Non Profit D&O

The Basics
Overview

- Why do Association chapters need coverage?
  - Professional Services
- What coverage does D&O provide?
- What is EPLI?
- Who is covered
- Types of D&O claims
- Types of EPLI claims
- What is not covered
- Two year policies
- How to apply for coverage
Why do Association chapters need D&O coverage?

Non-profit organizations are not immune to lawsuits. They need to be covered from lawsuits that allege:

- Protect the personal assets of the board members
- Internal mismanagement of the entity
- Employment practices lawsuits
Professional Services

The policy is not intended to provide coverage for loss from lawsuits that deal with the quality of professional services delivered.

- For additional premium coverage may be purchased for:
  - Certification claims
  - Accreditation claims
  - Publishing claims
What coverage is provided?

Management Liability Insurance is intended to provide:

Defense cost
- Cost to defend a claim

Indemnity cost
- Judgment of a claim
What coverage is Employment Practices Liability Coverage?

It is coverage in the event that an employee sues the Association for employment issues, such as:

- Wrongful termination
- Discrimination
- Harassment
Who is covered?

- The insured entity,
- Directors & officers of the board,
- Employees and volunteers,
- Committee members, and
- Trustees
Types of D&O claims:

- Mismanagement, waste of assets, or breach of fiduciary duties,
- Negligence, misrepresentation and other tor claims
- Violation of federal and state consumer protection laws,
- Violation of Anti-trust statues
- Racketeering
- Business or Professional defamation
- Interference with contractual relations
- Failure to deliver services or monetary distribution to beneficiaries
- Discrimination in membership or membership privileges
Types of EPLI claims:

- Wrongful dismissal, discharge or termination
- Sexual or other workplace harassment, and
- Discrimination, whether based upon race, sex, age, national origin, religion, or disability

9
What is not covered?

- Fraudulent and criminal acts
- Bodily Injury and Property Damage
- Fiduciary Liability – Employee Retirement Income Securities Act (can be purchased separately)
- Pending or Prior Litigation
- Professional Services
- Prior Acts
Two Year Policy Terms

- $1 - $2 million policy limit or less
- No paid claims within the last three years
- Policy limit reinstates after the first year
- Paid one year at a time
  - State Taxes/Fees for the full term paid with the first years premium.
- No multi year fee
## Sample Premiums

<table>
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<tr>
<th>Revenue</th>
<th>D&amp;O Only</th>
<th>D&amp;O + EPL</th>
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</thead>
<tbody>
<tr>
<td>&lt; $100,000</td>
<td>$630</td>
<td>$950</td>
</tr>
<tr>
<td>$100k - $500K</td>
<td>$780</td>
<td>$1,100</td>
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<tr>
<td>$501K - $1M</td>
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<td>$1,400</td>
<td>$1,600</td>
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Based on:
- Five (5) or less employees
- No Claims in the past five years
- Established for at least 10 years
Additional Coverages

- For additional premium the following coverages can be added:
- Additional defense cost of $1,000,000
- Fiduciary Liability (401k plans)
- Employee Theft coverage
How to apply for coverage

Contact your local insurance agent or broker and have them submit your D&O application to:

Vos.managementliability@Schinnerer.com