

**Committee Name: Finance Committee**

**Committee Chair: Jeanne Ensign**  
**Minutes recorded by: Laszlo Eger**

**Vice Chair: Laszlo Eger**  
**Date/time of meeting: Dec. 19, 2012**

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## Motions Passed

1. **Unanimously approved an over budget request of \$191,000 to cover increased cost of liability insurance premium for 2013.**

Number of committee members present: 15

Absent: 3

Number of others present: 2

Committee members present: Jeanne Ensign (Chair), Laszlo Eger (Vice-Chair), Sherri Bogue, David Burgio, Joan Campbell, Ralph Davis (Treasurer, ex-officio), Elyce Dilworth, Phil Dodson, Paul Griffin, Kildine Harms, Lucy Johnson, Susan Kuhlman (Controller, ex-officio), Homer Lane, Sarah Welch, Laura Winslow

Non-Committee members present: Nadine Day (President), Rob Butcher (Executive Director)

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## Minutes

The telephone conference meeting was called to order at 8:32 pm EST.

1. Rob Butcher summarized the issue requiring action by the Finance Committee:
  - a. The approved budget for 2013 included \$144,400 for liability insurance premium. This was based on the amount indicated by our current insurance underwriter in August, 2012.
  - b. In mid-November our current insurance company advised USMS of a significantly higher insurance premium which led USMS on a search for alternatives.
  - c. The best offer was received last week from AXIS Insurance (AM Best: A rating), who offered coverage for \$335,000, covering all pool events and up to 75 Open Water events. Each sanctioned open water event above 75 would require an additional premium.
  - d. The choice is to accept this proposal or elect self-coverage, an unacceptable risk for our organization.
  - e. The Board of Directors, in their regular scheduled meeting on Monday night, approved the overrun. In addition, an 8 member Task Force was formed to address the issue of longer term insurance premium cost containment and a policy for a 'fair' sharing of the cost of the premiums.
2. **A motion was made to approve an Over Budget request of \$191,000. It was seconded and then unanimously approved.**
3. Homer Lane commented that, while in this case the BOD had a meeting scheduled and timing was critical, the FC should have discussed it first, and that, in the future, the BOD should ensure that our policies and procedures are followed for over budget requests.
4. This was followed by a discussion regarding how to fund the over budget. USMS will pay 20% down with 10 additional payments to cover the entire premium. The first \$144,400 is already budgeted and the first premium payments will be from this. The Committee, again unanimously, agreed to postpone any action on this until the Task Force has had a chance to address this issue and come back with proposals. The committee offered some ideas for the Task Force to consider.

The committee recognized the extent of work done by members of the staff and board on this matter.

The meeting was adjourned at 9:16 p.m. EST.

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