

Non Profit D&O Claim Examples

– for additional examples including special events, employment practices, professional liability and special events please visit our website at www.allsouth.net/nonprofit.

The trustees of a **trade association** decided to expand their activities into areas that were not explicitly envisioned by the founders. Their state's attorney general brought an action against them alleging misuse of funds and property for operating outside their charter, even though no third party raised a complaint.

A **local chamber of commerce** published a quarterly newsletter. The newsletter included a tourism section, promoting places of interest, attractions, restaurants, etc. A new restaurant had recently approached the chamber with a request to advertise in the upcoming issue. The chamber agreed and accepted a minimal advertising fee from the restaurant. Upon release of the next issue it was discovered that the Executive Director never expedited the restaurant request and actually kept the money. The restaurant in turn sued the chamber for breach of fiduciary duty, breach of contract and interference with economic interests.

A donor made a large contribution to a **foundation** to aid students in need of tuition. The board instead voted to expand their headquarters and commit a portion of the donation to the building fund. The donor filed suit, alleging misappropriation of funds. Damages included return of the full contribution plus interest. As some of the money was already spent, the foundation was financially unable to return the entire donation.

PO Box 66689
St. Pete Beach, FL 33736
(800) 913-9260
Fax: (813) 282-0994
info@allsouth.net

ALLSOUTH
PROFESSIONAL LIABILITY, INC.
www.allsouth.net

Non-Profit Package Product

www.allsouth.net/nonprofit



ALLSOUTH
PROFESSIONAL LIABILITY, INC.

Patrick Palmer
PO Box 66689
St. Pete Beach, FL
33736

(800) 913-9260
Fax: (813) 282-0994
ppalmer@allsouth.net

Introducing our **NEW** Non-Profit Package Product

Finally one solution to meet the coverage needs of Non-Profit organizations.

Our product is specifically designed for Chambers of Commerce, Foundations, Trade Associations and Counseling & Referral Services.

The **ALL-IN-ONE** product that offers:

- Non-Profit Directors & Officers Coverage
 - Businessowners Policy
 - Professional Liability and Abuse & Molestation Coverage for Counseling & Referral Services
 - Special Events & Liquor Liability Coverage
- Available on an admitted basis in most states
- Automatic Coverage Provided for Volunteers
- Security of an A.M. Best rated A++ Carrier

We are very excited to announce a new Nonprofit Directors and Officers product. Below are two coverage features unique to this product and vital to your protection.

Unlimited Extended Reporting Period for Former Directors and Officers (at no additional charge)

Separate and Additional Employment Practices Liability Limit (with Defense Costs Outside the Limit)

BEWARE OF DIRECTORS AND OFFICERS COVERAGE THAT STILL LEAVES YOU UNPROTECTED.

A lawsuit is brought against a nonprofit's board for failing to supervise their executive director. When they submit their first legal bill to their D&O provider, they learn for the first time that no payments will be made until a settlement has been reached. Legal costs pile up for five years until a settlement is achieved.



LIMITS OF INSURANCE – BUSINESSOWNERS POLICY LIABILITY

Directors and Officers:

Claims Made \$500,000 to \$5,000,000
Separate EPLI limit

General Liability:

- Each Occurrence \$1,000,000
- Damage to Premises Rented to you \$ 50,000
- Medical Expense (Any one Person) \$ 5,000

Special Events/Liquor Liability:

- Special Events Liability
- Limits included

*Coverage for up to 3 events with less than 100 attendees is included in premium indication

Property:

Perils: Special Deductible: \$1,000

Personal Property:

- Up to \$25,000
- Valuable Papers \$10,000
- Accounts Receivable \$10,000