



Frequently Asked Questions by Non Profit Organizations

Too many conversations about Non Profit Directors and Officers Insurance deal directly with complex coverage issues – fundamental questions may be overlooked. Here's an opportunity to get answers to some of those basic questions...

WHY DO I NEED THIS COVERAGE?

- ▶ Non Profit Directors and Officers are legally responsible for the day-to-day decision-making of their organization. Corporate responsibility applies to Non Profits just as it does to For Profit organizations. Whether publicly traded, privately held, or non profit, Directors and Officers can be held personally liable for any breach of duty. Our product is tailored to safeguard against the exposures Non Profit Directors and Officers face.

WHAT CAN I LOSE?

- ▶ A board member's personal assets may be at stake in a claim: Retirement savings, investments, a home – even one held in a spouse's name – could be at risk. Our Non Profit Directors and Officers Insurance can protect an individual director or officer's personal possessions against high-priced litigation and settlements.

WHAT WOULD I BE SUED FOR?

- ▶ Ever have to fire someone? Organizations are now more likely to be sued for discrimination, harassment, or wrongful termination than to suffer a general liability or property loss. In addition, Directors and Officers must always act for the benefit of their organization, avoid any conflicts of interest, and exercise the utmost skill and care in decision-making. Any perceived breach of these duties can result in a suit that will at the very least incur defense costs. Our product offers separate limits of liability for Directors and Officers and Employment Practices Liability claims as well as defense costs outside the limit of liability.

WHO IS GOING TO SUE ME?

- ▶ Employees, members, volunteers and donors. These are just a few of the parties who may bring suit against a Non Profit Organization. Even if a director or officer hasn't done anything wrong, lawsuits must still be answered and defense can be costly. Nearly 85% of Non Profits have an annual budget that is less than the average cost to defend a claim closed through litigation. Can a small organization afford to defend itself and indemnify its leadership without Non Profit Directors and Officers Insurance?

COULD THIS REALLY HAPPEN TO ME?

- ▶ It may only take one suit to shut down a Non Profit Organization forever. In today's litigious society, defense costs alone can cripple even the most financially stable entity. With the confidence and security of our Non Profit Directors and Officers policy in place, an organization can concentrate on its mission.