

INSURANCE Frequently Asked Questions

It is mandatory that all U.S. chapters participate in the insurance program in order to maintain their status as a NAVHDA sanctioned chapter and host NAVHDA related events.

What does the NAVHDA insurance policy cover?

The insurance policy covering the individual chapters is a general liability policy. It provides protection for liability claims or lawsuits made against chapter members, the chapter, and NAVHDA International by third parties. All members within a chapter receive the same coverage; this policy does not provide local chapter officers or directors any coverage over and above that offered to members who are not officers or directors.

What isn't covered by the NAVHDA insurance policy?

This policy does not provide for any first party coverage. So, for example, if you were injured, there is no coverage for your medical bills. You would have to have health insurance to cover those costs. If your vehicle was somehow damaged at a chapter event, you would need an automobile policy with collision or comprehensive coverage to cover those costs. Remember, this is a liability only policy to protect you against claims made by third parties (non-chapter members). In addition, this policy does not provide coverage for any claims made by a chapter member against a chapter, another chapter member, or NAVHDA International.

Why do chapters need insurance?

This is somewhat of an over simplification, but hopefully this will explain why this coverage is necessary. Clearly, the thing we would all be most worried about is an accidental shooting incident. Our testing events involve guns, live ammunition, people and dogs in sometimes intense and stressful situations. Let's say you are a gunner, and, God forbid, you accidentally shoot a passerby and injure them. That individual will then almost certainly file a lawsuit against you, the chapter, anyone else in charge of the event, the gun manufacturer, the ammo manufacturer, NAVHDA International, and almost any other individual or entity that they feel might be responsible for the incident. They will claim hundreds of thousands of dollars, or perhaps millions of dollars, in damages for medical expenses, lost wages, and pain and suffering. The NAVHDA insurance policy provides up to \$1,000,000.00 of coverage to pay for this claim in the event of an approved settlement or jury verdict. In addition, it also covers the legal fees to defend you although the fees will generally be deducted from the \$1,000,000.00 coverage limit. In addition, there is \$1,000,000 of umbrella coverage but this coverage is capped at this amount for all claims during the policy year.

Is the premium reasonable? Why don't we shop for cheaper coverage?

Let's put our chapter insurance costs into perspective. The following is an example of cost and is subject to change annually. In the U.S., insurance costs each chapter \$500.00 per year at the current rate. As of this writing, there are 88 active chapters in the U.S., representing approximately 7500 members. If you assume that an "average" sized chapter would have 85 members in it, the annual cost for insurance for each member comes to just \$5.88 for \$1,000,000.00 dollars of liability coverage. Granted, the actual cost per member depends upon the number of members in a chapter. But if you compare this amount to what you pay each year

for your automobile and homeowner insurance, both of which include liability insurance, it's easy to see that the premium amount is very reasonable.

There are other factors to consider as well. NAVHDA has a very long history of never having had a claim made against its insurance policy of any consequence. This history helps keep our rates down. Our current insurance carrier is willing to keep insuring us because of this history. A potential new insurance carrier may not have this same risk tolerance toward NAVHDA, which could result in a substantially higher yearly premium.

Why do I need to be a member of NAVHDA International?

In order to be insured by this policy, you must be a member of the NAVHDA International. This is a requirement per NAVHDA's bylaws. As a member of the International and a local chapter, you become a named insured under the policy. You therefore have liability protection against any non-chapter member (third party) you might accidentally injure at a chapter event. If a claim or lawsuit is reported to someone on a chapter level, it needs to be immediately reported to NAVHDA International as well as to your local chapter officers. Under no circumstance should individual members attempt to make claim or policy interpretations on their own. In addition, under no circumstances should any chapter member contact NAVHDA's insurance brokers directly.

When is the policy renewed and when is our payment billed?

NAVHDA's insurance policy is renewed annually on or about March 1st. Chapters will be notified each year when the policy is renewed, and at that time chapter officers will also receive an updated policy summary along with a copy of this document. Insurance bills are sent to each chapter in October.

Other considerations

It's very important that chapters keep accurate and up-to-date records of who is a member and who is not. In the event of a lawsuit, that could wind up being a key factor in who has coverage and who does not. In addition, it is important that any non-chapter member participating in a chapter event execute a release of liability using the form required by NAVHDA International and our insurance company. This is not optional; it is a mandatory condition of coverage under the policy.

Having a homeowner's or renter's insurance policy of your own may also be worth considering. In the event of a lawsuit against you, you would likely be sued both as a chapter member and personally. Most homeowner's and renter's policies also provide liability coverage. Depending upon the specifics of a lawsuit and/or the laws of your state, your personal policy could provide additional primary or excess liability coverage for you.

Finally, there is a clause in the policy requiring that any shotgun ammunition used at a chapter event must be new and produced by a licensed ammunition manufacturer; reloads or handloads are not permitted. Failure to comply with this could be cause for the insurance company to deny coverage.

Considerations for Canadian Chapters

Unlike in the US, there is no single policy that covers all of the Canadian chapters, thus each Canadian chapter is responsible for purchasing their own insurance coverage. Proof of Insurance must be sent to the central office annually, and no NAVHDA-related events involving firearms may be conducted in the absence of insurance. Some general guidelines that chapters should consider as they purchase insurance are described below.

When purchasing insurance, it is very important that the insurance company understands the full extent of your activities, including the use of firearms during training, testing, and other chapter events as well as the fact that dog training, handling, and testing will form a large part of the chapter's activities. It should be documented that you disclosed your activities to the insurance company, and they understood they were providing coverage for those activities.

It is also important that your chapter is named or defined as an insured within the policy, either on the declaration page or defined in the wordings. For example, many of the Canadian chapters sign on to the National Firearms Association (NFA) insurance policy. That policy is providing insurance for those named on the policy or affiliates of the NFA Association. Therefore, if you are not named on the policy and not an affiliate of the NFA Association then that policy would not provide any insurance coverage for your chapter or its members.

As a NAVHDA chapter you may want to consider having some or all of the following coverage on your schedule of coverage:

- Third Party Liability coverage for property damage and bodily injury.
- Participants Liability coverage – This provides coverage for participants at your events if they suffer a bodily injury loss and sue the chapter. Note: Our understanding is that the NFA policy does provide this coverage.
- Tenants Legal Liability – covers property loss for space that you are occupying. It is important that the amount of coverage is sufficient to cover the cost to replace the space should there be a complete loss. For example, if you rent a gym to train in during the winter and you cause property damage to the gym the cost could be extensive.
- Host Liquor Liability – coverage for any loss that may occur due to having alcohol at an event.
- Personal and Advertising Injury – your publications have misspoken or offended somebody.
- Medical Payments – This is a no-fault coverage to cover the cost of ambulances or other medical expenses that may need to be incurred.
- Non-owned Auto – Covers the chapter if somebody is using their personal vehicle on chapter business and causes a loss and the chapter gets dragged into the lawsuit.
- Forest Fire Expenses – covers costs a fire department may charge for being called to a forest fire.

Note: this is by no means a complete list of liability coverage that is available or that you may want to consider.