

NON-PROFIT INSURANCE 101

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WORKSHOP OVERVIEW

Introduction to the different coverages available to non-profit organizations.

- **Directors & Officers Liability**
- **Commercial General Liability**
- **Property**
- Crime
- Media Liability
- Cyber Liability
- Volunteer Accident
- Legal Expense



Q&A

DIRECTORS & OFFICERS LIABILITY CONTINUED

SIDE A – Directors & Officers Liability

Directors and officers have three basic duties



Who's covered?

- Directors & Officers
- Employees
- “De Facto Director”

Important to note:

- **Directors and officers can be held personally liable**
- Ignorance is not a defense
- Board indemnity may not be enough
- D&O Liability insurance can play an important role in recruiting new board members.

1

Duty of Diligence (Duty of Care)

Act reasonably, in good faith, in the organization's best interest.

2

Duty of Loyalty

Place the interest of the organization before your own.

3

Duty of Obedience

Act within the scope of the organization, within applicable rules and laws.

DIRECTORS & OFFICERS LIABILITY

Two Sides

Directors & Officers Liability

Claims resulting from managerial decisions that have adverse financial consequences.

Employment Practices Liability

Claims by current, former or potential employees with respect to employment practices.

DIRECTORS & OFFICERS LIABILITY CONTINUED

SIDE B – EMPLOYMENT PRACTICES LIABILITY

What are Wrongful Employment Practices?

- Wrongful dismissal, or termination of employment
- Breach of any employment, or quasi-employment contract
- Violation of employment discrimination laws
- Wrongful failure to employ or promote
- Wrongful discipline
- Invasion of privacy
- Defamation

The **Canadian Human Rights Commission** received approximately 2000 complaints last year, of which over **60%** were employment related.

DIRECTORS & OFFICERS LIABILITY CONTINUED

CLAIMS EXAMPLE

RISK MANAGEMENT TIP

FAQ

- What's the difference between General Liability and Directors & Officers Liability?
- Do you see many claims?



COMMERCIAL GENERAL LIABILITY

Coverage for third party bodily injury and property damage claims.

Who's covered?

- The organization itself.
- Employees and volunteer workers, but only while performing duties related to the conduct of your business.

What's covered?

- Third Party Bodily Injury and Property Damage
- Products & Completed Operations
- **Personal and Advertising Injury**
- Voluntary Medical Payments
- **Tenants Legal Liability**
- Employers Liability
- **Non-Owned Auto Liability**



COMMERCIAL GENERAL LIABILITY CONTINUED

CLAIMS EXAMPLE

RISK MANAGEMENT TIP

FAQ

- What is an Additional Insured?
- Are our volunteers covered? Members?
- Are our events covered?
- Are we allowed to serve alcohol at our events?
- Is our organization covered at “X” location?



PROPERTY COVERAGE

Property insurance is designed to pay for **sudden and accidental** damage or loss of the things your organization owns.

What's covered?

Contents of Every Description - All contents *usual to your non-profit*

What Perils are covered?

Broad Form/All Risks coverage

- Fire, water damage, theft, vandalism, etc.

Valuation

Replacement Cost vs. Actual Cash Value

Co-insurance Clause

You must insure the full value of your property

Exclusions



PROPERTY COVERAGE CONTINUED

LOSS PAYEE

A “loss payee” is a third party listed on a policy, which is entitled to all or part of the insurance payout in connection with the covered property in which it has interest.

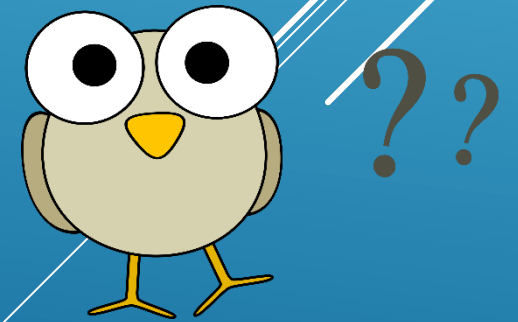


CLAIM EXAMPLE

RISK MANAGEMENT TIP

FAQ

- We are bringing our contents to “X” location, are they covered off site?
- We are borrowing something from another organization or person, it is covered?



CRIME COVERAGE



EMPLOYEE DISHONESTY

Coverage for employee theft of money or other property.



LOSS INSIDE/OUTSIDE THE PREMISES

Coverage for theft of money within the Premises or while being conveyed by a messenger



DEPOSITORS FORGERY

Provides coverage if you accept a cheque that was stolen and used for fraudulent purposes.



MEDIA LIABILITY

If you are a media, internet, or broadcasting non-profit, personal and advertising injury is most likely excluded by your General Liability policy.

What's Covered?

- Actual or alleged error, omission, misstatement or misleading statement
- Defamation, libel, slander
- Invasion, or infringement of the rights of privacy or publicity
- Infringement of title, slogan, trademark, trade name, trade dress, service mark or service name
- Infringement of copyright, or plagiarism



CYBER LIABILITY

**Network
Business
Interruption
Loss**

**Crisis
Management
Expenses**

**Data Asset
Loss**

**Remediation
and
Notification
Expenses**



VOLUNTEER ACCIDENT

Also referred to as Accidental Death and Dismemberment Coverage

- Principal Sum
- Weekly Accident Indemnity
- Accident Reimbursement Expense



LEGAL EXPENSE & PHONE LINE

- Defend your legal rights in relation to being investigated or prosecuted for an alleged criminal offence
- Pursue your legal rights following an event which causes physical damage to your property
- Pursue your legal rights following an event which causing bodily injury to you

24/7 Legal Advice Hotline – Free and Unlimited



Questions?

