

## Exposures, Concerns, and Solutions

Are nonprofits *tough to insure*? Before NIA successfully proved nonprofits to be good risks, commercial insurers believed nonprofits were too risky to insure, and sometimes they still do. But *riskiness* in of itself isn't a quality to avoid—in fact, it's important for nonprofits to take the *right risks*. At NIA, we see the risks nonprofits take for their communities as worthy endeavors.

And while strategic risks are different from insurance risks, the extent of operational risks involved in nonprofit services were largely unknown before NIA compiled data and changed the perception of nonprofit risks as unstable and unpredictable. What's truly risky, is not knowing *how* to insure nonprofits.

So, here's what you need to know about nonprofit risks in order to find your clients the right coverages.

[Long Beach BLAST](#)  
Long Beach, CA



## SECTOR RISK EXPOSURE

## OUR SOLUTION

### BORROWED PROPERTY

Nonprofits often borrow items from each other, which can then be lost, damaged, or stolen.

NIA NONPROFITS OWN® General Liability insurance covers property in the care, custody, or control of the insured. This allows nonprofits to continue to freely borrow items among themselves, saving funds and building partnerships, as appropriate for their operations.

### FUNDRAISING

Many nonprofits host fundraising events where they serve and sell alcoholic beverages.

NIA NONPROFITS OWN® General Liability Fundraiser and Event endorsement includes most fundraisers automatically. We also include *full* liquor liability—which includes *selling* as well as *selling*, where most carriers offer only *selling*—as a free template endorsement, allowing nonprofits to host fundraising events during which they can serve alcohol without waiting to add an endorsement to their policy.

### BOARDS, OFFICERS, & VOLUNTEERS

Unlike other types of businesses, all nonprofits need a board—even when the nonprofit doesn't have employees—and that means the personal assets of board members are at risk in the event of a claim.

NIA NONPROFITS OWN® Directors & Officers Liability is available with or without Employment Practices Liability, giving volunteer-run nonprofits an option to cover their board members, officers, trustees, committee members, and volunteers at a much lower cost, because they don't have employment practices risk.

We also include a broad definition of the member-insured which extends to directors, trustees, officers, committee members, or volunteers.

Nonprofits rely heavily on volunteers.

NIA NONPROFITS OWN® Participant/Volunteer Accident Coverage through QBE covers all volunteers and participants engaged in assigned or sponsored activities and includes travel to and from covered activities. Volunteers are considered insureds in our General Liability; Directors & Officers Liability; Improper Sexual Conduct and Physical Abuse Liability; and Social Service Professional Liability forms.

Nonprofits rely on boards for legal, ethical and practical reasons, not the least of which is compliance with laws that require a board to assume fiduciary responsibilities.

NIA BOARDnetWORK is a free customized web-based app for member-insureds which streamlines governance activities and helps boards of directors stay informed and organized, supporting their communication, transparency, and security needs.

Many states require employers to provide training on how to prevent sexual harassment in the workplace.

NIA offers free sexual harassment prevention training for supervisors to meet legal requirements in states where sexual harassment prevention education for supervisors is mandatory.

Nonprofits may not have HR staff to address employment issues that emerge during the normal course of business, and unaddressed issues can become larger problems.

Employment issues assistance is a free and very popular NIA consulting service. NIA offers free employment consults covering a range of issues, including pre-termination/discipline, legally-required leaves of absence, disability accommodation, wage and hour law compliance, processing employee complaints and investigations, general employment law compliance, and board governance, for nonprofits who have a Directors and Officers policy with Employment Practices Liability.

**SECTOR RISK EXPOSURE****OUR SOLUTION****WORKING WITH YOUNG AND/OR VULNERABLE POPULATIONS**

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| <p>When providing educational, recreational, or other services such as food and shelter for their communities, nonprofits often work with children, teens, the elderly, and disabled populations.</p> | <p>NIA's Improper Sexual Conduct and Physical Abuse Liability includes separate limits from General Liability and is available in both an occurrence form and claims-made form. This coverage extends to client versus client allegations and includes emotional distress arising out of sexual misconduct or physical abuse.</p> |
| <p>Nonprofits are typically unable to afford to replace an employee who has been accused of sexual misconduct and physical abuse for the duration of an investigation.</p>                            | <p>Our policy includes a \$10,000 reimbursement that the nonprofit can use toward replacing an employee temporarily suspended from work. To help reduce the risk of abusive behaviors that result in claims, NIA offers risk management services, such as deeply discounted (42% off market rate) background checks.</p>          |
| <p>Contracts nonprofits are asked to sign, especially from municipalities, have increasingly adopted draconian wording, often inappropriately pushing all liability onto the nonprofit.</p>           | <p>NIA NONPROFITS OWN® Improper Sexual Conduct and Physical Abuse Coverage is available with a blanket additional insured endorsement to protect nonprofits.</p>  |

**SOCIAL SERVICE PROFESSIONAL EMPLOYEES**

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| <p>Nonprofits often rely on social service professionals—such as social workers, therapists, and nurses who dispense medication—to provide social service programs for the communities.</p>   | <p>NIA NONPROFITS OWN® Social Service Professional Liability covers a wide array of social service professionals.</p>   |
| <p>If a claim is filed against a social service professional, a nonprofit may find it difficult to afford a replacement for that professional for the duration of the investigation, endangering the organization's ability to continue to serve its community.</p> | <p>Our policy includes a \$10,000 reimbursement for the wages of a replacement employee when an employee is suspended from work during an investigation.</p>  |
| <p>One type of social service professional on which nonprofits rely is phlebotomists, who draw blood.</p>   | <p>NIA NONPROFITS OWN® Social Service Professional Liability covers phlebotomists, who are excluded from our Blood Testing Exclusion form modifying CGL and SSP, so that the duties of phlebotomists continue to have coverage.</p> |

**BUSINESS TRANSPORTATION**

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| <p>According to NIA data, auto collisions are the #1 claim that nonprofits file.</p>   | <p>NIA NONPROFITS OWN® Business Auto Liability includes rental reimbursement for owned vehicles for up to 30 days at \$50/day, as well as uninsured motorist waiver of collision deductible. With Business Auto Liability, we offer free driver training resources.</p> |
| <p>It's quite common for a nonprofit to enlist its employees or volunteers to drive their personal vehicles for business operations.</p> | <p>NIA NONPROFITS OWN® Non-owned Auto Liability coverage includes autos the nonprofit doesn't lease, rent, borrow, or hire to use in connection with the nonprofit's operations, such as personal autos that employees and volunteers own.</p>                          |
| <p>There are a number of reasons a nonprofit might need to hire drivers, including moving participants to and from special events.</p>   | <p>NIA NONPROFITS OWN® Hired Auto Liability covers autos the nonprofit leases, hires, rents, or borrows other than their own employees' or volunteers' autos.</p>   |

## FACILITIES

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| <p>Operating on physical property can mean construction costs, water backup damage, arson &amp; vandalism, fire following earthquakes, and equipment breakdown.</p>  | <p>NIA's property policies include Equipment Breakdown Protection available upon request and also cover fire extinguisher systems, arson &amp; vandalism, earthquake sprinklers, and electronic data.</p> <p>Inland Marine insurance also is available through programs we offer, allowing nonprofits to keep covered valuable items taken off premises.</p> |
| <p>Nonprofits are often at the forefront of environmental preservation.</p>  | <p>We provide Green Upgrades Coverage upon requests to make it easier for nonprofits to continue to do good for their communities!</p>   |
| <p>There may be damage to rented or occupied spaces that the standard ISO form doesn't cover if the member is renting for a period of seven days or fewer. However, nonprofits could still be held legally liable for this damage.</p> | <p>Our policy extends coverage to damage to property rented or occupied by the member for which the member is legally liable.</p>  |
| <p>Nonprofits have seen an increase of shootings in workplaces and schools.</p>  | <p>NIA NONPROFITS OWN® Businessowners Enhancement Endorsement covers the loss of business income, extra expense, relocation costs, and evacuation costs for up to \$30,000 for any one policy year.</p>  |



The insurance policy, not this brochure, forms the contract between the insured and the insurance carrier. The policy may contain limits, exclusions, and limitations that are not disclosed in this brochure. Coverages may differ by state.

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