

Convention Board meeting minutes 3/10/19

President Monica Chapman called the meeting to order at 8:07 am.

Present were Nick Kohut DVM, Bob Marshall DVM, Marcia Hefker-Miles, Connie Caudill, Heather Reynolds, Jan Stevens, Mollie Krumlaw-Smith, Angie Mikkelson, Terry Woolley Howe, Lisa Schneider, Michael Campbell, Susan Kasemeyer, Mike Maul, Vance Stine, Andrew Gerhard, Shawn Bowling, Troy Eckard, Jessica Cobbley, Naomi Preston, Tonya Stroud-Oaks, Mary Howell, John Parke, Paul Sidio, Olin Balch DVM, Christoph Schork, Nina Bomar, Tim Worden and the Executive Director Kathleen Henkel.

Susan Kasemeyer made a motion to accept the agenda, Nick Kohut DVM second. Motion passed

Marcia Hefker-Miles made a motion to accept the committee reports, Nick Kohut DVM, seconded. Motion passed with two abstentions from John Parke and Andrew Gerhard

Kathleen Henkel stated that she would be emailing the conflict of interest statements and need them signed and returned in a timely fashion.

Monica Chapman asked for approval of the appointed committee chairs which are;

Competitions Committee- co chairs Vance Stine and Troy Eckard

Education- Marcia Hefker-Miles

Elections- Robert Ribley

Finance- Mollie Krumlaw-Smith

AERC-I- Meg Sleeper VMD

Junior and Young Rider- Heather Reynolds

Legal- Lisanne Dorion

Membership- Angie Mikkelson

National Championship- Connie Caudill

Protest & Grievance- Diane Rowley, members are Bianca Chevalier, Gail Conway, Debbie Schultz and Dennis Sousa

Ride Managers- Mollie Krumlaw-Smith

Rules- Lisa Schneider

Sanctioning- Connie Caudill

Trails-co chairs Monica Chapman and Alex Uspenski

Veterinary- Jay Mero DVM

Welfare of the horse- Nick Kohut DVM

Lisa Schneider made a motion to accept the committee chairs, Jan Stevens seconded. Motion passed

Vance Stine presented an update on the current insurance program for AERC. Currently there are three different agencies. The office insurance is with Vetax Insurance in Auburn, CA. that includes a 1 mil umbrella policy which could be increased to 2 mil for a \$600 increase in premium. There is no answer to the question, how much liability insurance is needed, more is better. He stated that 1 million is a starting place, 2 million would be recommended and provides better protection for AERC. Vitas Insurance Agency was not able to get a \$5 million quote due to some prior claims. Workers' Compensation is currently with Placer Insurance Agency in Roseville, CA. The premium is \$1,151 per year, which is a good price. The office may want to consider getting Vitas Insurance Agency to quote and/or provide this coverage in order to consolidate and have only 2 agencies that provide coverage for AERC.

Equisure, Inc. is the insurance agency that handles the AERC ride liability insurance. Our agent, Diane Leshner met with Kathleen Henkel, Monica Chapman, Lisa Siderman and Vance Stine during the convention to review our insurance. Vance stated that most insurance companies have a tendency to shy

away from anything related to horses, Equisure specializes in horses. Currently AERC has 1 Mil per occurrence/ 2Mil aggregate. Diane Leshner will be getting a proposal on a 3 Mil aggregate and will bring it back to the board. The 1 Mil per occurrence can be brought up to 2 Mil for a few specific rides where land managers have strict requirements. If a ride manager needs \$2 mil, the cost is \$170 but Equisure only allows a few of them before making AERC change the policy. We have a good policy that provides blanket additional insureds which allows ride managers to add as many additional insured as needed at no additional cost. There are not many options of insurance companies out there that cover equine events and Vance Stine feels we have this coverage in a good place, as this is a manuscript policy designed by Equisure for AERC through Lloyd's of London. Directors & Officers liability is a 1 Mil policy, premium is \$2,659. Diane Leshner will be getting some proposals from other carriers. Vance Stine recommends that every board member and horse owner have a personal umbrella policy on top of their personal home and auto insurance for added protection, as the cost of an umbrella is minimal for the amount of protection it provides. It is also a good idea for AERC members to purchase the excess liability offered on membership renewals for \$20 that Equisure offers AERC members as an added layer of protection from horse related liability issues.

Three things that Diane Leshner recommended that we currently do not have.

-Cyber Liability insurance - \$2,743. She will get another proposal which will deal with releasing personal information. This is a proposal that AERC will consider.

-Fidelity Crime Insurance - \$706. Travelers Insurance will also quote this.

Accidental Death & Excess Accidental Medical. USEF provides this protection to their members. Vance Stine will look into this and get a quote but this is not a high priority, as the definition of accident can limit this protection. It is recommended that AERC look at Cyber Liability and increases in other insurance coverage.

The D&O covers employment claims up to 1 Mil Diane Leshner is looking into insurance for Safe Sport (sexual harassment) coverage for Ride Managers but with it being so new, we do not have this option, Diane will work on the verbiage and a proposal to cover Safe Sport with Lloyd's of London.

Vance Stine will investigate it whether there is a policy available that AERC could offer the membership regarding equine insurance coverage. Vance Stine will also share the information from Equisure with all board members for their review. (attached below the minutes)

Naomi Preston felt the AERC office should send something out to the ride managers concerning the information on Safe Sport since we are no longer an affiliate of USEF. Even though we are only an amateur sport with Best Board practices we should get some policy out to the ride managers. Do we know who should have the training? Ride managers? Some land managers may require the training. Anyone can go to the Center of Safe Sport and take the training for \$20. Mollie Krumlaw-Smith will get a note put to ride managers.

Olin Balch DVM made a motion to go into executive session to discuss legal matters, Tonya Stroud-Oaks seconded, motion passed.

Jan Steven made a motion to come out of executive session, Troy Eckard seconded. Motion passed

Troy Eckard made a motion to take a 10 minute break, Bob Marshall DVM seconded. Motion passed

The Longevity members motion from the competitions committee was presented. This motion would have AERC recognize the number of years that a member has belonged to AERC and they would receive a pin similar to the horse longevity pins. The years won't have to be consecutive. The pins with the mailing would cost about \$5.00 each. There are approximately 2,500 people that have been members for at least 10 years. A sponsor will be found that will underwrite this program.

After a brief discussion, the motion which was from committee passed unanimously.

Monica Chapman led a discussion on the supporting organization- AERC Legacy Foundation (ALF). The Board members for the organization are John Parke, Mollie Krumlaw-Smith and Don Fehrs. She asked John Parke what's needed in order to get the foundation up and running. He commented that he had them ready to go on October 1, but that Mollie Krumlaw-Smith had requested that they make two changes in the bylaws. He agreed the two changes should be made. Since the attorneys hadn't changed them yet, John Parke said he would just make the changes himself, sign them and report back at the April meeting. Mollie Krumlaw-Smith said that it was of the utmost importance to get this completed as she has already had to turn down donations to the foundation due to the lack of having it in place. Mollie Krumlaw Smith said that it could take up to 6 months to have the approved tax exemption back from the IRS. John Parke said that he has sent them to the attorney but will need to follow up to make sure that they had filed it.

Michael Campbell asked if the AERC Board would have final approval of the structure? John Parke said he would send all of it to the Board especially so the new members could see them. This will be on the agenda for the April meeting so that so that Board members can have answers to any questions they may have concerning it.

Mollie Krumlaw-Smith stated that she would like to have everything back by August so that AERC can start marketing the AERC Legacy Foundation.

At this time, Monica Chapman had the Board members breakout into the small strategic planning groups for discussion for an hour. Lisa Schneider asked the groups to look at key metrics that will measure success of the strategic plan – How do we know what we are doing is working? Let's look what we can literally measure. She offered her help with any groups needing direction. She stated that the Board needs to focus on a higher level. We need to look at problems and potential problems before they become a "black swan".

After the hour breakout session, Monica Chapman received positive responses when she asked if the Board members thought this session was productive. Lisa Schneider asked that the head of each group send her their notes by Friday on key metric so she can review. At the April meeting she will go over the most finished with the Board, looking at key metrics.

Discussion was held on ways to make the meetings more productive. Having specific time frame for each subject on the agenda was mentioned. Troy Eckard with the Best Board Practices Ad Hoc Committee said he was working on summarizing the issues to present to the board.

Monica Chapman said that Board members need to be precise on their wording to keep the meeting to the point and not overly long and members should state their responses once, not repeatedly. She would like to see the AERC board meeting run like a well-oiled machine. All motions must go through committees for comment and input before being presented to the Board. She encourages all board members to be on at least one committee.

Monica Chapman announced two different dates that were available for the midyear meeting. July 20 or September 7. Board members will need to vote on their preference of dates by Friday. She will calculate the votes to determine the date of the meeting. Kathleen Henkel will check on locations and cost.

Kathleen Henkel is looking at locations for the 2020 AERC Convention. Looking at mild climate southern locations including Jacksonville, FL. She will keep the Board updated.

John Parke made a motion to adjourn at 11:07 am, seconded by Troy Eckard. Motion passed

Respectively submitted by

Connie Caudill

AERC Summary of Insurance

Date Prepared: March 1, 2019

From: Equisure, Inc.

Agent- Diane Lesher email- diane@equisure-inc.com

Customer Service Agent- Robert Journey robert@equisure-inc.com

Office Phone- 303-614-6961

1. GENERAL LIABILITY

Purpose: General Liability, AERC recognized events, meetings, booths and other declared events. The purpose is to provide liability insurance to the Association only. Insured has opted out of members as named insureds.

Coverage: Bodily Injury and Property Damage to a third party for which the association may be liable for declared covered activities.

Insurance Carrier: Certain Underwriters at Lloyd's, London

Policy Term: Effective date of coverage: 12-1-18 to 12:01 a.m. local time expiration 12:01 a.m. 12-1-19
Policy Number B123062096C18-AMERI-7

Policy Limits: Each Occurrence Limit \$1,000,000 General Aggregate Limit (Other than Products/Completed Operations) \$2,000,000 Products/Completed Operations Aggregate Limit \$2,000,000 THE FOLLOWING LIMITS ARE SUB-LIMITS OF AND NOT IN ADDITION TO THE LIMITS SHOWN ABOVE: Personal & Advertising Injury Limit \$1,000,000 any one person Fire Damage \$300,000 any one fire Property Damage Limit \$100,000 any one "covered activity" for property rented or loaned to you or in your care, custody or control (other than horses Horse Limit \$50,000 any one "horse in your care, custody or control" \$100,000 in the aggregate for horse in your care, custody or control

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The coverage descriptions in this summary are abbreviated. Please refer to the policy for all terms, conditions, limitations, and exclusions. If there is any conflict between the coverage statements within this summary the actual policy, the policy provisions will prevail. Equisure, Inc. 13790 E Rice Place, Aurora, CO 800-752-2472 303-614-6961 303-614-6967 www.equisure-inc.com

Activity Number of Days

Meetings Short term Care Custody and Control Shows/Events Booth Exhibits Additional Insureds included included 450 Declared days 2 Included as declared

Annual Premium - \$40,600.17

2. GENERAL LIABILITY (EDUCATIONAL SEMINARS, CLINICS AND SCHOOLING SHOWS)

Purpose: This liability policy is meant for education seminars, clinics, and schooling shows.

Coverage: Bodily Injury and Property Damage to a third party for which the event may be liable.

Carrier: Certain Underwriters at Lloyd's, London

Policy Term: 5-15-18 to 12:01 a.m. local time 5-15-19

Policy Number: B123062096C18-AMERI-8

Policy Limits: Each Occurrence Limit \$1,000,000 General Aggregate Limit (Other than Products/Completed Operations) \$1,000,000 Products/Completed Operations Aggregate Limit \$1,000,000 THE FOLLOWING LIMITS ARE SUB-LIMITS OF AND NOT IN ADDITION TO THE LIMITS SHOWN ABOVE: Personal & Advertising Injury Limit \$1,000,000 Fire Damage Limit - Any One Fire \$100,000 Property Damage Limit (property rented/loaned to you for a "covered activity" \$100,000 Or in your care, custody, or control, other than "horses") Horse Limit (per horse in your care, custody or control) \$50,000 Horse Limit Aggregate \$100,000 Medical Expense Limit - Any One Person \$5,000

Events are added per written request sent from the AERC office.

Premiums: -Clinic Days \$45.00 each day. Overnight clinics \$100.00. 2 additional insureds included over 2 \$50 each

Premium total from May 2018 to Feb 2019 = \$500.79

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3. DIRECTORS AND OFFICERS LIABILITY

Purpose: Protects the Board against losses that may result from alleged errors in judgement, breaches of duty, or wrongful acts in the course of duties as a board member.

Coverage: Directors and Officers Liability

Carrier: Philadelphia

Policy Term: 10-5-18 to 12:01 a.m. local time 10-05-19

Policy Number: PHSD1367727

Policy Limits: (A) D&O Liability \$1,000,000 each policy period (B) Employment Practices: \$1,000,000 each policy period Fiduciary Liability 0.00 Workplace Violence 0.00 Internet Liability 0.00 each policy period Aggregate, All Parts \$1,000,000 each policy period

D&O Liability Retention (deductible): \$2500 for each claim Employment Practices \$1,000 for each claim Fiduciary Liability 0.00 Workplace Violence 0.00 Internet Liability 0.00 Prior and Pending date - 10-5-07

Annual Premium \$2659.00

4. EQUINE PERSONAL EXCESS LIABILITY (OPTIONAL FOR MEMBERS)

Purpose: Member benefit to AERC individual and family members. Equine Personal Excess insurance for equine related claims. Excess over any other valid farm or homeowner's policy.

Coverage: Equine Personal Excess Liability

Carrier: Certain Underwriters at Lloyd's, London A.M. Best Rating A

Policy Term: January 1, 2019 to December 31, 2019

Territory: Anywhere in the world

Carrier: Certain Underwriters at Lloyd's, London A.M. Best Rating A

The coverage descriptions in this summary are abbreviated. Please refer to the policy for all terms, conditions, limitations, and exclusions. If there is any conflict between the coverage statements within this summary the actual policy, the policy provisions will prevail. Equisure, Inc. 13790 E Rice Place, Aurora, CO 800-752-2472 303-614-6961 303-614-6967 www.equisure-inc.com

Policy Limits: Description	Policy Limit
Each Occurrence	\$1,000,000
Aggregate Limit	\$1,000,000

Total Premium	\$19.00 per individual	\$38.00 per family
Premium approx. -	\$10,000 12-month declaration (Jan 2018 to Dec 2018)	

OTHER POLICIES TO CONSIDER

Accidental Death & Excess Accident Medical

Purpose: A policy that pays benefits to the member if the cause of death or medical treatment is because of an equestrian accident.

Policy can be written for all members of the association (mandatory) or an optional to purchase individually.

Premiums are determined by the number of members and the number of events to be covered in a 12month period.

Cyber Liability Purpose: An insurance product used to protect businesses against cyberattacks and data breach.

-notifying customers about a data breach -providing credit monitoring services as required by law

-handling affected individuals to obtain and monitor credit -assisting with legal fees

QUOTE Annual Premium, Travelers - QUOTE Annual Premium, Philadelphia - \$2743.00

Fidelity Crime Insurance Purpose: Crime related losses employee theft, Forgery or Alteration, Burglary or Robbery, Computer Fraud embezzlement of club funds by a club officer, director or employee