

REPORT OF INSURANCE COMMITTEE

Thurs. Sept. 21, 1995, 8:45am

Meeting called to order by **Chairman Michael Laux** @ 8:50am. Committee members were acknowledged and Alan Levinson was appointed Recorder.

1. The **current insurance policies and premiums** were reviewed for projections for 1996:

(a) **General Liability:** Current policy provides a limit of liability = \$1,000,000 per occurrence @ an annual premium of \$86,913; M,S,C to maintain current level of liability for 1996 @ premium of: **\$86,385.**

(b) **Excess Liability:** Current policy provides a limit of liability = \$2,000,000 per occurrence @ an annual premium of \$24,795; M,S,C to increase limit of excess liability to \$4,000,000 for 1996 @ premium of: **\$32,535.**

(c) **Bonding:** Current policy provides a limit of liability of \$100,000. Inquiry made regarding increasing liability to \$250,000; premium cost would increase by \$950; current limit (in tandem with limit on check-writing authority of officers') deemed adequate. M,S,C to maintain current limit for 1996 @ premium of: **\$1,300.**

(d) **Directors and Officers:** M,S,C to maintain current level of liability for 1996 @ premium of: **\$3,750.**

(e) **Secondary Accident/Medical:** Claims for 1995 to date (i.e.- \$25,000+ through 6/30/95) already exceed premium paid for 1995 (\$21,750 based on estimate of 29,000 registered USMS swimmers for 1995 @ \$.75/swimmer). Our insurance carrier has proposed maintaining coverage at same cost per swimmer. M,S,C to maintain \$.75 per participant for 1996 (based on estimate of 1,000 additional registered participants for 1996)

(Note: calculations reviewed in committee contained inadvertent miscalculation in estimate of '96 registered USMS participants: i.e. 1996 Estimated Secondary Accident insurance should be listed as: \$22,500, not \$22,125).

(f) **Equipment:** Discussion about need to notify insurance agent to add any **new equipment** obtained by USMS for coverage. M,S,C to maintain current level of coverage for 1996 @ premium of: **\$277.**

2. **Reserves:** Current level of reserves of \$110,000 had been increased with a long-term goal of \$200,000. Discussion ensued that

amount was based on assumption that USMS' deductible per occurrence (\$110,000) included payment for attorney fees. During this past year, it was discovered that deductible does not apply to attorney fees incurred by carrier (only to actual claims and/or settlement amounts). On this basis, current level of reserves was considered adequate for USMS' needs. M,S,C to maintain current level of reserves @ \$110,000.

3. Risk Management Report/Review of Claims: Discussion that over the previous ten years (May 1985 - June 30, 1995), there were 79 incidents where claims were paid by our insurance. These included \$176,000 paid in general liability claims including reserves and expenses and \$111,388 paid in secondary accident claims. Most appeared to be unavoidable.

4. Other Business:

(a) **Correspondence:** Correspondence inquiring about adding information about insurance coverage to USMS Rule Book. It was pointed out that a summary of information is already provided on the back of our USMS Registration Cards; no need to change.

(b) **Fitness Proposal:**

Committee discussed proposed legislation to add new section to Rule Book, "Part ___ - Fitness". Concern regarding liability of USMS when it is listed as a sponsor of an event and membership and/or USMS release is not required.

M,S,C:

For all events sponsored by USMS, participants must sign USMS liability release and be USMS members.

LMSCs are to be notified that any event which it sponsors which is not sanctioned by USMS, is not covered by the USMS insurance policy.

(c) **Coverage of Other Entities on Deck (such as vendors, message therapists, chiropractors, etc.):** Question arose about possible risk regarding other non-USMS parties invited or allowed on deck. Insurance representative Sandi Blumit advised that such vendors or guests should provide a Certificate of Insurance providing proof they are carrying their own insurance.

5. Meeting adjourned @ 10:20am.

Respectfully submitted,

Alan Levinson