

US Youth Soccer Insurance Presentation

Liability Claims: Are You Covered?

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Liability Overview

What are we talking about?

- Bodily Injury Claims
- “Sponsored, Supervised, Sanctioned” Activities
- Soccer Goal Claims and Soccer Goal Safety
- Directors & Officers Liability – It’s not what you think
- Abuse/Molestation Claims and Prevention
- Lightning Claims and Liability
- Crime Insurance
- Risk Management Guidelines
- Questions



Case Study #1: Older Player injures Younger Player

- Your league is sued for negligence as a result of a serious injury to a 10 year old player. One of your coaches allowed the 15 year-old brother of a player to scrimmage with the U-10 soccer team. During the game the 15 year-old slide tackles one of the younger players and breaks his leg.
- Who is responsible?
- Who might be included in the lawsuit?
- Which policy (policies) respond in a case like this?



Case Study #1 – Insurance Cov'g

- **For the Player's Injury:** Your soccer association's Accident Medical Insurance will cover the boy's medical expenses (*but not everything...*)
- **For the lawsuit:**
 - **Against the League/Team:** Covered by the Soccer Association's General Liability policy
 - **Against the Coach:** Covered by the Soccer Association's General Liability policy



General Liability

- Covers you for **Bodily Injury and Property Damage to Others**
- Coverage means legal defense *and* policy limits if you are found “negligent”
- Automatic benefit of membership – premium cost is built into your state soccer association registration.
- The General Liability policy will respond on behalf of member leagues, teams, coaches, players, referees and volunteers. Keep in mind that, at least initially, lawyers name everyone in a lawsuit.
- You can sleep at night knowing you are covered for the big bodily injury claims.



The General Liability Policy Wording

“Sponsored, supervised, sanctioned”

The liability policies read that an activity must be a sponsored, supervised, and/or sanctioned activity of the named insured for coverage to respond. Is all that your teams and leagues do truly sanctioned?



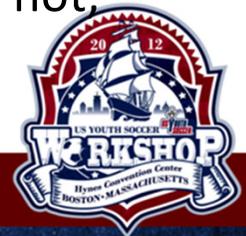
Case Study #2: Soccer Goal Injury

- A soccer goal falls on a goalie and severely injures the player during a windy day. The parents sue the coach, the team and the field owner for negligent installation/anchoring of the goal.
- What policy responds?
- How could this have been prevented?



Case Study #2: Soccer Goal

- **For the Player's Injury:** Your soccer association's Accident Medical Insurance will cover the player's medical expenses (*but not everything...*)
- **For the lawsuit:**
 - **Against the League/Team:** Covered by the Soccer Association's General Liability policy
 - **Against the Coach:** Covered by the Soccer Association's General Liability policy
 - **Against the Field Owner:** If named as an Additional Insured on the soccer GL policy, they are covered by the Soccer Association. If not, then the field owner's GL will respond.



Soccer Goal Claims & Prevention

Claims

- More than 250,000 soccer goals in the U.S.
- Few believe the wind will blow a heavy goal over – until they see it happen.
- Kids like to climb – soccer goals are an inviting target
- Soccer goals should not be used as a chin-up bar
- The net is a strangulation hazard for small children

Prevention

- Who's in charge? Designate authority(ies)
- Who can move goals? Only adults, ideally.
- What is a properly anchored goal? Several anchoring systems in the field out there. Make sure you are not cutting corners.
- Adjacent fields – Are those goals your responsibility? those goals.



Case Study #3: Travel Team Selection

- You have just completed the selection process for a highly competitive travel team. The daughter of a board member makes the team, but another popular player does not. The parents of the popular player sue you for failure to fairly assess players, for favoritism and for interfering with the girl's chances of being seen by college coaches.
- Is this a viable lawsuit?
- What policy responds?
- Are you and your team protected?



Case Study #3: Team Selection

This case presents an interesting – but common – twist on Liability coverage: it is a claim alleging Wrongful Acts in the form of eligibility matters.

- This claim does not involve Bodily Injury or Property Damage, and therefore would **not be covered** by the General Liability coverage (General Liability = Bodily Injury or Property Damage to Others).
- **Wrongful Acts** coverage is provided under **Directors & Officers Liability (D&O)**
- If your team/league/association has purchased D&O Liability, then you are covered.
- What types of Wrongful Acts are covered by this policy?
 - Eligibility matters
 - Discrimination claims (based on gender, race, sexual orientation, age)
 - Wrongful termination/suspension
 - Sexual Harassment (but not Sexual Abuse – that is considered Bodily Injury)
 - And other matters NOT involving Bodily Injury or Property Damage



D&O and EPLI Examples

- **Acts Beyond the Authority of the Organization (Directors & Officers)**
- Your organization may be sued for making decisions about what players or coaches can and cannot do as members of the organization. Even when these decisions are simply the enforcement of organization rules or regulations, a lawsuit may still be filed.
- **Discrimination (Employment Practices Liability)**
- Lawsuits can arise when your organization chooses one coach instead of another coach, or when your organization chooses which players play on which teams, especially in the case of national teams or all-star teams.



D&O/EPLI Enhancement

Unlike a corporate D&O/EPLI policy, our policies with Chubb cover everyone in the organization for these types of claims, not just the board or the corporate office. While the board for a league does make some decisions, many decisions are made at the coach level. Our policies protect, directors, coaches, managers and even volunteers.



D&O and EPLI Standard Limits

- You should have the option to buy \$1,000,000 or \$2,000,000 per claim
- These policies for a not-for-profit league may range from \$385 to \$1,000



Case Study #4: Abuse Claim

- A coach is arrested on charges of sexual abuse of a minor. He is charged with numerous counts of sexual misconduct with a 15 year old girl, a player whose games he coached, including having sex with a minor and sending obscene photos and texts. The coach had previously passed a background check. He is suspended from coaching until the case is adjudicated. The girl's parents also plan to file a civil lawsuit against the coach, the soccer association and the league for gross negligence, improper supervision, failure to provide a safe play environment and pain and suffering.
- Who is responsible?
- What insurance coverage is available
 - a. For the Coach
 - b. For the Soccer Association
 - c. For the League
- How does Sexual Abuse Liability coverage work?
- How can organizations protect themselves?



Case Study #4: Abuse Claim

Who is Covered?

- **The accused Coach:** Not covered (Sexual abuse is a crime and criminal acts are not insurable)
- **The Soccer Association:** Covered (Sexual abuse is considered Bodily Injury and is covered by the General Liability. The policy in place at the time the abuse occurred will respond to the claim – “Occurrence policy”.)
- **The League:** Covered, as above



How Does Sexual Abuse Liability Work?



Abuse/Molestation Claims Prevention

Claims & Response:

- Even with background checks, these claims are difficult to prevent entirely. Many predators have no police records, and first-time offenders have no record.
- Reporting Plan for notifying police
- Crisis plan for dealing with media
- Suspension and appeal process for the accused coach

Prevention:

- Background Checks
- SafeKids Program –
 - no 1 to 1 contact with kids (Rule of 2 applies)
- Travel procedures that openly deal with chaperone situations and ensure no predator opportunities
- Have rules that would not allow a predator to get comfortable in your organization



Case Study #5: Lightning Claims

- In 2009, two boys died on a NJ soccer field while walking off a flooded field on which they were playing. Three other boys who ran off the field when they saw lightning lived. This was a pick-up game – no insurance claim was filed.
- In New England, a team was playing when a thunder storm quickly developed. The official called the game and tried to get the players off the field. Unfortunately, lightning struck and killed a player as she was leaving the field.
- Who is responsible?
- Where is the liability?
- Isn't lightning an Act of God?



Case Study #5: Lightning

- Injuries or fatalities resulting from lightning are Bodily Injury. Therefore, the Accident policy would pay for medical expenses if a player were injured and the GL Policy would respond to lawsuits.
- The Accident policy also has an AD&D benefit (Accidental Death and Dismemberment) that would pay for a fatality to a player or other member.



Lightning Claims

- Despite some very crazy weather, 2011 had the fewest lightning deaths since they have been tracking the statistic. Only 26 confirmed fatalities in the U.S. in 2011.
- No claims, to our knowledge, in our soccer program
- Remember that storms move quickly and lightning can strike from as far as 10 miles away – clouds do not have to be overhead for you to be vulnerable
- With so many night games, it is important to remember that you can't see the dark clouds under the lights. Waiting until the first flash of lightning may be too late. Be extra cautious at night – even distant thunder is your signal to move to a safe place.
- **HAVE A LIGHTNING POLICY IN PLACE AND COMMUNICATE IT TO OFFICIALS, COACHES AND PARENTS. LIGHTNING INJURIES ARE 100% PREVENTABLE.**



Lightning Safety: Keep in mind --Any activity can always be made up later

- The referee should monitor weather conditions and determine whether or not to suspend play, using his/her good judgment.
- If a thunderstorm appears imminent before or during an activity or contest (regardless of whether lightning is seen or thunder heard), postpone or suspend the activity until the hazard has passed. Even storms that are many miles away can pose a lightning danger.
- No place is absolutely safe from lightning threat; however, some places are safer than others. Large, enclosed structures (substantially constructed buildings) tend to be safer than smaller structures or open structures. Keep everyone away from trees, standing water and metal objects.
- If activity has been suspended, wait at least 30 minutes after the last lightning flash or sound of thunder before resuming activity. Each time additional lightning is observed or thunder is heard, the minimum 30-minute waiting period should be reset. A clear sky or lack of rainfall are not adequate indicators for resuming play. Never shorten the 30 minute wait period unless field is equipped with a lightning detector that gives the “All Clear” signal.



Case Study #6: Embezzlement

After reviewing your books, it appears that a large sum of money is unaccounted for. The treasurer of your state association admits to having financial trouble and has embezzled \$90,000 out of the association's funds over a period of three years. He is a "good guy" and your neighbor so you don't want to press charges. However, you want to recoup the money lost.

What are your options?

Are you covered by insurance?

What policy would respond in this case?



Case Study #6: Embezzlement

Crime Policy: This is not a 3rd party liability policy because it protects your association directly for loss sustained due to theft, robbery, forgery or embezzlement of money or financial instruments. This coverage is not an automatic benefit of membership in the soccer association and must be purchased separately.

Policy limits: Standard limits are typically \$25,000 and cost about \$200 per year. Higher limits that more closely mirror your financial position and exposure to loss are recommended.



Case Study #6: Embezzlement Risk Management

To reduce the potential for financial loss to your association, there are a number of risk management steps that you can implement:

- Choose a CPA or someone with experience in finance as your Treasurer
- When performing background checks on coaches and volunteers, include the treasurer and anyone else who is authorized to handle funds on behalf of the organization
- Enforce the two-signature rule (the Treasurer's and another league officer's) on all checks and withdrawals to minimize the opportunity for forgery or embezzlement
- Have financial accounts audited each year by an outside auditor or at the very least, by individuals on the board
- Consider purchasing Crime Insurance to protect your treasury



Risk Management: The Key to a Healthy Program

- Be Positive
- Know Procedures
- Follow Procedures
- Goal Safety
- Lightning Safety
- Avoid Unhealthy Situations
- Concussion Guidelines
- Err on the Side of Caution
- Remain Calm
- Inspect the Field
- Document “Serious” Incidents
- Keep Good Records



Questions?



Thank You!

