

## 11 Insurance Tips for Not for Profits to review with their Insurance Professional

**General liability** – A form of insurance designed to indemnify the insured for third party liability claims due to negligence. Generally arising out of bodily injury, property damage or personal injury, occurring on premises or within the insured's operations. Most standard insurance policy forms include this – be sure you check you have it

**Directors and Officers Liability Insurance (D&O)** – if you don't have it, get it. D&O protects your decision makers – board members, executive officers – for many of the decisions they make on behalf of the NFP. AND it helps you recruit valuable directors and key employees. Include it with it Employment Practices Liability (EPL) coverage. EPL is much less expensive when packaged with the D&O.

**Employee Benefit Liability insurance (EBL)** – this protects you for a clerical error in maintaining employee benefit plans, ex: forgetting to add the new dependent on a health insurance plan. The coverage is inexpensive and fills an important gap in standard insurance.

**Volunteers** – make sure your general liability insurance policies cover volunteers, and you might need to get additional coverage for:

- **Accidents** – a volunteer accident policy helps you attract and keep good volunteers. Ask for this coverage on an 'excess' basis. If the volunteer has coverage elsewhere, it will kick in when that coverage runs out (or pay deductibles and co-insurance). If they have no coverage elsewhere, it will step down to "first dollar".

**Abuse and Molestation Coverage** – this coverage usually requires you to secure background checks for those employees and volunteers working with children. If its not an insurance requirement now, it will be in the near future.

**Independent Contractors** – if they're providing *professional services* to you for free or for a fee, request they provide you with a certificate of insurance for the general and professional liability as well as their Workers comp insurance.

**Trade Contractors** – engage them with a written contract that includes the triple layer of protection:

- a hold-harmless agreement (the promise to protect you if you're sued due to their negligence) ,
- insurance requirements (a way to fund that promise),
- and certificate of insurance requirements (proof the funding is there).

**Vehicles** – If you own or operate vehicles, make sure that you have adequate insurance coverage.

**Hired and Borrowed autos** – be sure coverage is in place to protect the NFP for the times you rent or borrow a vehicle. And require your volunteers or staff who regularly use their vehicles on NFP business to provide you with a copy of their auto insurance for your files.

**15 passenger vans** – these vehicles are known to have an exceptionally high incidence of single vehicle accidents and insurance companies like to shy away from them. As your fleet ages, replace them with smaller vehicles. In the meantime, take out the very back seat and don't overload it with luggage, equipment etc. It helps keep the vehicle more stable.

**Special Events** – review your calendar of special events with your insurance agent. Are you covered for:

- Serving alcohol?
- Adding the Landlord as 'additional insured'?
- Hazardous/unusual activities?

**Check your website for accuracy** – insurance underwriters love websites! That's their favorite underwriting tool. Is there something on your website that you no longer do, dream about doing but don't, etc? If an underwriter sees

operations that make them nervous, they may decline to insure you – and it might be over something you don't actually do!

**Cyber liability** – ask your agent to include it in your insurance program. Personally identifiable information for your clients, your employees and/or your donors is sitting in your computer data or paper files and is subject to federal rules to protect it. Cyber liability insurance can protect you if you're sued – as well as cover some of your expenses in trying to restore your data, notifying all individuals potentially affected and paying regulatory fines.

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