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Uncover Risks to Your Nonprofit Organization

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Text, Travelers. Nonprofit Directors and Officers Liability Coverage

(SPEECH)

SPEAKER: You serve as a director or board member of a nonprofit organization because you care about the mission, the people, and the community. But good intentions cannot protect you if your nonprofit is sued. It's not just the organization that's at risk, because in the directors and officers liability claim, even your personal assets may be in jeopardy. Depending on state law, your money, your house, your car, everything you worked for, could be threatened.

Many directors and officers believe that they are protected by charitable immunity laws. What they may not realize is that while these laws may protect them from an adverse judgment, they are not protected from incurring substantial defense expenses on their own, if they are sued personally. Hiring an attorney, if you can find the right counsel to take your case, can cost you anywhere from \$200 to \$1,000 an hour. And lawsuits happen a lot, and can come from vendors, donors, competitors, employees, and even government regulators. And nonprofit organizations filed twice as many DNO claims than public and private companies.

Consider this-- a museum advertised an upcoming art exhibit. The museum website included photos of the art to be displayed, as well as the names of the artists and artwork, but several artists promoted on the site were not part of the exhibit. Those artists filed suit, and demanded damages as they had not given the museum permission to advertise their work. The museum incurred defense expenses exceeding \$85,000, and damages exceeding \$175,000.

In another case, regulators took action against the president of a nonprofit organization for misusing federal grant money during his 10 years with the organization, allegedly to support a second family. The organization denied any knowledge of the misuse and fired the president. The ex-president agreed to pay restitution. Defense costs exceeded \$300,000.

Your nonprofit organization needs protection in place so you can confidently carry out your mission and attract high-quality board members. With risks like these, and those yet to be discovered, you need an insurance company that can help protect and prepare you for what may come your way.

That's why nonprofit directors and officers liability coverage isn't a maybe, it's a must-have. Talk to your independent agent to make sure you have the right coverage in place to help protect your organization.

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Talk to your independent agent today.

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