

Liability Insurance Nonprofits Should Consider

Policy

Claims Example

1. Commercial General Liability (CGL) has these five parts:

- a. Coverage A: Bodily Injury and Property Damage
- b. Coverage B: Personal Injury
- c. Coverage C: Medical Payments (**NO** lawsuit)
- d. Coverage D: Tenants Legal Liability
- e. Endorsements like Non-Owned Automobile Liability

- 1a. Client trips and falls on wet floor during nonprofit activity.
- 1b. Third party sues a director alleging he was slandered.
- 1c. Child playing game at nonprofit has two teeth knocked out.
- 1d. Water damage destroys landlord's flooring; he sues.
- 1e. Volunteer driving his car has an accident, badly injuring a pedestrian. He was driving for nonprofit at time.

2. Directors' & Officers' Liability

2. Just received lawsuit alleges 8 years ago a previous director mismanaged funds. It isn't true but the lawsuit still needs to be defended.

3. Employment Practices Liability

3. Ex-employee or ex-volunteer claims were let go of unfairly.

4. Professional Liability

(Errors & Omissions Liability and Malpractice Liability are separate)

4. Teen hotline; psychologist volunteering her help; teen commits crime. Family sues psychologist and nonprofit.

5. Employers Liability

5. Your own employee gets injured on the job, sues nonprofit.

6. Abuse Liability

6. The unthinkable is alleged. True or not must be defended.

7. Liquor Liability

7. Your event; alcohol served; accident of some kind happens.

8. Special Events Liability

8. Large fundraiser; bad weather; no turnout; many costs.

Remember: Always talk to an insurance broker or agent to explain these policies. Some insurers have combinations of these policies or may have new coverages.