



A Head for Insurance. A Heart for Nonprofits.

General Liability



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(800) 359-6422

Highlighted Features of our Nonprofits' OWN General Liability Coverage

(All included at no additional charge, unless noted)

- No deductible
- Occurrence Limit \$1 million: Aggregate Limits to \$3 million
- Umbrella Limits to \$10 million available
- Occurrence Form
- Prior Acts Coverage available for additional charge
- Blanket Additional Insureds includes landlords, permittees, mortgagees, volunteers, funders, lessors of leased equipment and charitable institutions
- Fundraiser endorsement included
- Liquor Liability form included
- Medical Payments Limit \$20,000
- Aggregate Limits per Location
- Damage to Property of Others in your Care Limit \$25,000
- Newly Formed Entities covered until end of policy period
- Automatic liberalization
- Damage to Premises Rented to You (Fire Legal) Limit \$500,000. Limits up to \$1 million available for extra charge
- Client Damage to Employee's or Volunteer's Car Limit \$3,000
- Client Damage to Property of Others Limit \$5,000 occurrence/\$25,000 aggregate
- Identity Theft Expense Limit \$30,000
- Terrorism Travel Reimbursement Limit \$30,000
- Kidnap Expense Limit \$50,000
- Executive Recruitment Expense Limit \$50,000
- Bail Bonds \$5,000 and Lost Earnings up to \$1,000/day
- Non-owned Watercraft up to 75 feet
- Workplace Violence Counseling Limit \$50,000
- Unsatisfied Contributions Limit \$25,000
- Privacy Liability and Cyber Coverage
- Bodily injury includes mental anguish

From the

CLAIMS FILES Line of Business: General Liability

Slip and Fall:

A nonprofit provides janitorial work opportunities to functional disabled clients. On one occasion, a client forgot to put out warning cones while mopping an office floor and the claimant slipped and fell on her way to a restroom. She suffered a torn ligament in her right knee and a right wrist sprain. The nonprofit had the right protocols in place, which included the use of warning cones, but the client simply forgot to use them. The claim was settled at mediation for \$50,000. Legal expenses were more than \$17,000.

Wrongful Eviction:

A nonprofit runs a transitional housing program for clients recovering from alcohol or substance abuse. The clients are required to pay subsidized rent and actively participate in the recovery programs. One client was not doing either, so with the approval of its legal counsel, the nonprofit had the client removed. The client, acting as his own attorney, filed suit in both Federal and State courts, claiming \$10 million in emotional distress. The case went to a jury, and based on the nonprofit's clear records and a subsequent compliance finding by the funding agency, we obtained a defense verdict. However, legal costs were more than \$95,000.

Negligent Supervision:

A nonprofit had an annual event that included a zip line for children, which ran from hay bales stacked eight feet high down to the ground. It was supervised by a volunteer who, against his better judgment, allowed a 12 year-old girl, who was very anxious and fearful, to ride. She fell off as soon as she left the hay bales and suffered a leg fracture that had to be surgically repaired. Concluding that liability was adverse to the nonprofit, we negotiated a structured settlement with the family's attorney that provided for future medical care, pain and suffering, and attorney fees. The loss cost was \$60,000 and the expense was minimal.



Directors and Officers



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Highlighted Features of our Nonprofits' OWN Directors and Officers Coverage

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- No deductible is standard
- Occurrence Limit \$1 million: Aggregate Limits to \$2 million and Umbrella Limits up to \$10 million available
- Defense outside the policy limits
- Duty to defend
- Superior Event Trigger Coverage Form, not Claims- Made
- Prior Acts Coverage for an additional charge
- Broad definition of insured including the nonprofit itself as well as directors, trustees, officers, employees, volunteers, committee members, interns, students-in- training, and spouses
- Coverage extends to third-party Harassment
- Broad Employment Practices Liability coverage
- Fiduciary Liability include at full policy limit
- ERISA sublimit of \$250,000 included. \$500,000 available for additional charge.
- No "Hammer Clause"
- Breach of Contract Limit \$250,000 for defense
- Wage and Hour Limit \$250,000 for defense
- Punitive Damages where insurable
- Member vs member coverage included
- FREE unlimited employment risk management consultations for insureds
- Employee Handbook Builder - If D&O insurance is purchased, a highly subsidized subscription to the Thompson Handbook Builder. Annual subscription cost is \$99 (\$300 savings).
- Flat rate D&O available for nonprofits with zero employees

From the

CLAIMS FILES Line of Business: Directors and Officers Liability

Failure to Accommodate:

An employee with ongoing performance problems was eventually terminated, but alleged he was not given an accommodation due to stress in his personal life. Unfortunately, the employee's file was not well documented on the performance issues, and the nonprofit had not addressed the accommodation request. The employee was highly paid, and the matter was heavily litigated over a four-year period. Because of the potential for an unfavorable jury verdict and the significant exposure to statutory plaintiff attorney fees, the claim was eventually mediated to a settlement of \$350,000 after \$230,000 in defense expense fees were incurred.

Retaliation:

Four employees claimed they had been wrongfully terminated for complaining about unpaid wages. Legal discovery revealed that the unpaid wage claims had some merit and the terminations based on performance problems would be difficult to establish. While the four claims were eventually settled for \$40,000, it took more than \$35,000 in defense legal costs to get to that point. Retaliation claims are currently the most significant employee practice liability exposure to employers, for both nonprofit and for-profit organizations.

Breach of Contract:

A nonprofit was sued by a builder for breach of a construction project contract, claiming unpaid contract damages. Often, breach of contract claims are not covered in D&O policies, but our forms contain a \$250,000 defense cost only enhancement, so we were able to provide the nonprofit with an experienced defense attorney to assist them. While it took almost \$25,000 in defense to get the case into settlement posture, the nonprofit was able to obtain a very favorable compromise on the contract damage issues.



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Improper Sexual Conduct



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Highlighted Features of our Nonprofits' OWN Improper Sexual Conduct Coverage

(All included at no additional charge, unless noted)

- No Deductible
- Separate Limits from the General Liability
- Typical Limit \$1 million: Aggregate Limits to \$3 million and Umbrella Limits to \$10 million available
- Lower limits available
- Superior Event Trigger Coverage Form, not Claims-Made
- Prior Acts Coverage available for an additional charge
- Broad definition of insured includes the nonprofit itself as well as executive officers and directors, employees, volunteers, interns, and students-in-training
- Reimbursement of Wages for an employee suspended from work with pay during an Improper Sexual Conduct investigation. Limit \$10,000
- Civil defense of alleged perpetrator until he or she is convicted of a criminal offense involving sexual misconduct
- Coverage extends to client vs. client allegations

From the

CLAIMS FILES Line of Business: Improper Sexual Conduct Coverage

Day Care Molestation:

An independent daycare contractor was certified by a nonprofit. A child placed in the daycare center was molested by the teenage grandson of the daycare contractor. Litigation ensued and the nonprofit's records showed all appropriate site visits and background checks had been carefully done. Based on case law that insulates a nonprofit from the unforeseen criminal acts of a third-party and their strict adherence to protocols, we were able to obtain a court ordered dismissal that was upheld on appeal. No damages were paid on behalf of the nonprofit, but we incurred almost \$150,000 in defense legal costs.

Assault by Employee:

A client of the nonprofit's safe harbor house was sexually assaulted by one of the nonprofit's part-time gardeners, who had a mild mental illness. Investigation revealed that the gardeners were supposed to be closely supervised and his absence from the crew could not be explained. Based on medical records that reflected little physical trauma but a psychological reaction, the claim was eventually settled at a mediation for \$50,000. We incurred \$11,000 in defense costs.

Improper Relationship with a Client:

A male therapist at a nonprofit's residential treatment facility engaged in an offsite consensual sexual relationship with one of the female clients. When this was discovered, he was reprimanded when he should have been terminated, and he later reengaged with the client and then began dating one of her close friends. The client had a relapse, allegedly due to these relationships, and a lawsuit was filed. Following protracted legal discovery, and on counsel's advice that the nonprofit was exposed for lax supervision of its therapist, the case settled for just over \$100,000. Defense costs were \$50,000.



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Social Service Professional



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Highlighted Features of our Nonprofits' OWN Social Service Professional Coverage

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- No Deductible
- Separate Limits from the General Liability
- Occurrence Limit \$1 million: Aggregate Limits to \$3 million and Umbrella Limits to \$10 million available
- Occurrence Form, not Claims-Made
- Prior Acts Coverage available for additional charge
- Reimbursement of Wages for an employee suspended from work with pay during an investigation. Limit \$10,000
- Broad definition of insured includes the nonprofit itself as well as medical services providers for counseling, evaluation and nursing services if a volunteer or employee. Also includes all other employees and volunteers, as well as interns and students-in-training
- Nonprofit member (other than medical service providers) covered for alleged improper oversight or supervision of medical professionals (see policy conditions applying to medical service providers).
- Broad coverage applies to nonprofits professionals including (but not limited to):

Acupuncturists	Nurse assistants
Adoption service employees	Nutritionists
Aides	Opticians
Assisted living providers	Phlebotomists
Childcare workers	Psychotherapists
Chiropractors	Psychologists
Counselors	Resident home care providers and supervisors
Daycare providers	Social Workers
Educational professionals	Therapists
Home Health Aides	Tutors
Instructors	Veterinary professionals
Mentors	
Nurses	

From the

CLAIMS FILES Line of Business: Social Service Professional Liability

Medicine Dosage Error:

A nonprofit provided home health care to the elderly. One of its nurses misunderstood a client's medication orders and gave him an improper dosage of medicine that caused his death. The ensuing litigation was protracted because the prescribing physician was also a defendant, along with the nonprofit and its nurse. Eventually we were able to settle the nonprofit's and nurse's exposures for \$100,000, although it took almost \$46,000 of defense legal costs to get that result.

Battery by Teacher:

One of the students in a nonprofit's school for disabled and difficult students began acting out and needed to be physically restrained. It was subsequently learned that the teacher had not correctly followed take-down procedures, but injuries were minor. The parents retained an attorney and we were able to resolve the claim for a very modest \$12,000 to be placed into a college trust fund. No litigation expenses were necessary.

Foster Child Death:

A four-month old foster child, placed in a home certified by a nonprofit, died in her sleep. The natural mother, a recovering drug addict, brought a lawsuit against the foster parents and the nonprofit. Following the plaintiff's deposition, during which no breach of duty could be identified, we asked for and received a voluntary dismissal of the nonprofit. No loss was paid. Legal costs totaled \$18,000.



Cyber Coverage



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Highlighted Features of our Nonprofits' OWN Cyber Coverage

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Liability (E52 Endorsement Provided by ANI/NIAC)

- Endorsed to the CGL policy – full policy limits for claims by third parties related to a breach
- “Occurrence” includes identity theft or disclosure of personal identifying information, whether stolen electronically or from printed or written materials
- Breach notification and credit monitoring costs up to \$50,000.
- “Cyber Extortion” - \$50,000 sublimit for extortion demand related to your computer system
- “Crisis Management & Reward Expenses” - \$25,000 sublimit for PR firms or law firms to assist with publicity issues
- HIPPA expense included

Property (Provided by Companion Program BOP Policy)

- Electronic Data (digital assets) replaced or restored if damaged by a cyber attack – virus, harmful code or similar attack - \$10,000 sublimit free, higher limits available up to \$100,000 for additional premium
- Interruption of computer operations – business income and extra expense due to cyber attack – virus, harmful code or similar attack - \$10,000 sublimit

From the CLAIMS FILES Line of Business: Cyber Coverage

Malicious Code Attack:

The nonprofit's system was infected by a malicious code introduced through their online donor site. Fortunately, none of their records were compromised, but it took forensic technicians two days to restore the software and records, primarily through use of backup tapes stored offsite. Total costs, including extra expenses, totaled \$5,800.

Theft of Patient Files:

A nurse's briefcase with two patient files was stolen from her car. The two patients were notified, as required by law, and we enrolled them both in credit monitoring for one year. Total costs were under \$500.

Laptop Thefts:

Two laptops were stolen during a burglary. They contained medical records of over 1,800 patients. We reimbursed the nonprofit for the notification costs (\$3,500), and costs of a law firm to manage the publicity and reporting to State agencies (\$25,000).



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Business Auto Liability



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Highlighted Features of our Nonprofits' OWN Business Auto Liability

(All included at no additional charge, unless noted)

- Combined Single Limit \$1 million: Umbrella Limits to \$10 million available
- Broad definition of insured includes the nonprofit itself as well as employees and volunteers
- Symbol one liability coverage available
- Hired auto physical damage is available for an additional charge upon request
- Rental Reimbursement included for owned vehicles up to 30 days @ \$50 a day
- UM waiver of collision deductible included
- Drive Other Car coverage – free when requested
- FREE driver training (online, in person, and self-study)
- FREE fleet vehicle monitoring program

From the

CLAIMS FILES Line of Business: Business Auto Liability

Uninsured Motorist:

A nonprofit's employee was traveling on agency business in a car owned by the nonprofit and was rear-ended by an uninsured motorist. The crash was severe, pushing the nonprofit vehicle into the vehicle ahead. The employee's neck and back injuries were serious and required two surgeries over an eight-year period. While workers' compensation paid more than \$200,000 in medical and disability benefits, the employee was also entitled to additional economic and non-economic damages under the vehicle's uninsured motorist coverage. Those claims were settled for \$350,000 without the need for litigation.

Unsafe Lane Change:

A nonprofit vehicle made an unsafe lane change into a passing vehicle, which then went off the highway and crashed into a call box. The driver and passenger in the other vehicle both brought injury claims and retained an attorney. Over a four-year period, each claimant incurred more than \$60,000 of suspect medical treatment. By the time a court ordered mediation was held, the claimants had fired two attorneys and hired a third. Demands at mediation were for more than \$500,000 and the claims eventually settled for a total of \$80,000, but not before we incurred \$70,000 in defense costs.

Right of Way:

A nonprofit vehicle entered a highway after stopping for a stop sign. The driver failed to notice a motorcycle traveling down the highway, which had no stop sign and the right of way. The motorcycle crashed and the rider was injured. The claim was eventually litigated. The injuries were serious and damages included a loss of income claim. We settled the case at mediation for \$160,000. Defense expense costs, however, were more than \$75,000.



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Non-Owned/Hired Auto Liability



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Highlighted Features of our Nonprofits' OWN Non-Owned/Hired Auto Liability

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Non-Owned Auto Liability Highlighted Features

- Covers autos you don't own, lease, rent, borrow, or hire used in connection with your business
- Your organization and the driver are all covered
- Includes autos owned by your Employees and Volunteers
- Is excess over the Employee's or Volunteer's personal auto policy
- Drops down to become primary if the Employee's or Volunteer's auto policy does not apply (e.g., business use exclusion)
- \$1,000,000 Limits
- Umbrella, if applicable, follows form
- Low Minimum Premium

Hired Auto Liability Highlighted Features

- Covers autos you lease, hire, rent or borrow (other than Employees' or Volunteers' autos)
- Your organization and the drivers are all covered
- Excess over the rental company's policy
- Drops down to become primary if rental company's policy is excess (as is the case in some states)
- \$1,000,000 Limits
- Umbrella, if applicable, follows form
- Low Minimum Premium
- Hired Auto Physical Damage available subject to deductible – eliminates costly daily physical damage waivers charged by rental companies.

From the

CLAIMS FILES Line of Business: Non-Owned/Hired Auto Liability

Employee Driving His Own Car:

A nonprofit's employee driving his own vehicle on agency business was involved in an at-fault, catastrophic collision. Unbeknownst to the agency, the employee's personal auto coverage had lapsed. The agency's non-owned coverage dropped down to become primary, as did the Umbrella policy excess of the non-owned. The full \$2,000,000 in available limits were paid in a settlement which involved a structured annuity to take care of the injured claimant over his lifetime. No legal expenses were incurred.

Volunteer's Coverage Not Enough:

A volunteer transporting a client to the nonprofit's day care center ran a stop sign and was struck by a vehicle that had the right-of-way. The volunteer's minimum limits of \$15,000 were inadequate and the nonprofit's non-owned coverage of \$1,000,000 was excess of that. We paid an additional \$185,000 to settle the claim.



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Property



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Highlighted Features of our Nonprofits' OWN Property Coverage

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- Coverage is written on “special” modified BOP form
- Deductible amounts of \$250, \$500, \$1,000 and \$2,500, \$5,000 and \$10,000 available.
- Low Minimum Premium
- Employee/Volunteer Dishonesty available on a specified limits basis (limits up to \$500,000)
- Business Income and Extra Expense restoration periods - 18 months
- Water Backup damage up to \$25,000
- Outdoor property limits (plants Limit \$1,000, signs up to \$25,000)
- Increased Cost of Construction Limit \$100,000
- Fire Extinguisher Systems Recharge Limit \$25,000
- Arson & Vandalism Reward Limit \$5,000
- Spoilage Limit \$25,000
- Earthquake Sprinkler Leakage Limit \$10,000
- Personal Property Off Premises up to \$250,000
- Personal Effects up to \$25,000
- Valuable Papers and Records on premises Limit \$25,000 and \$10,000 while in transit
- Lock and Key Replacement Limit \$2,500
- Green Upgrades Coverage available upon request
- Equipment Breakdown Protection and Building Ordinances Coverage are available upon request
- Electronic Data (digital assets) replaced or restored if damaged by a cyber attack – virus, harmful code or similar attack - \$10,000 sub limit free, higher limits available up to \$100,000 for additional premium
- Interruption of computer operations – business income and extra expense due to cyber attack – virus, harmful code or similar attack - \$10,000 sublimit

From the

CLAIMS FILES Line of Business: Property

Fire Loss:

Fire broke out in a storage room and investigation determined that the faulty wiring in a coffee maker was the cause of the fire. The total cost of the damages to the nonprofit’s business personal property, relocation expenses and business income loss was more than \$100,000. Electrical appliances must be regularly checked for faulty wiring and should not be operated in a closed environment such as a storage room. Fire is the leading cause of property losses and accounts for 73% of dollars paid.

Embezzlement:

A payment clerk manufactured phony invoices to a pre-approved vendor with whom the clerk had an arrangement for sharing the profits. An annual financial audit uncovered the crime, and the guilty parties were convicted, but not before the employee embezzled \$281,000. Good financial controls would not allow an arrangement to pre-approve vendor payments. Best practice would be for each individual invoice to be approved by one person, a second person would issue the check (but not have signature authority), and a third person would review and sign the check. In a small nonprofit the approver may also be the check issuer, but should not have signature authority.

Laptop Computer Thefts:

Every month we receive four to six claims for theft of laptop computers. Although the average laptop replacement cost is \$2,600, the cost of replicating data can be significant, and the potential for claims of identity theft cannot be understated. Our data indicates that only 60% of laptop theft claims occur on the nonprofit’s premises where a break-in can be verified. Another 30% are missing laptops at a nonprofit that were left unattended with no sign of break-in. In those cases, the property coverage will not apply. The remaining 10% occur away from premises, usually as break-ins to vehicles. Physical locks, cables and the like should be a basic risk management consideration. While encryption of data is expensive and not feasible for most nonprofits, basic password protection should be required.

Product Highlights are summaries of key features only. Actual policy language is controlling.



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Accident



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Highlighted Features of our Nonprofits' OWN Accident Coverage

(All included at no additional charge, unless noted)

- Underwritten by QBE Insurance Corporation – rated “A” (Excellent) by A.M. Best
- Covers all volunteers and participants engaged in assigned or sponsored activities, respectively, of the nonprofit agency
- Includes travel to and from covered activities
- AD&D scheduled benefits up to \$50,000
- Excess Accident Medical Expense limits available from \$10,000 to \$250,000
- Deductible options available from \$0 to \$250
- Medical and prescription expenses paid at 100% of usual and customary. Dental paid up to \$300 per tooth, \$1,000 aggregate.
- Excess Accident Medical coverage payable secondary to other health care plans
- Certain limitations and exclusions apply – coverage form available for review

From the

CLAIMS FILES Line of Business: Accident

Fall off Mountain Bike:

A nonprofit sponsored a mountain bike ride for teenage clients to explore local wetlands. One client fell and broke his arm. Neither he nor his parents had other health insurance so this plan paid his expenses on a primary basis.

Volunteer Slip and Fall:

During a fundraising event at a local social hall, one of the nonprofit's volunteers slipped and fell in some liquid spilled by another guest. The volunteer had her own health insurance with a 20% copay. After the \$50 deductible was satisfied, this policy paid the remaining 20% copay.

Bus Accident:

While traveling by bus to a one week summer camp sponsored by the nonprofit, a truck rear ended the bus causing moderate injuries to some of the clients. Ambulance and emergency room services were paid by this policy on a primary or excess basis depending on what other health insurance was available to each client.