Nonprofit Insurance: What Every Nonprofit Should Know

Informational Session
June 9, 2006
Agenda

9:30am  Welcome and Overview
        - Sally Allen, Controller’s Office

9:40am  City Insurance Requirements
        - Nancy Bellard, Risk Management

10am   Insurance Building Blocks
        - Dan Costello, Farallone-Pacific Insurance

11:15am Questions and Wrap-Up
Am I covered?

What every nonprofit organization needs to know to make good insurance decisions.
The World of Brokerage
Who does what?

• Property & Casualty people
• Life & Health people
• Generalists versus specialists
Nonprofit Insurance Building Blocks

Package

Umbrella
Directors & Officers
Workers’ Compensation

Employee Benefits
Accident
Cyber Liability
Unemployment Trusts
The Package Policy

One policy can cover a variety of exposures

Package

- Auto Liability
- Professional Liability
- General Liability & Sexual Abuse
- Crime
- Property
Property
Can it burn or be stolen?

Hardware & Software
Business Personal Property
Buildings
Property In Transit or Away
Loss of Income & Extra Expenses
General Liability

- Covers Bodily Injury, Property Damage, and Personal Injury
- Lawsuits from 3rd Parties
- Provides Defense and Indemnity
- Sexual Abuse – might be covered here
Sexual Abuse & Molestation Coverage Options

- Covered under the GL (silent)
- Covered under the GL (explicit)
- Covered somewhere else (stand alone policy)
- Not covered (not good!)
Auto Liability
Three different exposures

Owned Autos
Rented Autos
Non owned Autos
Professional Liability

Professionals of any sort are held to a higher standard of accountability by the law.
Crime

- Employee Dishonesty (fidelity bond)
  - Money & Securities
    - ERISA
    - Internet
Umbrella Liability

Extra layers of liability protection against catastrophic loss.

- Auto Liability
- Professional Liability
- General Liability
- Sexual Abuse
- Employers Liability

Umbrella or Excess Liability
Accident Insurance
Avoids lawsuits. Fills in coverage gaps.

- Volunteers
- Sporting or Athletic activities
- Program Participants
- Students
Directors & Officers Liability

- Makes Board feel secure!
- Employment Practices Liability often added
- Go for low deductibles
Employee Benefits

**Health & Dental**
- Self Funded Dental Plans save money and are easy to administer

**Personal Insurance**
- Homeowners, auto, and personal umbrella policies

**Pension**
- 401k, 403b, flex plans and voluntary benefits

**Life & Disability**
- Key Person Individual and Group plans

**Vision**
- Individual and Group Plans
Workers’ Compensation: 5 Fun Facts To Know

1. The Hard Market is over!
2. Cover letters: Tell why you are a better risk and save money
3. Claims: 3 sets of eyes
4. Unit Stat Filing: a critical date for larger policyholders
5. Carrier/broker resources: no ask, no get
Workers’ Compensation Resources

1. Injury and Illness Prevention program – blueprint for success
2. Loss Control: Prevent losses from happening
3. Claims reviews: the more the merrier!
4. Free Ergonomic Site Audits
5. Safety Incentive Programs
Unemployment Trusts

1. Nonprofit Alternative to Unemployment Insurance
2. Starts to make sense with over 50 employees and low turnover
3. Savings of up to 40% over State system
Is your organization protected?

10 questions you need to think about:

1) Are your volunteers covered if they get hurt?
2) Are you running criminal checks on employees and volunteers that work with vulnerable populations?
3) Are you checking driving records and insurance coverage on volunteers and employees that drive their own cars on business time?
4) Are all contracts with insurance requirements reviewed by your Agent prior to signing?
5) Is employment practices liability covered under your D&O policy?
Is your organization protected?
10 questions you need to think about:

6) Do you have your HR manual reviewed at least once every three years?
7) If you serve alcohol at your fundraisers or donor events, do you carry liquor liability?
8) Are you getting regular claim status updates on your workers’ compensation claims?
9) Are dual signatures required on your checking accounts?
10) Would a DMV pull program make sense for your organization?