

A GUIDE TO INSURANCE FOR NONPROFITS

KNOW YOUR NONPROFIT'S INSURANCE NEEDS



GENERAL LIABILITY

Covers injuries incurred by visitors, associates
Doesn't cover workers' injuries



WORKERS' COMPENSATION

Covers workers' medical costs if injured on the job
May be required by law



PROPERTY INSURANCE

Covers cost of property damage (ex: storm damage)
Ensure policy covers building and contents



AUTO INSURANCE

Covers use of vehicles for nonprofit's activities
Includes coverage of staff and volunteer personal cars



PRODUCT LIABILITY

Covers items sold to the public to raise funds (ex: bake sales)
Only required if you sell products



PROFESSIONAL LIABILITY (AKA ERRORS & OMISSIONS)

Covers liabilities from mismanagement
Similar to malpractice insurance

DIRECTORS AND OFFICERS INSURANCE (D&O)

Covers costs of defending directors and officers from cases
Cases include fraud, sexual harassment, criminal behavior



WHY D&O INSURANCE IS CRUCIAL

63% of nonprofits had D&O claims from 2003-2013

Nonprofits have **2X** the risk of for-profits of D&O suit



85% of D&O claims were related to employment (ex: firings)



TIPS FOR PROTECTING YOUR NONPROFIT BOARD



EDUCATE

D&Os about risks



DEVELOP

risk management strategies



PROVIDE

clear education about mission

PROVIDED BY:



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SOURCES:

- <http://www.nolo.com/legal-encyclopedia/insurance-types-for-nonprofits-32393.html>
- <http://www.insurancefor nonprofits.org/Insurance-For-Nonprofits-Insurance-FAQ.cfm>
- <http://nonprofit.about.com/od/boardquestions/f/boardinsurance.htm>
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