

**NORTH AMERICAN RAILCAR OPERATORS ASSOCIATION  
RAILROAD MOTORCAR INSURANCE PROGRAM**

1047 Terrace View Drive  
Alberton, MT 59820-9413  
(406) 722-3012

**DESCRIPTION OF INSURANCE COVERAGE**

2/1/09-2/1/10

This program was designed exclusively for the membership of **NARCOA** by Empire Insurance Services, LLC and is effected with Darwin Professional Underwriters Inc and Darwin Select Insurance Company (DSI). DSI has committed to a one year contract beginning February 1, 2009 and running to February 1, 2010. Participating members will be fully protected for the coverage described below.

Renewal of the program is predicated upon the business-like and prudent conduct of the participants. The nature of the hobby- which involves the ever more complicated use of *privately* owned (as opposed to *publicly* owned) facilities- necessitates special precautions. Acknowledging this, Empire and DSI are pleased to offer this exclusive program to you, and to protecting this great hobby. Any questions should be directed to **NARCOA** at (406) 722-3012, or to the **NARCOA** Area Insurance Representatives listed below. Please note the states/provinces that they represent:

**Mike Ford**, 7712 Carpenter Ct, Plainfield, IN 46168 Phone: (317) 839-9320

Illinois, Indiana, Iowa, Kentucky, Manitoba, Michigan, Minnesota, Ohio, Ontario, Quebec and Wisconsin.

**Jim McKeel**, 9742 Yosemite Court, Wichita, KS 67215 Phone: (316) 721-4378

Arkansas, Kansas, Louisiana, Missouri, Nebraska, Oklahoma and Texas.

**Tom Norman**, 1047 Terrace View Drive, Alberton, MT 59820 Phone: (406) 722-3012

Alaska, Alberta, British Columbia, Idaho, Montana, North Dakota, Oregon, Saskatchewan, South Dakota, Washington and Wyoming.

**Doug Stivers**, 1544 Fuchsia Drive, San Jose, CA 95125 Phone: (408) 269-5547

Arizona, California, Colorado, Hawaii, Nevada, New Mexico and Utah.

**Tom Falcon**, 1227 Sawmill Creek Rd, Bryson City, NC 28713 Phone: (828) 488-8063

Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina and Tennessee.

**Dick Wilhelm**, PO Box 209, Bearsville, NY 12409 Phone: (845) 679-2870

Connecticut, Delaware, Maine, Maryland, Massachusetts, Newfoundland, New Brunswick, New Hampshire, New Jersey, New York, Nova Scotia, Pennsylvania, Prince Edward Island, Rhode Island, Vermont, Virginia and West Virginia.

**EFFECTIVE DATES**

February 1, 2009 to February 1, 2010.

**BASIC POLICY COVERAGE**

A. \$10,000,000 Railroad Liability (each occurrence limit), including products-completed operations hazard coverage and personal and advertising injury liability, for insurance program participants at all association activities and insured **NARCOA** railroad motorcar excursions. A per occurrence self insured retention of \$2,500 applies. \$20,000,000 general aggregate limit (other than products-completed operations hazard).\*

B. \$1,000,000 Railroad Liability (each occurrence limit), including products-completed operations hazard coverage and personal and advertising injury liability, for insurance program participants. \$2,000,000 general aggregate limit (other than products-completed operations hazard). A per occurrence self insured retention of \$2,500 applies. This applies to all legal motorcar operation.\*

**PLEASE NOTE:** The \$2,500 self insured retention is the responsibility of the at fault operator.

\* This is a claims-made form. It provides coverage for an injury or loss if the claim is first reported or filed during the policy period. Retroactive date: 05/01/2005. Coverage includes hy-rail equipment while actually supported and operating on the rail.

**COVERAGE TERRITORY**

The United States of America (including its territories and possessions), Puerto Rico and Canada.

## WHO IS ELIGIBLE FOR THE PROGRAM?

Any current **NARCOA** member 18 years of age or older who maintains his/her membership in good standing through the policy year, provides evidence of a valid motor vehicle drivers license, and has a current **NARCOA** Certificate of Examination Card.

## WHO IS AN INSURED?

A. The definition of "Insured" in the policy is amended to include the following:

Any member, and if you are an individual, your spouse and family members, but only with respect to:

- a. your liability for your activities or activities performed on your behalf; or
- b. liability arising out of and at the premises of an event you sponsor.

## POLICY PREMIUMS

A. The annual premium per program participant for this policy period is \$115, **paid to Empire Insurance Services, LLC.** The program administrator will issue an Evidence-of-Insurance card annually to each participant.

**B. Insurance applications will be accepted through March 31, 2009. This limited enrollment period is due to the insurance carrier's requirement that the premium be paid in full by April 15th. No applications will be accepted after March 31, 2009.**

After the March 31st deadline, **NARCOA** will attempt to get permission to accept applications from new members on a limited basis. Contact the **NARCOA** Insurance Administrator for details.

## AGENT

Empire Insurance Services, LLC of Lexington, Tennessee is the agent providing this program. Empire specializes in railroad insurance for short line railroads and railroad related companies.

## INSURANCE COMPANY

Insurance coverage is provided by Darwin Professional Underwriters, Inc and Darwin Select Insurance Company (DSI). DSI has a Best's rating of "A- (Excellent)". Information for the reporting of claims is available from **NARCOA**.

## RESTRICTIONS

A. Insurance coverage A does not apply to non-sanctioned or non-**NARCOA** events.

B. Non-program participants will not be allowed to operate their motorcars in any **NARCOA**-approved insured event.

C. Insurance coverage does not apply to employment, sub-contract, or work for hire on the railroad.

D. Insurance coverage applies only to legal operation.

E. **NARCOA** defines who may operate a motorcar at an insured **NARCOA** excursion. *Providing the insured member is present at the excursion under the supervision of the Excursion Coordinator, and is not operating another motorcar at that event*, then with prior approval of the Excursion Coordinator and license verification prior to the excursion the following may operate:

1. The spouse of the insured member if the spouse possesses a valid motor vehicle drivers license, and a current **NARCOA** Certificate of Examination Card.
2. A dependent child of the household, 14 through 21 years of age, possessing a valid motor vehicle drivers license, and a current **NARCOA** Certificate of Examination Card. The child must be under the direct supervision of the insured member at all times. Authorization must also be obtained from the host railroad.

F. The insured member must be familiar with and adhere to the **NARCOA** rules as published in the most current **NARCOA** Rule Book (or equal or more restrictive rules as may be published by **NARCOA** Affiliates). The insured member must obtain a current **NARCOA** Certificate of Examination Card.

## INSURANCE CONTRACT

This is an ASSOCIATION POLICY. Individual insurance policies will not be issued to association members, however copies of the actual contract will be available from the **NARCOA** Insurance Program Administrator for a processing and handling fee of \$18.00.

*The information in this brochure supersedes any previous description of the nature of this insurance program.*

**NORTH AMERICAN RAILCAR OPERATORS ASSOCIATION  
RAILROAD MOTORCAR INSURANCE PROGRAM  
2009 Application (Renewal or New Member)**

Carefully complete this application to participate in the *NARCOA Railroad Motorcar Insurance Program*, paying attention to each step below:

1. This year's premium is \$115.00 for insurance coverage during the policy period. The policy period is February 1, 2009 to February 1, 2010 and cannot be prorated. Checks for insurance coverage are made payable to **Empire Insurance Services, LLC.**
2. **Insurance applications will be accepted through March 31, 2009. This limited enrollment period is due to the requirement that the premium be paid in full by April 15th. No applications will be accepted after March 31, 2009.** After the March 31st deadline, NARCOA will attempt to get permission to accept applications from new members on a limited basis. Contact the NARCOA Insurance Administrator for details.
3. The insurance program covers the association and its participating members. This requires each applicant to be a NARCOA member through the entire twelve-month policy period (February 1, 2009 to February 1, 2010). Thus each applicant must include a check payable to **NARCOA**, in the amount of \$30 for a new NARCOA membership, *or* to renew a current membership beyond January 31, 2010. The only exceptions to this requirement are for NARCOA members that have membership expiration dates of JF10 (January/February 2010) or later. Look on the mailing label of *The Setoff* for the expiration code. The first two letters represent the issue expiration, and the next two digits represent the year. For example JF10 is January/February 2010, MA10 is March/April 2010, MJ10 is May/June 2010, etc. Members with expiration dates of JF10 or later do not need to enclose the \$30 check to NARCOA.
4. Be sure to complete the enclosed **NARCOA Agreement**. Read it carefully, date and sign on the reverse, and return with your application. **No insurance will be issued unless the NARCOA Agreement is completed and returned with your application!**

(OVER)

-----DETACH-----

**APPLICATION FOR NARCOA RAILROAD MOTORCAR INSURANCE PROGRAM**

**PLEASE PRINT**

**Name:** \_\_\_\_\_

**Mailing Address:** \_\_\_\_\_

**City:** \_\_\_\_\_ **State/Province:** \_\_\_\_\_ **Zip/Postal Code:** \_\_\_\_\_

**Phone:** Home (\_\_\_\_) \_\_\_\_\_ Work (\_\_\_\_) \_\_\_\_\_ **Email:** \_\_\_\_\_

**Date of Birth:** \_\_\_\_\_ *(Must be 18 years of age, or older).*

**A valid current motor vehicle drivers license is required. Please provide the following:**

**License Number:** \_\_\_\_\_ **State/Province:** \_\_\_\_\_ **Expiration Date:** \_\_\_\_\_

**NARCOA Certificate of Examination Card Number:** \_\_\_\_\_ See step #5 (over)

**If a claim is made against this policy and I am found at fault, I agree to pay the self insured retention of \$2,500.**

**Signature:** \_\_\_\_\_

**Can we publish your name, address, email, and phone number in the *NARCOA Roster*?** YES \_\_\_\_\_ NO \_\_\_\_\_

**Would you prefer to receive *The Setoff* by email instead of a paper copy?** YES \_\_\_\_\_ NO \_\_\_\_\_

Return this form, *NARCOA Agreement*, and your payments to: **Tom Norman, NARCOA Insurance Program Administrator**  
1047 Terrace View Drive  
Alberton, MT 59820-9413

5. **NARCOA** Certificate of Examination Cards numbered 4000 to 5999 expire January 31, 2009. All members will need to obtain a new **NARCOA** Certificate of Examination Card. New cards will be numbered 6000 and higher. To obtain a card you must pass the latest **NARCOA** Rule Book test before you can operate at a **NARCOA** Approved Insured Event scheduled after 1/31/09. To request a test send a stamped, self addressed business size envelope to: **Al McCracken, 2916 Taper Avenue, Santa Clara, CA 95051.** New members will receive the **NARCOA** Rule Book upon processing of their membership application, and then may request the test.

6. Hy-rail vehicles can operate at **NARCOA** insured motorcar excursions if the owner can provide evidence of primary automobile liability insurance for the hy-rail vehicle. If you intend on operating a hy-rail vehicle at a **NARCOA** insured motorcar excursion, please mark the appropriate box in the check list at the bottom of this page. The necessary paperwork will be sent to you.

7. When applying for insurance, send your **NARCOA** dues with your application. Do not send it to Joel Williams, the **NARCOA** Secretary, as that will delay the processing of your insurance application. Send your dues with the insurance application.

8. Please complete the check list at the bottom of this page.

**NARCOA** has regional representatives for members to contact about insuring excursions and for other insurance information. Please note the states and provinces that they represent:

**Mike Ford**, 7712 Carpenter Ct, Plainfield, IN 46168 Phone: (317) 839-9320

Illinois, Indiana, Iowa, Kentucky, Manitoba, Michigan, Minnesota, Ohio, Ontario, Quebec and Wisconsin.

**Jim McKeel**, 9742 Yosemite Court, Wichita, KS 67215 Phone: (316) 721-4378

Arkansas, Kansas, Louisiana, Missouri, Nebraska, Oklahoma and Texas.

**Tom Norman**, 1047 Terrace View Drive, Alberton, MT 59820 Phone: (406) 722-3012

Alaska, Alberta, British Columbia, Idaho, Montana, North Dakota, Oregon, Saskatchewan, South Dakota, Washington and Wyoming.

**Doug Stivers**, 1544 Fuchsia Drive, San Jose, CA 95125 Phone: (408) 269-5547

Arizona, California, Colorado, Hawaii, Nevada, New Mexico and Utah.

**Tom Falcon**, 1227 Sawmill Creek Rd, Bryson City, NC 28713 Phone: (828) 488-8063

Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina and Tennessee.

**Dick Wilhelm**, PO Box 209, Bearsville, NY 12409 Phone: (845) 679-2870

Connecticut, Delaware, Maine, Maryland, Massachusetts, Newfoundland, New Brunswick, New Hampshire, New Jersey, New York, Nova Scotia, Pennsylvania, Prince Edward Island, Rhode Island, Vermont, Virginia and West Virginia.

-----DETACH-----

#### Check List:

☐ Did you include payment for insurance coverage for the period February 1, 2009 to February 1, 2010 of \$115.00? Make check payable to: **Empire Insurance Services, LLC.**

☐ Did you include payment for a new **NARCOA** membership, or one year membership extension (required) for \$30.00? You must be a **NARCOA** member during the entire twelve month policy period. Make check payable to: **NARCOA.**

☐ Did you sign and return the **NARCOA** Agreement?

☐ Your signature is required on the insurance application. Did you sign on the correct line?

☐ Do you have a **new** **NARCOA** Certificate of Examination Card? See step #5.

☐ I intend on operating a hy-rail vehicle (car or truck specially equipped for on rail operation) at a **NARCOA** insured motorcar excursion. Please provide me with the necessary paperwork to allow hy-rail operation.

# NARCOA AGREEMENT

The undersigned, in consideration of North American Railcar Operators Association (NARCOA) (including its officers, directors, affiliates, committee members, volunteers, agents, servants, employees and lessors), and the railroads with which NARCOA contracts or arranges for the use of track for excursions (RRs) (including their officers, agents, servants, employees and lessors), hereinafter collectively and individually referred to as "NARCOA/RRs", allowing or assisting the undersigned to utilize the tracks and facilities of railroads and participate in the motorcar excursions and related activities of NARCOA/RRs, agrees that:

**1. ASSUMPTION OF RISK:** I know and understand the scope, nature, and extent of the risks associated with motorcar excursions, including (1) those attendant to the operation of motorcars generally and specifically the operation of motorcars on track which may not be maintained to any particular level or standard; (2) related motorcar activities such as set-on and set-off procedures, and (3) in general, the risks and dangers of the working railroad environment in which the motorcar will be operated. I willingly and knowingly accept those risks, which I understand could result in destruction of my property and my injury or death.

**2. INFORMING GUESTS AND PASSENGERS:** I am responsible for informing and educating any volunteers, invitees, or guests whom I bring or invite onto railroad property, and all passengers in the motorcars I operate, about the nature and extent of the risks associated with motorcar excursions and determining that they understand them and willingly accept them. I shall inform and educate them, and confirm their acceptance of those risks by obtaining their signature(s) on the NARCOA General Release (or equivalent) at a time and place which allows them to decline and leave before being exposed to such risks.

**3. RULES COMPLIANCE:** I have read and understand the NARCOA Rule Book, understand the content and purpose for each of the rules, and agree to abide by them. I further agree to take responsibility for informing those persons I bring to the excursion of all the rules applicable to their conduct.

**4. ADHERENCE TO TRACK AUTHORITY:** As a condition of maintaining NARCOA operating privileges, I will strictly adhere to the requirement that operation on any railroad whether or not as part of a NARCOA excursion is permissible only with proper track authority, and that acquiring and verifying such proper track authority is my responsibility. I understand that to use a railroad without proper track authority, regardless of the circumstances surrounding such use, and regardless of civil and criminal actions taken or not taken against me for such use, may result in the loss of my NARCOA operating privileges for a period of at least one year.

**5. MECHANICALLY SAFE MOTORCAR:** I will operate only a mechanically safe motorcar, and any motorcar brought by me to an excursion covered by this Agreement for operation in that excursion will be a mechanically safe motorcar. I also agree that the responsibility for the motorcar's safe mechanical condition rests solely with me regardless of any inspections or absence thereof by NARCOA/RRs.

**6. RELEASE FROM LIABILITY:** I release NARCOA/RRs from any liability for any claim, loss, damage, injury, or death, regardless of the cause, including the active or passive negligence of NARCOA/RRs, sustained by me or my property while participating in the excursions covered by this Agreement. I agree and understand that NARCOA/RRs accept no responsibility for my safety, nor for the acts or safety of other operators and guests during motorcar excursions. By entering into this Agreement I understand that I am surrendering legal rights which I may otherwise have against NARCOA/RRs.

**7. COVENANT NOT TO SUE NARCOA/RRs FOR DAMAGES:** I will not make any claim or bring any legal action or voluntarily assist in any legal action against NARCOA/RRs, nor permit anyone else to do so on my behalf, for any claim, loss, damage, or injury sustained by me or my property during excursions covered by this Agreement.

**8. COVENANT NOT TO SUE EXCURSION COORDINATORS AND/OR THEIR ASSISTANTS FOR DAMAGES:** I shall not make any claim or bring any legal action or voluntarily assist in any legal action against any other excursion participant for their actions or conduct (a) arising from their activities in managing or assisting with the managing of any excursion covered by this Agreement, or (b) as an official of NARCOA/RRs.

**9. INDEMNIFICATION AGAINST CLAIMS:** I will indemnify and hold harmless NARCOA/RRs, and persons covered by paragraph 8, from any liability including claims and any attorney's fees, costs, losses, or actions which

may be presented or initiated by me or on my behalf in contravention of the covenants I have given in paragraphs 7 and 8.

**10. CONDITIONAL INDEMNIFICATION AGAINST OTHER CLAIMS:** I will indemnify and hold harmless NARCOA/RRs from any liability including claims and any attorney's fees and costs, losses, or actions which may be presented or initiated by (a) persons whom I bring or invite to NARCOA excursions and (b) passengers in a motorcar operated by me during any excursion covered by this Agreement, if such persons have not signed a NARCOA General Release (or equivalent) prior to the accident or incident giving rise to their claim.

**11. SURVIVAL OF OBLIGATIONS:** Any and all obligations assumed and promises made by me under this Agreement shall be binding on my heirs, and the executors and administrators of my estate. I further instruct my heirs, administrators, and executors to honor this Agreement and make no claim against NARCOA/RRs for any claim, loss, damage, or injury which this Agreement purports to cover and release.

**12. VALIDITY OF WAIVER:** If I institute any suit or action or make any claim for any loss or damages to my person or property for causes covered by this Agreement, the releases, waivers and promises I have given in this Agreement shall be enforceable against me.

**13. REPRESENTATION AND WARRANTIES:** I represent and warrant that I am taking no medication and/or have no physical condition which would impair my safe operation of a motorcar, and I agree not to operate a motorcar in any excursions covered by this Agreement if either my physical condition or any medication I am taking would impair such safe operation.

**14. COOPERATION WITH JUDICIAL COMMITTEE INVESTIGATIONS.** I agree as a NARCOA member to cooperate to the fullest extent required by the Board of Directors involving any incident, rules violation or misconduct report. I understand failure to comply may result in disciplinary action.

**15. ARBITRATION:** Any disputes arising from the excursions covered by this Agreement will be decided under the laws of the State of Delaware and shall be submitted to arbitration in accordance with the rules and procedures of the American Arbitration Association, or such alternate arbitration forum as the parties to the dispute may mutually agree.

**16. DEFINITIONS:** The term "excursions covered by this Agreement" in the Agreement above refers only to those excursions where the undersigned is an operator of a motorcar, supplies a motorcar for operation by another individual, or has people attending who are specifically guests of the undersigned. For the purpose of this Agreement the term "motorcar" applies to any rail borne vehicle that may be operated at any NARCOA excursion.

**17. SEVERABILITY OF INVALID PROVISIONS:** If any provision, or application thereof, in this Agreement is held invalid, that shall not affect any other provisions or applications of the Agreement which can be given effect without those held invalid.

**18. ENTIRE AGREEMENT:** This Agreement sets forth the entire Agreement between the parties and can be altered or amended only by subsequent written instrument duly executed by each of the parties hereto.

**READ THE ABOVE CAREFULLY BEFORE SIGNING.**

IN WITNESS THEREOF, the undersigned has executed this Agreement this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Operator's Signature

\_\_\_\_\_  
Operator's Name  
(Printed or Typed)