

LSC TREASURERS' MEETING INSURANCE DISCUSSION



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October 7, 2020

Key Discussion Points

- Program Overview
- Insurance Market challenges
- Opportunities





INSURANCE



Insurance Program

- General Liability
- Auto Liability
- Crime
- D&O
- EPL

OPTIONAL TEXT



LSC Insurance Program details 2020

| | Limits | Retention | Covered | Exclusions |
|---------|-----------|-----------|--|--|
| GL | \$11mn | \$0 | <ul style="list-style-type: none"> • Premises Liab • Sexual Abuse • Officials at Observed Meets | <ul style="list-style-type: none"> • Intentional Acts • Workers Comp • Med Pay to volunteers/members |
| Auto | \$1mn | \$0 | <ul style="list-style-type: none"> • Hired, borrowed, non-owned up to \$70,000 | <ul style="list-style-type: none"> • Sound (personal) equipment |
| Crime | \$100,000 | \$25,000 | <ul style="list-style-type: none"> • Employee theft • Computer theft and funds transfer fraud | <ul style="list-style-type: none"> • Unrealized Income • Warranties required (Dual signatures, split responsibility) |
| D&O/EPL | \$1mn | \$1,000 | <ul style="list-style-type: none"> • Management actions and decisions of execs | <ul style="list-style-type: none"> • Bodily injury/sickness • Contract breach |





MARKET DRIVERS

Insurance Market Conditions

- Catastrophic and category losses
- Diminishing investment capital
- Reinsurance capacity/risk appetite
- Social impacts (someone has to pay)
 - Ex. Sexual Abuse look-back
- Increasing legal costs
- COVID uncertainty



The insurers need to remain solvent to pay claims



Swimming Specific Exposures

- Changing revenue model
- Sexual Abuse Look-back
- Adverse claims history
 - Concussions
 - Shallow dives
 - Collisions
 - Air Quality
 - Dryland Training



This convolution of factors forces insurer modifications





Insurance Market

Direction 2021

- Increasing retention/deductible
- Decreasing Limits and risk appetite
- Significant premium increases
 - D&O
 - GL
- COVID exclusion
- Sexual Abuse exclusion or reduction

2021 General Liability Program Changes

- Increase Premium
- Increase Retention
- Decrease in Sexual Abuse coverage





OPPORTUNITIES AND CONSIDERATIONS

Assets: Swimming Operations

- Best in class reputation for Safe Sport
- Leverage organization size allows for spreading of risk
- Adherence to Safety Standards
- Collaboration with insurers
 - Concussion protocol
 - Coach certification
- Expedient reporting and claim handling

We can leverage our intangible assets for the future



*Don't ever take a fence down until you know why it
was put up.*

Robert Frost



Potential Opportunities

- Potential Aggregation of programs
 - Safety Guidance and Auditing
- Claim cost participation from clubs
- LSC/Club insurance opportunities
 - Cyber Liability
 - Property and equipment
 - Workers Compensation
 - Coach healthcare
 - Crisis Communication/recovery



Questions or Comments?

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