

A Model and Layout Insurance Plan

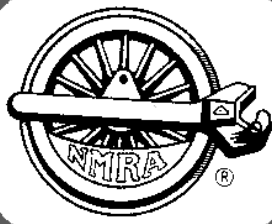
*designed especially
for the members of the*

National Model Railroad Association

J.A. Bash & Company

**300 Mt. Lebanon Blvd. Ste. 225
Pittsburgh, PA 15234**

1-800-654-2256



I *s your insurance on track?*

An important benefit of your membership in the National Model Railroad Association (NMRA) is the ability to get on board with the NMRA property insurance program. J.A. Bash & Company is on track to meet your specific needs as a model railroader. Whether you choose to insure your layout, your trains, or everything in between, there can be a coverage plan for you.

Each NMRA's member layout and collection is unique, reflecting the individual personality of its owner. Through J.A. Bash & Company, you can now tailor your insurance program to meet all your insurance needs.

Flexible plans to satisfy your insurance requirements

You may choose from three available plans. Through Plan 1, also called the Inventory Plan, you select only the items you wish to be insured and list these on a separate inventory sheet. Through Plan 2, the Blanket Plan, your entire collection is covered, without having to submit a written inventory. Plan 3 covers your layout (excluding rolling stock, which can be covered under one of the above plans).

Each plan includes these features:

- Coverage - Your collection and layout are covered whether the damage or loss is caused by fire, vandalism, theft, burglary, lightning, windstorm, flood, earthquake, accidental breakage and many other potential causes of loss.
- Location - Items are covered while within the continental United States and Canada. Items are also covered while in transit up to \$15,000. Higher transit limits can be negotiated.
- Exclusion - Typical exclusions include breakage due to defect in materials, such as warpage of castings, wear and tear, unexplained disappearances.
- Deductible - Each loss will be subject to a \$250 deductible. If you choose a higher deductible, you may qualify for a reduced rate.

Following is a more detailed explanation of each plan. For your convenience, a tear-off application form is included.

Plan 1 - The Inventory Plan

Choose the items you wish to insure by submitting an inventory of those items. This includes coverage on scale model and tinplate trains, and related accessories such as buildings, track, transformers, books, catalogs, magazines, memorabilia, videos, photographs, prints and slides.

All Live Stream must be placed on the Inventory Plan.

Automatic extensions - Newly acquired items up to 25% of your policy or \$2,500, whichever is less, are automatically covered for a period of 30 days. To be made a permanent part of your policy, these additional items must be reported to the company along with payment of the additional premium.

Verification of values - Your inventory values are checked for accuracy by NMRA, eliminating problems if a claim is filed. Inventory worksheets may be obtained from the NMRA Business Office or the J.A. Bash & Company. Most computer software printout forms are also acceptable if they include the information requested on the NMRA's Inventory Worksheet. Complete the form and submit it along with your check to J.A. Bash & Company at the address listed on the back of this brochure. Insurance rates, minimum premiums and NMRA administration fees are indicated on the application form.

Plan 2 - Blanket Coverage

This is a special coverage for those collectors whose total inventory is less than \$200,000. It provides a blanket amount to cover all of the collection. You do not have to submit a written inventory. There is a limitation of \$5,000 on any one item. Items in excess of \$5,000 may be scheduled. If you desire to include your layout, place a value under Item "Layout." You can still submit an inventory regardless of the value of your collection.

Note: This special policy contains the following:

Coinurance Clause: All covered property must be insured for at least 80% of its total value at the time of loss or you will incur a penalty. The penalty is that Peerless Insurance will pay only the proportion of any loss that the limit of insurance bears to the actual cash value at the time of loss. To be fully protected, you should insure your collection to 100% of its total value.

Be sure to purchase an adequate amount of coverage to comply with this clause.

Plan 3 - Layout Coverage

This plan excludes rolling stock, which can be covered under the Inventory Plan or the Blanket Plan.

Easy to apply for coverage

Simply complete the application attached to this brochure, attach Inventory (Schedule) if applying for Inventory Coverage, to J.A. Bash & Company, 300 Mt. Lebanon Blvd., Suite 225, Pittsburgh, PA 15234-1509, with a check for the annual premium and NMRA Fee. The policy can be issued upon receipt of the completed application and payment of premium. *We advise you to examine the policy carefully for precise definitions, limitations, exclusions and cancellation provisions. The wording of this or any brochure is not intended to represent the specific terms of any Peerless Insurance policy.*

If you have questions, please call 1-800-654-2256. We are able to assist you in tailoring your coverage to meet your needs. Remember the plan is very flexible and can provide you with proper protection.

Frequently asked questions

- Q.** How does the coverage offered by this program differ from other coverages offered such as my homeowners policy?
- A.** Homeowners policies generally do not afford the specialized coverage needed to properly insure your model railroad collection and related items. The NMRA program includes expanded coverages needed by the NMRA member. The NMRA has carefully researched the insurance market and concluded that this program has one of the best coverages available.
- Q.** How much coverage should I buy?
- A.** The NMRA program requires that you cover your items for 80% of their current replacement cost value (if choosing the Blanket Coverage) to avoid any loss replacement settlement penalties. We do suggest that you always maintain coverage for the full value of your model collection and layout.
- Q.** Must I schedule my collection?
- A.** No. We offer Blanket Coverage for those individuals who do not wish to itemize and have collections of \$100,000 or less. However, we suggest that you itemize and insure under "The Inventory Plan" in order to enjoy the lower premium rates. We do require that all live steamers be itemized.
- Q.** What are the benefits of the Inventory Plan?
- A.** Not only do you enjoy a lower premium rate but, in the event of a loss, the items involved will already be valued on the policy. This eliminates the need to recreate an inventory to determine the value of the loss.
- Q.** May I buy a combination of Inventory and Blanket coverage?
- A.** Yes. You may want to itemize and schedule a portion or all of your collection; then you may also include an amount of blanket coverage to cover miscellaneous items and acquisitions prior to itemizing those items and adding them onto your "Inventory Coverage."
- Q.** May I include my layout under "Blanket Coverage"?
- A.** Yes. However, we suggest that you include your layout under "Layout Coverage" in order to enjoy the lower premium rate.
- Q.** How much coverage will the \$100 minimum premium buy?
- A.** For "Blanket Coverage": \$13,333; or
"Inventory Coverage": \$16,666; or
"Layout Coverage": \$16,666.
If you buy a combination of coverages, these figures will vary based upon the values placed under each item.

Frequently asked questions

- Q. What is the \$10 NMRA Fee?
- A. The NMRA Fee is collected by the insurance agency and paid to the NMRA to assist in defraying the cost associated with administering the insurance program. This is an annual fee.
- Q. Can I insure my Live Steam Locomotives under this program?
- A. Yes. The insurance company requires that you place your Live Steam Locomotives on the Inventory Plan.
- Q. If I take my insured items off my premises, are they still covered?
- A. Yes. Your items are covered anywhere in the coverage territory of the continental United States and Canada. There is, however, a \$15,000 limitation while your items are in transit. We can increase the transit limit for an additional premium charge.
- Q. I am a dealer. Can I still apply to this program?
- A. Yes. However, if you operate your business from a location other than your home, the premium charge may be different depending on your location. The same holds true for a manufacturer.
- Q. My local club needs this type of insurance. Are they eligible?
- A. Yes. As long as the club holds a current "NMRA Sustaining membership".
- Q. It is stated that this program covers scale model, tinplate trains, brass trains and related accessories such as building, track, transformers, books, videos, photographs, prints, and slides. Are there any other items covered?
- A. Yes. Along with modeling tools, we are able to insure just about anything related to the model train hobby along with some other types of collectibles. Call us to discuss any items not listed that you would like to insure.
- Q. Whom should I contact with any questions?
- A. Call the J.A. Bash Company toll-free at 1-800-654-2256. We have been offering this type of coverage for 25 years and would be happy to discuss all of your questions and assist you in tailoring this coverage to fit your needs.

About Peerless Insurance

Since 1901, Peerless Insurance's commitment to providing the highest quality products and service has remained constant and has helped them rate consistently among the top performing insurance companies in the industry.

Peerless Insurance is a provider of exceptional commercial property and liability coverage and professional loss-control services for small - to medium-sized businesses. It also offers a broad range of insurance products and services for individuals and families.

Their member companies have earned financial ratings of "A" (Excellent) by A. M. Best, the industry standard for financial strength. Peerless Insurance is a member of the Regional Agency Markets (RAM) unit of Liberty Mutual. For more information about RAM, see its website: www.libertyram.com.

Boston-based Liberty Mutual Group is a diversified international group of insurance companies and one of the largest multi-line insurers in the North American property and casualty industry. The group has \$14.5 billion in consolidated revenue and ranks 129th among the Fortune 500 largest corporations in the United States. The A.M. Best Company has rated Liberty Mutual "A" (Excellent).

NMRA Collection Insurance
Program Agent:

J.A. Bash & Company
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