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May 1, 2020

To: Florida Youth Soccer Association Membership

From: Florida Youth Soccer Association Board of Directors and Staff

Re: 2020/21 Membership Fees Notice

Florida Youth Soccer Association (FYSA) Rule 301.2 and 303 requires the Board to establish and communicate registration fees for the next seasonal year no later than May 1st of each year.

This communication shall serve as notice of the 2020/21 seasonal year registration fees set by the Board of Directors during the May 1, 2020 conference call.

Player registration fees for the 2020/21 seasonal year shall be:

- \$13.00 per Recreational player, an increase of \$3.00
- \$25.00 per Competitive player, an increase of \$4.00

The increase in registration fees is directly related to FYSA fixed cost (insurance premiums). The increase is necessary to offset a portion of the \$333,235 insurance premium increase that took effect in August 2019. In light of the COVID-19 pandemic and its current and potential impact on our affiliates, the FYSA Board of Directors has elected to absorb the remainder.

FYSA provides our members with insurance policies that covers general liability, participant accident, directors and officers, and excess liability (umbrella). Our policy renews on August 1st and we will not receive a quote for 2020/21 until 30-60 days prior to expiration. In our conversations with our insurance agency (ME Wilson) and our broker (K&K Insurance), we have been advised to plan for a 100% rate increase for our liability policies for the 2020/21 seasonal year due to changes in the insurance market and our claims history. Specifically, FYSA has encountered an unfortunate and rapid increase in claims of sexual abuse and molestation to our general liability policy. These claims have been very costly. As was done this seasonal year, the FYSA Board is also prepared to absorb this potential cost increase for the 2020/21 season.

We are not alone in this position. The insurance market has paid out massive settlements for sexual abuse and molestation claims. To recoup this loss, many (if not all) associations are seeing an increase in premiums along with limitations and restrictions on liability policies.

As many of you are aware, insurance is the main cost that FYSA incurs on an annual basis. Likewise, the insurance cost equates to the largest portion of our member registration (player) fees. These represent the majority of fixed costs referenced in FYSA Rule 301.2. The remaining fixed costs include per player fees paid to the following:

- United States Soccer Federation (USSF): \$1.00
- United State Youth Soccer Association (USYS): \$2.25



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For perspective, FYSA insurance premiums, expressed on a per player basis, for the past two seasonal years and the potential premium for the coming year are as follows:

18/19 - \$4.21

19/20 - \$6.85

20/21 - \$11.70*

*An FYSA-generated estimate based on currently available information. Fee includes combined premium for all coverages; only liability portions of the fee are expected to increase. Insurance premium is not tied to actual registrations. We provide an estimated count and the insurer develops a quote. There is not a premium reconciliation at the end of the season.

For the 2019/20 seasonal year, FYSA implemented a \$1.00 per player registration fee increase related to the USYS fee increase. Because we did not receive the notice of insurance increase prior to May 1 and had no reason to anticipate a dramatic increase, FYSA absorbed the full insurance cost increase of \$333,235 along with \$0.25 of the USYS \$1.25 fee increase. This totaled an estimated expense of nearly \$358,235 funded from FYSA reserves. The 2019/20 increase was the first FYSA fee increase since 2007/08 seasonal year.

We understand the frustration that any fee increase incites given the present challenges. Please know that we share your concerns. We are committed to doing all we can to lower our premiums. In the last seasonal year, FYSA has taken the following steps to limit the premium increase:

- Facilitated multiple quotes and explored all available options from experts in the insurance field
- Met with USYS regarding their policy limit requirements
- Transitioned to a new background check provider (J.D. Palatine)
- Mandated international background checks for non-US citizens
- Committed to a relationship with Praesidium, Inc., the industry standard for abuse prevention and protection. The Praesidium pathway to accreditation began in April 2020.

FYSA will be hosting a town hall meeting at the below date and time to discuss this proposed fee increase along with other FYSA matters:

FYSA Town Hall Meeting
Wednesday, May 6, 2020
6:30pm EST
(Meeting link to be distributed at a later date)

In closing, we thank you for your commitment and dedication to FYSA. Please help us in our mission to ensure player safety, which will ultimately decrease our fixed costs.



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For your reference, FYSA Rule 301.2 is presented in its entirety.

301.2 Registration fees shall be required for every player/coach that registers to participate in any FYSA sanctioned event or competition. Registration fees shall be divided into two portions:

A. Fixed cost shall include player insurance; US Youth Soccer player/coach fee; USSF player/coach fee.

B. Administrative costs.

Fixed Cost shall be set annually by the Board of Director not later than May 1st of each year to be effective with the next seasonal year.

Administrative costs shall be set annually at the AGM. A proposed increase in administrative cost requires that it not become effective for the seasonally year immediately following the AGM but for the year after