

fce® FLASH

Welcome to the Premiere issue of the “fce FLASH”.

At the 2019 Annual conference the board discussed ways to relay information to our members and decided to try sending out emails more often than the newsletter, hence the creation of “fce FLASH”.

This one will deal with the increase in our national dues and why the state president’s and alternate delegates in attendance voted to increase our dues over a three-year period.

Once during every national president’s term, a dues raise can be addressed. This topic came up this year because it was tabled at the 2018 Annual business meeting, so it needed to be addressed at the 2019 Annual business meeting.

The cost of everything is increasing including our insurance. National has cut costs in many ways. We have eliminated 2 Coordinator positions on the National board, reduced expenses on the website (one of our FCE members volunteered to design a user friendly site so that Judy Jones at headquarters and Scott Teeple from Oregon could maintain it without an additional expense), eliminated the postage machine at national headquarters, eliminated the toll-free phone number, have reduced the size of the office at headquarters, reduced labor costs since Judy Jones only works 3 days a week in the office, we are now sending the newsletter by email saving between \$10,000 to \$12,000 a year, the board has been very conscious of helping to save costs by paying part of their conference registrations, watching the costs of meals, etc. and in most cases combining the conference and fall board meeting together saving transportation, room and board costs. These are just some examples of ways that national has tried to keep the cost of running our organization down.

The cost of our insurance will not decrease, it will only continue to go up as everything does these days. We have looked at many different insurances and companies, but no one is different. All 501(c)(3) organizations pay very expensive liability insurance and we can not afford to do without our insurance. The cost of our insurance isn’t based on the number of members in our organization and with the decrease of members due to one reason or another the cost goes up per member. Our insurance doesn’t cover our members personally but covers non-members that attend our meetings whether they are club, study group, district, regions or national. Everyone is covered holding any of these meetings, you just need to let our provider know that you need coverage for the meeting by filling out the form on our website.

We are a leadership non-profit organization and as our mission states “we are strengthening individuals, families and communities through continuing education, developing leadership and community action”. Our insurance protects us while we are following through with our mission and what we believe in.

The information below was provided by our insurance provider, Nicolas Phair, which explains how our insurance works. Please read this over carefully for it will provide a lot of answers for questions regarding why we need this type of insurance.

First, it is very important to recognize that this coverage is provided to every state and community group throughout the entire country. It provides coverage for every single meeting that any group holds to protect them from any liability that may arise. General Liability coverage protects your groups if some sort of property damage or injury to others is caused by any of its members to others while in operation as part of this association. That coverage is only 1 Million in any one occurrence, but there is an aggregate of only 2 Million. So, any one accident has up to 1 million in coverage, but there can be no more than 2 million paid out in one year, regardless of the number of claims. Because there are so many groups that this coverage protects, it is very advisable to have additional or excess liability added in case the underlying limit is exhausted. You currently have an additional 1 million in umbrella coverage that is a separate policy from the base Commercial Package policy. This effectively gives you 2 million in per occurrence coverage and increases the aggregate limit to 3 million. The base Commercial Package policy is by far the most expensive part of your policy. Smaller parts connected to this base policy include Hired and Non-Owned Auto Liability coverage. This provides coverage if anyone that is part of your association or employed by you, is driving in conjunction with that role and has an auto accident. Their personal auto insurance is primary, but if their personal policy limits are exhausted then there is 1 million in this coverage that can be used for this purpose. This base Commercial Package policy also includes some property coverage for the business property owned by the association and at its main office. Be it furniture or other office equipment, it falls under this coverage of \$32,000. That coverage can and should be adjusted to the values you deem appropriate.

The 3rd part of your coverage is a policy that combines coverage for Directors and Officers Liability (D&O) and Employment Practices Liability (EPL).

D&O is intended cover board members from liability while acting within the scope of their position. That way personal suits against them are covered when the reason is from operations in scope with their position on the board or as a director.

EPL provides coverage to the association from its employees. Whether it be because of wrongful termination, sexual harassment or some other cause that they bring against you as their employer. This is different from both General Liability and Workers Compensation.

Total costs for this past year: **\$31,740.49**

Commercial Package Policy - \$23,088.08

Umbrella Liability Policy - \$2,962.00

Flexi Plus Policy (D&O & EPL) - \$5,690.41

Based on the cost of our insurance and our membership of approximately 2900 at the time of the conference it was voted to raise our national dues \$15.00 to cover the insurance. The cost per year per member at this time is \$12.00. The \$5.00 raise to begin with won't cover the total cost of the insurance but it will go along ways in helping. By 2022 the raise should cover the insurance providing our membership maintains or goes up!!! It was voted to spread this increase over 3 years and to due this a bylaw amendment needed to be done. Per our bylaws when a change is not sent our 90 days before conference an amendment can be done with a unanimous vote of the voting body as long as it is presented before the annual business meeting. This issue was discussed in length at the President's/delegates meeting the day before.

Since a lot of you have either seen the new membership form, been to a state conference or someother type of meeting since the annual conference you will see that the dues for 2020 have increased by \$5.00 for all types of memberships. This \$5.00 increase will take place in 2020, 2021 and 2022. You can find this information in our bylaws on the website. When you are saying this is more than I can afford please take a jar or can and put in your loose change each day and see how fast that extra \$5.00 will accumulate, or give up one hamburger, latte, or that special dessert a month and you will easier have your \$5.00 for the next few years.

This was a difficult decision to make at our annual meeting and a difficult Premiere fce FLASH to write, but on the other hand we could not keep losing money every year and drawing out of our investments for at some point they will be gone.

The national board is open to any questions, suggestions or fund-raising ideas that you members might have.

Thanks for reading this fce FLASH and please print copies of this and give to those that don't have an email. We appreciate everyone's help in getting our information out to those members also for as we mentioned earlier in this fce FLASH we are saving between \$10,000 and \$12,000 a year by going this direction.

Watch for the next fce FLASH!!!

Ardyce Snyder, NAFCE President
[Www.nafce.org](http://www.nafce.org)