

TO: USMS House of Delegates and LMSC Officers

FROM: Nadine Day, USMS President

DATE: February 15, 2013

RE: Open Water Sanctions update

In my communication on December 31, 2012, I told you about a significant increase in USMS's premium for comprehensive general liability insurance. The increased insurance premium for 2013 was primarily related to and impacted open water events. The insurance premium includes a charge of \$135,000 that covers 75 sanctioned open water events per year (\$1,800 per event). Any additional sanctioned open water events will incur an additional premium of \$1,800 per event. In addition, the new insurance policy contains certain conditions on the conduct of open water events.

Actions Taken

To address the impact of the increased premium and limitations on open water events, the Board of Directors and I set several processes in motion:

- The Finance Committee unanimously approved an over-budget request to fund the increase in the 2013 insurance premium.
- On December 12, 2012, I appointed an Open Water Sanctions Task Force, which included representatives of the Board of Directors and the Open Water and Long Distance Committees.
- On December 31, 2012, a memorandum was sent to the House of Delegates, LMSC Chairs, LMSC Sanction Chairs, and LMSC Long Distance/Open Water Chairs and three conference calls were hosted to communicate the current status of open water sanctions.
- Pursuant to article 506.3.9, I sought the advice and consent of the Legislation Committee and legal counsel to determine that immediate action is required to serve the interests of USMS to allow the BOD to adopt new rules under Part 2 of USMS rules. On January 13, the Legislation Committee and legal counsel advised the BOD that such immediate action was required. The Legislation Committee gave consent to the BOD to amend code by adding a new article 203.3 and moving the current article 203.3.3 to 203.3.4 and 203.3.4 to 203.3.5. The text of the new article is:

203.3.3 Fees-Sanctions may be subject to an insurance surcharge, as determined by the Board of Directors or the House of Delegates.

The Legislation committee also determined that the recommended amendment to article 203.3 does not conflict with article 508.2 ("Fees shall be established by the House of Delegates") because 508.2 does

not give the HOD exclusive jurisdiction to establish fees. In addition, the Legislation Committee recommended to the BOD that rules changes approved become effective upon adoption.

As required by article 506.3.9, the president shall make a detailed report of the actions taken to the entire membership of the HOD. This report serves as my report to the HOD.

- On January 21, the BOD adopted the new article 203.3.3 and made it effective immediately. In addition, the BOD approved certain open water safety and administrative recommendations from the OWSTF, which are included in the Open Water Sanction Guidelines referenced below. The BOD also gave consent to the executive director to create and fill a national compliance open water contractor position to ensure a second level review of LMSC open water sanctions. The BOD granted the president and executive director the authority to revoke an open water sanction for failure to comply with any safety or administrative procedure. The BOD also established that all open water sanctions must be registered through the online E2EEM system.
- On January 15, the Finance Committee held a conference call to discuss the insurance surcharge, with recommendations from the OWSTF, the Long Distance Committee and the Open Water Committee. The Finance Committee sent their final recommendation to the BOD.
- Throughout this period the OWSTF met on conference calls and communicated daily via email. In addition to its January 21 meeting, the BOD also had an additional meeting on February 4, however resolution of the amount of any insurance surcharge and any issues that the task force could not resolve by telephone were deferred to the winter BOD meeting February 8-10.

Decisions from the Winter BOD Meeting

Open Water Sanction Guidelines and an open water insurance surcharge were discussed at the winter BOD meeting. The BOD approved the attached Open Water Sanction Guidelines, which are applicable to all LMSCs issuing sanctions for open water may be viewed at http://www.usms.org/admin/lmschb/owgto_sanctions.pdf

In addition, the BOD instituted an open water insurance surcharge pursuant to new article 203.3.3. The purpose of the surcharge is to cover part of the \$1,800 per event premium under the new insurance policy. The BOD decided that USMS will fund \$800 of the per-event premium. An open water insurance surcharge of \$1,000 will be charged to LMSCs for each open water sanction that the LMSC issues. Each LMSC will be billed by USMS monthly for any open water events sanctioned by the LMSC. The LMSC can determine how much of the insurance surcharge it will charge to the event host.

There are two exceptions from the open water insurance surcharge:

- 1) All OW solo events (302.2.3, 303.11) shall be required to pay a full \$1,800 insurance surcharge, without any USMS contribution.
- 2) The insurance surcharge will be waived for the six Open Water National Championships in 2013. The exception does not apply when an Open Water National Championship host has additional open water swims in conjunction with the National Championship swim.

The BOD supported the concept of an open water grant relief program for LMSCs. The criteria for the grant program and an over-budget request to fund it will be prepared by the Open Water Committee and submitted to the Finance Committee.

Summary

Responsible persons from each LMSC should review the Open Water Sanctions Guidelines and begin following them immediately. Each LMSC should determine which open water events it will sanction for 2013 and the amount of the insurance surcharge, if any, it will charge to open water event hosts. Any questions about the Guidelines or administration of the surcharge should be directed to owsupport@usms.org

I would like to thank the many persons who were involved in the rapid and well-reasoned response to the unfortunate circumstances related to our insurance premium and the effect on open water events. I know this was a very difficult process for all involved and especially for those who are very invested in the open water aspects of our sport. I am encouraged by the spirit of cooperation and determination that so many of our volunteer leaders displayed.

Thank you for the time and passion that each of you contribute to USMS and to our 58,000-plus members.

Sincerely,



Nadine KM Day
President, U.S. Masters Swimming