



Not-For-Profit Means Can Be Sued!



Your not-for-profit organization is not exempt from rising defense costs and the severe damage awards caused by management liability lawsuits. A non-profit like yours is under intense scrutiny due to widespread press exposure surrounding financial and other scandals caused by management decisions. Since your non-profit management is held to the same high standards of performance as commercial business, Directors & Officers (D & O) insurance is essential for your protection.



You Are Vulnerable.

That's why non-profit organizations like yours, should not be without D&O insurance. There are many reasons you should buy. Key among them: Adequate financial protection against potentially devastating litigation and access to expert legal counsel.



State Volunteer Protection Laws Do Not Eliminate the Need for D&O

Many states have enacted laws relative to non-profit organizations and their directors. Few provide adequate protection. Some of the deficiencies include:

- Protection only applies to volunteer's personal liability...the organization is still at risk.
- The laws do not limit liability under federal statutes, such as those governing civil rights, labor and taxation. Everyone, including the entity, are still at risk and vulnerable.
- Claims can still be filed, requiring legal defense. Defense costs are always expensive and you need experienced counsel to protect you and your employees against allegations of all kinds. Failure to defend your organization promptly could be interpreted as an admission of guilt and prompt prolonged litigation.



The Problem of Keeping Good People

Recruiting and retaining officers and directors becomes a serious issue without adequate liability limits of D&O Insurance. It's understandable, since wealthy or not-so-wealthy individuals are reluctant to risk their personal assets to serve as directors or officers of non-profit organizations. Providing D&O coverage with adequate limits can be a major solution to the "recruit & retain" problem.



Non-Profits and Employment Law

Employment law is also a serious financial factor faced by non-profit management. These laws, federal, state and local, have been powerful weapons in the hands of trial lawyers and disgruntled employees. The grounds for these suits have multiplied in the past few decades. The laws protect employees for wrongs they allegedly have suffered as the result of a wrongful employment act. The most significant of these laws are The Civil Rights Act of 1964 (Title VII) as amended in 1991 and The Americans with Disabilities Act of 1990. They prohibit discrimination based on race, disability, age, gender and many other conditions. Part-time labor, third party vendors, and volunteers can bring lawsuits. Defense costs for a discrimination or harassment suit can be sizable. An aggressive defense avoids the appearance of guilt. In today's environment, your organization is more likely to have an employment practices lawsuit than it is to have a fire. And you would never go without fire and general liability insurance.



Not-For-Profit D&O with Employment Practices Liability... Is the Cost-Effective Answer

Fortunately, your non-profit organization can find broad D&O liability and employment practices protection...all in one cost-effective policy.

Who Is Covered?

- Directors
- Officers
- The Insured Organization
- Employees
- Volunteers
- Staff or Committee Members
- Spousal Coverage

Coverage Highlights

- No Prior or Pending Litigation Exclusion
- Insured vs Insured Exclusions Carve Out Individuals
- Broad Definition of Wrongful Employment Acts*
- Duty to Defend Policy Language
- Cost of Defense is in addition to limits of liability
- Full Prior Acts Coverage
- Broad Definition of Claim Includes Written Demand for Monetary or Non-Monetary Relief Full Prior Acts Coverage Including Civil, Criminal, Administrative or Arbitration Proceedings
- EEOC (or state equivalent) charges are covered
- Personal Injury
- Punitive damages where insurable by law
- Worldwide Coverage
- Limits of Liability up to \$5,000,000
- Deductibles available from \$500
- Automatic coverage for newly acquired or created subsidiaries if non-profit

**Includes discrimination, harassment, wrongful termination, constructive discharge, wrongful failure to hire, wrongful demotion, retaliation, misrepresentation, infliction of emotional distress, defamation, invasion of privacy, humiliation, wrongful evaluation, and breach of implied contract*

Additional Coverage Features

- 60 day automatic extended reporting period
- Extended Reporting Period Options of 12, 24 or 36 months are available if either insurer or named insured cancels or refuses to renew



- Coverage for front pay and back pay
- Pre-judgment and post-judgment interest coverage
- Policy non-cancelable by insurer (except for non-payment of premium)

Risk Management Services

Toll-Free Employment Practices Loss Prevention Hotline with time restrictions

Additional Coverages Available (Additional premium charges and additional information may be required; coverage available subject to underwriter discretion)

- “For-profit” Subsidiaries Coverage
- Choice of Defense Counsel
- Waiver of Deductible (if a ruling of no liability is obtained)
- Third Party Liability Coverage

These enhancements allow you to cost-tailor your coverage and buy only the coverage you need.



Now Is A Good Time To Buy!

Protect your organization against exorbitant defense and settlement costs. Not-For-Profit Directors & Officers Insurance with Employment Practices Liability is the cost-effective protection for your organization. Just reach for your phone. Your insurance agent or broker can get you a premium indication**. It's easy and fast...with just a few simple questions. Have your insurance representative contact us:



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