covers all NMRA entities located within the U.S. and Canada. Unfortunately, we have not been able to obtain coverage for NMRA entities located elsewhere.

Once again, this year's policy does not require reporting of meeting or event sites to trigger coverage – it's automatic. **We would appreciate an annual report of all meeting dates and locations from each Region and Division so that the underwriter (Peerless Insurance) has a thorough understanding of the NMRA's exposures. We ask that at or around the first of each year, each entity planning to use the insurance send a list of applicable events to HQ.** If dates or locations of meetings change, don't panic – coverage is in force even if the venue changes. The coverage has been arranged this way to cut down on the amount of paperwork and interaction on insurance with the Administrative Department and others.

The insurance carrier has no problem with how we choose to identify an event (e.g., train show, flea market, swap meet, convention, jamboree, seminar, clinic, tour, event, meeting, etc.) as long as the event is officially sponsored by an NMRA entity.

If you need specific Certificates of Insurance (for landlords, building owners, etc.), the process will be explained later in the memo.

Coverages for national conventions are detailed in the convention procedures. Questions about national convention coverage can also be directed to Bob Amsler, Meetings and Trade Show Department Manager, at nmramts@charter.net.

Who Is Covered?

If there is an accident or other loss situation, **it does not matter whether or not the injured party or parties are NMRA members.** Our policy is intended to respond to an accident claim and to handle appropriate payments for medical and other claims if they are deemed to be our (the NMRA's) liability.

If the injured party decides to take legal action against every possible party involved, our policy is going to protect only the NMRA entities, members, and others to whom we may

have chosen to extend coverage by Contract or Certificate. If a non-member is directly brought into a lawsuit as a result of an incident at an NMRA event or activity, our policy will probably not cover that non-member (this is a gray area – we cannot predict the specifics of every situation).

The definition of *who is covered* in our policy has been made as broad as possible. For obvious reasons, it is not the underwriter's intent to extend coverage beyond what they are contractually required to provide.

The coverage is automatically in effect as long as the event in question is an NMRA event. Officers and individual members are covered as long as they are engaged in an activity on behalf of the NMRA.

It is important that event host groups do a good job of "policing" meeting rooms, show sites, vendor/displayer areas, etc. for potential hazards that could cause an accident. If a claim occurs, our insurance carrier's claim adjuster will review the accident cause. If it is determined that negligence on the part of the meet location landlords or vendor/displayers has contributed to or caused the incident, our insurance carrier will pursue getting one or more of these entities to participate in, or even take over entirely, the responsibility for payment of a claim.

Because the coverages extend to Regions, Divisions, 100% NMRA Clubs, etc., it is critical that these entities of the NMRA operate their organizations in line with the National Regulations of the NMRA. If they do not, they will jeopardize coverage for their organization, as well as its officers and members, should an incident occur. If Regions, Divisions, etc. operate contrary to or in disregard of the National Regulations, their actions could also jeopardize the National's ability to provide the same quality and breadth of coverage in the future.

What Is Covered?

All officially sponsored (by 100% NMRA organizations) NMRA events in the U.S. and Canada are covered. Unfortunately, we are not able to get coverage extended beyond the U.S. and Canada at this time. Officially sponsored events do not have to be reported to trigger coverage. Earlier this year, our insurance broker sent each Region President a master Certificate of Insurance so he or she can show meeting site landlords, etc. that the Region, as an NMRA entity, has Liability Coverage. Each Region President should have passed along a copy of this Certificate to his or her respective Divisions. There is no charge for this basic Certificate of Insurance.

In general, individual meeting sites do not have to be endorsed onto the policy for coverage to apply. Sometimes, however, a particular landlord or meeting site provider will want a Certificate of Insurance specifically showing them as an Additional Insured for the timeframe of the event.

Requests for such Certificates should be sent to the HQ Administration Department at least **30 days prior to the scheduled event** (please complete an **NMRA**

APPLICATION FORM FOR CERTIFICATE OF INSURANCE, available at this url: <http://www.nmra.org/sites/default/files/memberservices/insuranceapplication.pdf>).

If you call on a Thursday for a weekend event, you will not get the certificate in time, and you may have to cancel the event because the location may not let you hold the event without the Certificate of Insurance adding them as an Additional Insured on the NMRA policy.

The HQ Administrative Department will continue to process all requests for specific site certificates. There will continue to be a **\$50 administration fee** for each certificate request. This will be charged to each Region/Division/100% Club/SIG for any certificate showing a requesting party as an Additional Insured for a specific event. Again, you do not need a specific certificate for each event **unless the landlord or location of the event requires one**.

Multiple certificate requests can be included on one request form for a single \$50 administration charge. We will not specifically name anyone as a "Named Additional Insured" directly to our policy, but will show them as an Additional Insured for the event by way of the Certificate of Insurance. Coverage is automatic for all NMRA officially sponsored events in the U.S. and Canada, but each requested Certificate of Insurance costs \$50.

Again, please use the **APPLICATION FORM** to request Certificates from Headquarters.

Co-Sponsored Events

If events are co-sponsored, the name of the NMRA Region, Division, 100% NMRA Club, or NMRA SIG must appear as the sponsor on all publicity, flyers, signage, etc. It must be pointed out to the other sponsor(s), particularly if they are non-NMRA entities, that our policy might not cover 100% of the liability should a claim occur. Division of liability is a gray area, subject to interpretation at the time of a claim, and cannot be predicted in a final and clear-cut fashion.

In order for an event to be an official event, the Division or Region, whichever is the sponsoring entity, must approve the event by whatever process is required or has evolved by custom. For instance, a Division might require a vote of the entire membership in order for an event such as an annual train show to be officially sponsored. On the other hand, some Divisions might normally approve an event by a vote of the officers and/or directors. It is important to follow whatever laws, requirements of organizing documents, or customs exist in your case for approving all events.

Please understand that in the event of a claim, if it is discovered that the NMRA Sponsoring Group is treating as members persons who are not NMRA members, or is keeping a double set of membership books, the coverage for everyone, and particularly for those non-members, could be jeopardized. In the event of such fraud, all parties concerned may find that they bear personal liability, and would have to turn to their own insurance for coverage if available.

Our coverage might extend to non-NMRA members who are invited to participate in the event(s), but if they are directly sued as a result of an incident that occurs during the event, we cannot predict the course that lawsuits will take. Due to the unpredictability of such claims, we would advise non-NMRA entities and/or non-members participating in events to be sure to that their personal liability insurance coverage is adequate.

The policy that has been discussed above is a *General Liability Policy* and is not an *Auto Liability Policy*. The NMRA Policy has *Auto Liability Coverage only* for *Hired and Non-Owned Autos (rentals)* that national staff and/or officers may be required to rent during travel. This coverage does not extend to buses, railfan trips, etc., nor does it apply to vehicles rented or hired for any purpose by Regions, Divisions, 100% NMRA Clubs, or NMRA SIGs.

How Much Is Covered?

If a meeting site or landlord requests a Certificate of Insurance for an event, we will ordinarily issue a certificate showing \$1,000,000 in Liability Coverage.

We review our coverage needs annually, and we, along with our agent, feel we are currently carrying the correct amount of Liability Insurance Coverage for the exposure of our operations. It should be noted, however, that if a claim or claims exceed the maximum in any one year or one occurrence, the assets at the NMRA could be at risk.

Our liability policy does not cover buildings, equipment, supplies, etc. These are covered for the HQ Administrative Department, the Kalmbach Memorial Library, and the Howell Day Museum under the Property section of the Peerless policy. Very little property insurance coverage extends beyond the Headquarters building. Contest and display model room coverage will be explained later in this memo.

Higher Coverage Limits Newly Available

Recently we have been receiving requests from some NMRA entities for increased coverage limits. In early 2018, we were able to negotiate with our supplier for higher coverage limits under some circumstances. If you have need for higher limits, please be aware that these may now be available to your group. Please refer to the memo entitled ***Increased liability insurance limits now available for NMRA activities in U.S. and Canada***, available at the NMRA Liability Insurance Web page, for more information.

100% NMRA Club Liability Insurance Coverage:

We are pleased that Peerless Insurance will continue to offer the NMRA Liability Policy to cover registered 100% NMRA Clubs. This coverage continues to represent a huge savings advantage for our 100% Clubs. It now probably costs a Club around \$1,000 annually to acquire such coverage on its own, but each Club can be covered under the NMRA policy for a **\$50 annual administrative fee** (not a premium).

In order to obtain the coverage, each interested 100% NMRA Club must contact the HQ Administrative Department (Jenny Hendricks) to provide the necessary exposure details (i.e., club name, address, and building site information). Upon approval and payment of the administrative fee, the 100% NMRA Club will be added to the policy.

The policy also covers “Fire Legal Liability” with a sublimit of \$100,000. Club landlords frequently require this coverage. There is not a separate premium charge for each individual 100% Club, but rather there is a group rate figured in as part of the overall NMRA liability premium on an annual basis.

All 100% NMRA Clubs (except those operating ride-on or amusement equipment) should also provide information on all entities needing Certificates of Insurance at the time that it notifies the Administrative Department of its request for coverage. No additional fees will be charged for certificates unless the Certificate of Insurance holders change or additional Certificates are required within the policy period, in which case an **additional \$50 administrative fee** will be charged for issuing the new Certificate(s) of Insurance.

We regret that 100% NMRA clubs operating large-scale live-steam or ride-on model railroads cannot be covered under the NMRA liability policy. We are not familiar with this kind of insurance and cannot offer specific guidance to those seeking this kind of coverage, but we understand that a search of the Internet for “large scale train insurance,” “live steam train insurance,” or the like will yield some possibilities.

NMRA Special Interest Groups:

The Peerless Insurance Co. Liability Policy also extends coverage for events sponsored by NMRA Special Interest Groups. Since many SIGs have members who do not belong to the NMRA, we require that these events be co-sponsored by the National, a Region, or a Division. If site-specific certificates are needed, a \$50 administration fee will be charged by HQ. All requests for coverage must be sent to Jenny Hendricks, NMRA CAO. Also please refer to Legal Counsel Robert Amsler’s comments under *Signing Legal Contracts and Sponsoring NMRA-Sponsored Events* below.

Property Insurance for Clubs:

Property Insurance for equipment, models and layouts is available for 100% NMRA Clubs, as well as for non-100% NMRA Clubs that purchase a Sustaining Membership in the NMRA. The insurance product is available through the J. A. Bash Co. of Pittsburgh and is separate from the overall NMRA Corporation Property Insurance Program. This is the same program that we make available to all members. Building insurance is not available through this program; however, J. A. Bash will be able to assist any 100% Club that needs to pursue building insurance. Requests for any of these coverages should be processed through Jenny Hendricks – do not contact J.A. Bash directly.

Model Contest and Display Room Coverage:

The NMRA Insurance Policy with Peerless Insurance (Standard Marine Policy Form) covers model contest and display room models that are in our (NMRA's) care, custody, and control. Regions and Divisions do not have to make special application to receive coverage of models, photos, or artwork in model contest and display rooms at conventions – coverage is automatic. We do expect Regions and Divisions to cover the \$250 deductible in the event there is a claim. The maximum coverage is \$100,000. **It is important to be sure that each entrant completes the “value of entry” box on the contest entry forms so that we will have a good idea of the value of the article if a loss occurs.**

Dishonesty Coverage:

The Commercial Crime Coverage section of the Peerless Insurance Policy extends “Dishonesty” Coverage to National Officers, Directors, Department Heads, Headquarters Staff, and Region Treasurers. Any Region involved in a loss will be expected to cover the \$1,000 deductible. This coverage is available only to our Regions in the U.S. and Canada.

Questions About Insurance Coverage:

Please direct any questions to Jenny Hendricks, NMRA Chief Administrative Officer, at **(423) 892-2846** or via e-mail at **nmrahq@nmra.org**.

Again, do not contact our broker/agent or insurance supplier directly. The contract is with the NMRA National organization, and we have agreed that all communication will be handled through NMRA HQ staff only.

I (Mike Brestel) am also available to answer questions via e-mail or phone. My email and snail mail address and my phone number can be found in the masthead of the *NMRA Magazine/NMRA Bulletin*.

Thanks for your continued cooperation with this program.

Signing Legal Contracts and NMRA-Sponsored Events

We are increasingly answering questions about what has to occur for an event to be considered sponsored or co-sponsored in the eyes of the insurance company. A sponsored event is an event of a Division or Region approved by whatever approval process exists. A co-sponsored event is one in which the NMRA, through a Region or Division, agrees to sponsor an event with a non-NMRA entity. The NMRA wishes to affirm such activities because of the benefit that accrues to both organizations. In order to be co-sponsored, NMRA Regions and Divisions must approve the event by whatever procedure is established for the approval of events. If there is no procedure, one should be established in writing.

The Region or Division must be a true co-sponsor of the event, sharing in the risk and proceeds of the event, and not merely named in order to bring the event within the scope of the insurance. If the partnership is in name only, there is a significant likelihood that the insurance company would refuse to defend and indemnify anyone involved in the event. Items to consider in creating the co-sponsored event include: (1) the number of hours contributed by the NMRA Region or Division membership and the hours contributed by the non-NMRA entity's membership; (2) the division of risk and proceeds if the event fails or succeeds; (3) the name of the NMRA and other entity must both be prominently displayed on all advertising and signage; and (4) whether both organizations sign the contracts or other documents. This is not an exhaustive list; these items are merely an illustration.

*Finally, the NMRA sponsoring entity must sign the contract on behalf of its own organization. **In no event is anyone at the Region or Division level to sign a contract and have the sponsoring organization listed as the NMRA.** The person signing the contract should be an officer of the Division or Region, whichever is appropriate, and should be so designated.*

Claim Information:

*All possible claim incidents need to be reported as soon as possible following the event and/or date of the incident to CAO Jenny Hendricks at Headquarters. We will then review the report and pass it on to Peerless Insurance for investigation. It is very important that as much detail as possible about the claim and claimant be described in the information that you provide Jenny. If possible, take photos of incident area (not of the claimant), showing physical details that relate to the claimant's story. The **CLAIM FORM** is available at http://www.nmra.org/sites/default/files/claim_form.pdf.*

– Robert Amsler, NMRA Legal Counsel

FREQUENTLY ASKED QUESTIONS AND ANSWERS

1) Are individual NMRA members covered by the NMRA Liability Insurance Policy?

Yes, individual members are covered by the policy when they are engaged in specific NMRA business (e.g. conducting a clinic or presentation for outside group(s), or hosting a convention layout tour).

2) My Division has persons it regards and treats as “members” who are not NMRA members – are they covered?

No. Divisions cannot have members who are not NMRA members, and a person must be a member of the NMRA to be protected by our coverage. Non-NMRA guests at meetings, convention, shows, etc., are not personally covered against liability by our policy, but the events they attend as guests are covered by the policy. Non-

members would only be at risk if they would be specifically named in a claim action. The NMRA would endeavor to have coverage apply as broadly as possible in these situations, but there are no guarantees – the insurance company will, of course, be looking to limit its liability.

In addition, all Regions and Divisions have been instructed that they cannot grant membership status to persons who are not National NMRA members. Certainly, we continue to encourage guests to attend many of our functions (National, Region, Division, 100% NMRA Clubs, SIG's) to the extent permitted within our Guest Policy, but the guests must be made to understand that attendance at NMRA events, no matter how frequent, does not automatically make them members, and does not guarantee they are covered by the insurance.

3) My Division has always had members and guests who don't belong to the NMRA. We like it that way. Many of these people are personal friends of ours. Why is this anyone's business but our own?

This question keeps coming up, so let's be very direct here: **If your Division allows permanent visitors to participate actively in Division activities as if they were NMRA members, you risk losing insurance coverage for any event where that abuse of membership can be demonstrated.** You could be personally on the hook for thousands of dollars – or more – in damages to the injured person and to the public facility to which you represented that you had insurance. Furthermore, in some cases you could expose every single member of your Division to personal liability.

As an NMRA officer or member, your personal assets are being protected by our liability insurance. Without that insurance, all the officers, and even the members, of a Division (or Region) are **personally** responsible for paying damages in case of an injury. **That means your house, your bank account, your assets are on the line.** You know that most insurance adjusters are always looking for reasons to deny claims. Member fraud is a great reason for denying a claim. And if there's a claim, you can be sure it *will* be investigated. One of the first things the insurance investigators will demand from HQ will be a membership roster of the NMRA group in question. All the insurance company needs to find out to deny a claim is, "Hey, this Division is letting non-members participate as if they were members."

Keeping clean, honest membership records isn't something that National came up with to complicate your life or take away your fun. This is what our insurance provider has required in return for selling us our policy. It's part of what we all pay for peace of mind and protection of our personal assets. If your Division is trying to run a game on the NMRA or on our insurance company, the company will find out – and your negligence and dishonesty could mean that everyone in your Division, and even everyone in the entire NMRA, loses this huge, huge benefit.

4) Can NMRA liability coverage be extended to a home layout where the owner is a non-NMRA member?

No. Non-members' layouts are not eligible for coverage under the NMRA's policy. We recommend that non-members be encouraged to join the NMRA prior to the event. Currently a one-time short-term RailPass membership is available, to those who are eligible, for a discounted trial rate. Or non-members can be encouraged to join for the full annual fee. The only way that policy coverage can be obtained for a non-member's layout is for that layout owner to join the NMRA.

5) Will having a non-member layout or layouts on a tour affect the coverage of the member-owned layouts on the same tour, or coverage for the sponsoring group?

No. The presence of one or more non-member's layouts on a particular tour will have no effect on the coverage of member's layouts on the same tour, nor will it affect the sponsoring group's coverage under the policy.

6) Are show vendors and module layout operators covered by the NMRA policy at a Region or Division event?

Yes, as sponsor of the event, the NMRA's policy would be the primary insurance policy applied to a claim arising out of the event operations. However, individual groups, vendors, and layout operators could also be named in an action. While the NMRA policy would be primary, these other groups, etc. also should be made aware of the risk and should have their own coverage. This is a gray area, and we cannot guarantee the outcome of any legal proceeding. There is certainly a higher risk for non-NMRA members or groups if they are specifically found negligent in a claim action.

7) Does the NMRA Policy cover car and van rentals?

Yes, but only for NMRA employees and national executives. Employees and national executives should refuse rental car company insurance at the time they sign rental agreement contract(s). The NMRA has no other coverage available for vehicles or transportation at NMRA National, Regional, or Division events.

8) In the memo above, you state that there is no coverage available for vehicles used for event transportation. What exactly does this mean?

This means that in case an incident occurs, there is no NMRA coverage and the only coverage your event would have would be the personal auto liability and collision insurance purchased by the vehicle owner and/or driver.

The NMRA does not carry insurance that applies to transportation on tours, even for national conventions. The NMRA always works with contracted carriers who are required by law, and by our event contract, to carry adequate liability insurance. If there is an accident, the transportation provider is liable for all personal injuries and other damages. The NMRA has no liability. Thus, we carry no insurance for this.

If your Region or Division needs to rent buses, vans, or cars for event transportation, that transportation is not covered by our national policy. We suggest that any NMRA

entity hosting an event that requires transportation should (a) hire an insured carrier, (b) insist that the carrier list the NMRA entity by name as an additional named insured, and (c) require a Certificate of Insurance be issued to that effect.

9) How about if we maintain a ride-share or carpooling board or signup sheets near our registration desk, and encourage members to get together to arrange their own transportation?

An NMRA entity should **never** manage, sponsor, or promote ridesharing or carpooling as a way to visit layouts or otherwise provide transportation at an event. It's fine if individuals make such arrangements among themselves, but in the event of an incident, the NMRA cannot be seen to have managed or participated in this activity. Even maintaining a rideshare board or signup sheet could be construed as a promotion of carpooling and could cost the individual event organizers a lot of money and pain if there were a liability incident, since the NMRA's policy will not cover them in this area.

10) Can a non-100% NMRA Club purchase Model Insurance?

Yes, a non-100% Club can become a Sustaining Member of the NMRA and apply to J. A. Bash for coverage.

11) Can a non-100% NMRA Club purchase Liability Coverage through National?

No, a Club must be 100% NMRA to qualify for NMRA Liability Coverage. They can, however, contact J. A. Bash to purchase a separate Liability Policy.

12) Can more than one certificate be requested for a \$50 administration fee?

Yes, each time you send a request to HQ a \$50 fee will be assessed. A single request can include multiple certificate requests for a number of events (monthly Division meetings, etc.). You save money if you request all your certificates at one time.

13) Where do I report a possible claim resulting from an event or activity?

Call Jenny Hendricks at HQ (423-892-2846) as soon as possible and she will notify our agent. Do not call our agent directly.

14) One of our event site providers has asked for a copy of our insurance policy. Can we get a copy?

No. We do not provide copies of our policy to any outside organization, but we will discuss any and all issues upon request. Please let us know if you encounter a site's risk manager or official who needs additional information about the NMRA coverages.

15) Can individual members be covered for liability if they periodically open their layouts for non-National/Region/Division sponsored events?

No. Our Liability Coverage is designed to protect the National Organization, and its Regions and Divisions. Member coverage for home layout visits only applies at the time layouts are opened for NMRA-sponsored or co-sponsored convention tours or specific Region or Division events. Layout owners need to make sure their personal liability coverage is adequate if they are opening their homes to non-NMRA tours.

16) Can non-members attend Division and Regional meets?

Yes, but they cannot participate in NMRA contests or receive benefits of membership without being a member.

The **official policy** of the NMRA is that non-members ("guests") are allowed to visit a Division or Region meeting three times over the course of a lifetime to get a sampling of what goes on at those activities. The NMRA Board of Directors has determined that three visits are enough to give a non-member a good idea of the benefits of NMRA membership.

After three visits, the non-member must either join the NMRA, or he or she must be asked not to return to the Division or Region meeting or members' event. If a former member allows his or her membership to lapse but continues to show up at Division or Region events, then he or she cannot be permitted to hang around, taking advantage of old friendships to receive benefits that are intended only for members. If they are not willing to join, these individuals must be asked to leave.

This is because as part of determining the cost and extent of our insurance coverage, our insurer wants to know who our members are and how many members we have. Should a claim occur, having allowed non-members and former members to become "permanent guests" could severely jeopardize not only the offending Division's or Region's insurance coverage, including coverage for their officers, but also the coverage of the entire NMRA.

17) Are non-members allowed to participate in NMRA-run auctions and raffles?

No. Participation in Division- or Region-run auctions and raffles is a benefit of NMRA membership that cannot be extended to non-members. In addition to the insurance questions raised by non-member participation, in some circumstances there are also tax consequences resulting from non-member participation in these activities.