

WHY YOU NEED

Directors and Officers and Employment Practices Liability for Nonprofit Organizations



Purchasing directors and officers (D&O) and employment practices liability (EPL) coverage from an A++ rated carrier can help protect your board members and organization in the event of a claim. Nearly 85% of nonprofits have an annual budget that is less than the average cost to defend a claim. Immunity does not prevent an organization from being sued, as laws against discrimination and harassment apply to all employers, even nonprofits. You can also be sued by employees or third parties, such as clients or vendors.

- ▶ Separate limits of liability for directors and officers and employment practices liability claims (directors and officers limit not eroded by employment claims)
- ▶ Defense cost outside the limit of liability
- ▶ Lifetime occurrence reporting provision: unlimited reporting extension for former directors and officers who are not on the board when coverage is cancelled or not renewed
- ▶ Data & Security+ endorsement: \$50,000 expense sublimit each for data breach, identity theft, workplace violence and kidnap
- ▶ Fair Labor Standards Act (FLSA) \$100,000 sublimit for defense costs and loss (available in most jurisdictions)
- ▶ Third-party discrimination and harassment coverage (available for most classes)
- ▶ Business Resource Center: free human resources (HR) hotline with unlimited number of calls and no time limits plus discounted HR services such as background checks and online HR training modules

If you have elected not to purchase D&O and EPL coverage, please read and sign below.

1. We acknowledge that our agent has fully explained the potential employment practices liability risks associated with the operation of our company/organization.
2. We understand that we have the option of purchasing directors and officers liability insurance that can protect our company/organization against the potential for significant monetary loss, including, but not limited to, cost of defense against such claims. We further acknowledge that our agent has recommended that we purchase the coverage and has provided us with one or more quotes.
3. We understand that by electing not to purchase such insurance, we are foregoing valuable protection which means our company/organization will be responsible for paying the cost of defending and settling any and all other expense related to claims.

Name:	
Title:	Date:
Signature:	

This document does not amend, extend or alter the coverage afforded by the policy. For a complete understanding of any insurance you purchase, you must first read your policy, declaration page and any endorsements and discuss them with your agent. A sample policy is available from your agent. Your actual policy conditions may be amended by endorsement or affected by state laws. USLI companies are members of the Berkshire Hathaway family of companies and have an A++ Superior rating for financial stability from AM Best. The insuring company names are United States Liability Insurance Company, Mount Vernon Fire Insurance Company, and U.S. Underwriters Insurance Company.

D&O + EPL POS IA – 7/25



Bring Value to Your Policyholders with Free and Discounted Business Resources

Every USLI policyholder has access to free and discounted resources on the Business Resource Center, which saves them time and money so they can focus on growing their business. Top resources include a free HR consultation helpline, discounted background checks and screenings, industry-specific online training, as well as signage, stationery, and promotional items.



Explore all offerings at
bizresourcecenter.com

COUNTLESS SOLUTIONS FOR NONPROFITS



AVAILABLE COVERAGE FEATURES

- ▶ General liability
- ▶ Directors and officers liability
- ▶ Employment practices liability
- ▶ Abuse and molestation liability
- ▶ Professional errors and omissions liability
- ▶ Blanket event liability
- ▶ Commercial and host liquor
- ▶ Excess and umbrella – limits up to \$5 million
- ▶ Hired and non-owned auto liability
- ▶ Blanket additional insureds
- ▶ Waiver of subrogation and primary and noncontributory wording
- ▶ Property coverage
- ▶ Inland marine coverage
- ▶ Crime coverage

UNIQUE RISKS

- ▶ Theater that hosts a murder mystery dinner
- ▶ Nonprofit movie theater
- ▶ Community garden that helps support the community
- ▶ Regional AA/NA support group that operates multiple meetings at various locations
- ▶ Friends of the library that holds monthly fundraising events
- ▶ Home school support group for parents and students
- ▶ S.T.E.M. program that operates after-school hours for high school age students

INSTANT PHONE QUOTE

888-SPD-USLI (888-773-8754)

Monday–Friday 7 a.m.–8 p.m. ET

Saturdays 9 a.m.–1 p.m. ET

INSTANT WEB QUOTING

24/7 at snap.usli.com

FULL PRODUCT APPETITE AND APPLICATIONS

Insurance.usli.com

NONPROFIT PACKAGE TOP CLASSES OF BUSINESS



ARTS AND CULTURAL ORGANIZATIONS

Art galleries/Art studios
Choral groups
Dance groups
Libraries
Museums
Orchestras
Traveling theater companies

BUSINESS ASSOCIATIONS

Business membership groups
Chambers of commerce
Networking groups
Professional associations
Trade associations

CHARITABLE/FUNDRAISING ORGANIZATIONS

AA/NA support groups
Booster clubs
Community support groups
Foundations
Parent/Teacher associations

COUNSELING/MENTAL HEALTH

Abused adult counseling
Anxiety and stress management
Career and budget counseling
Employment readiness services
Parenting education
Referral agencies
Substance abuse services

RESIDENTIAL PROGRAMS

Abused adult shelters
Group homes
Halfway houses
Homeless shelters
Hospices
Transitional housing
Community/Social Services
Animal shelters/recues
Botanical gardens
Caregivers (nonmedical)
Community and religious outreach
Community centers
Conservation groups
Food banks and soup kitchens
Historical societies
Horticultural societies
Mentally disabled (residential and day programs)
Senior activity centers
Thrift stores
Vocational/Sheltered workshops

YOUTH PROGRAMS

After-school programs
At-risk youth programs
Big Brother/Big Sister programs
Homeschool support
STEM programs
Youth mentoring

SPORTS – YOUTH AND ADULT

(Camps, Clinics, Leagues, and Teams)

Baseball
Basketball
Flag football
Golf
Lacrosse
Pickleball
Martial arts
Soccer
Softball
Tennis

SOCIAL CLUBS/MEMBERSHIP ORGANIZATIONS

Auxiliary groups
Cultural organizations
Fraternal clubs
Social clubs
Hobby clubs
Military social clubs
Private membership group
Veteran organizations



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HOW USLI CLASSIFIES NONPROFITS

Arts and Culture

This product provides coverage for nonprofit performing arts/theater organizations with a focus on performances and entertainment in the community.

Common classes:

- ▶ **Class Code: 10066 Art Galleries — Not-for-profit Only**
 - Art galleries
 - Art studios
- ▶ **Class Code: 46427 Museums — Not-for-profit Only**
 - Libraries
 - Museums
- ▶ **Class Code: 49185 Theaters — Not-for-profit Only**
 - Ballet
 - Choirs and choruses
 - Dance groups
 - Instrumental or voice music groups
 - Movie theaters
 - Opera
 - Orchestras, ensembles and chamber groups
 - Performance groups
 - Theater, children's theater and play companies

Business Associations

This product is designed for nonprofit membership groups promoting economic growth, social improvement or networking opportunities for their communities. Property coverage (minimum \$5,000 in contents/business personal property) is required for this class in order to obtain a quote online.

- ▶ **Chambers of commerce**: local associations of business people organized to promote the welfare of their communities, especially its communities' commercial interests
- ▶ **Professional or trade associations**: organizations whose sole purpose is to provide their membership with information relative to the trade, resources for chapters, publications of materials relevant to the trade, and the opportunity to convene as a group
 - Note: Including directors and officers coverage for this class will render a submit.

The following are other nonprofit classes not offered on the web but available to be quoted by a USLI underwriter over the phone at 888-SPD-USLI or by submission. You can also [quote by email](#) to submit your application for the below classes.

- ▶ **Class Codes: 41668 Membership Organization (Business) — Not-for-profit Only or 41670 Membership Organization (Business) — No Premises Owned or Leased — Not-for-profit Only**
 - **Business membership groups**: general membership groups that are involved in networking and/or focused on education
 - **Car clubs**: automotive enthusiast communities that share a common interest, typically around a type of vehicle, brand or automotive activity
 - **Hobby groups**: hobby and general interest groups for low- and moderate-hazard hobbies

Charities

This product is designed for nonprofits that are involved in promoting a specific interest or awareness about concerns relevant to their membership. Such nonprofits are typically involved in fundraising, conducting meetings and seminars, and/or disseminating information. Property coverage (minimum \$5,000 in contents/business personal property) is required for this class in order to obtain a quote online.

Common classes that are quotable online:

- ▶ **Booster clubs**: school fundraising clubs to support school programs, such as sports teams or bands
- ▶ **Parent-teacher organizations and associations**: formal organizations composed of parents, teachers and staff that are intended to facilitate parental participation at school

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- ▶ **Class Codes: 41668 Membership Organization (Charity) — Not-for-profit Only or 41670 Membership Organization (Charity) — No Premises Owned or Leased — Not-for-profit Only**
 - **Arts and culture support organizations:** fundraising groups that provide funding and support to other arts and culture organizations
 - **Charitable organizations:** organizations that function as a non-operating foundation, with a mission to raise money for charitable purposes
 - **Community gardens:** land owned, leased or managed by an entity or an organization and gardened by members
 - **Cultural and ethnic clubs:** social clubs with no bar, BYOB on a regular basis, or liquor license exposure that do not need professional errors and omissions coverage
 - **Foundations:** may include community, family or private foundations and typically provide scholarship awards and grants
 - **Masonic lodges:** fraternal organizations that do not have an on-premises alcohol or food service exposure
 - **Non-athletic gaming clubs:** gaming clubs like chess, backgammon, bridge, etc., that do not have an on-premises alcohol or food service exposure
 - **Support groups:** Alcoholics Anonymous, Narcotics Anonymous, Gamblers Anonymous or other membership groups that typically provide nonprofessional, informal sessions for people to share their experiences and provide peer support

Community Association Package

This product is designed for community associations, or groups of property owners required by deed covenants or bylaws to be members of an association that owns and maintains the common areas/interests of the association.

Common classes:

- ▶ **Class Code: 68500 — Community Associations — Not-for-profit Only:** Used when individual homeowners own/maintain/provide insurance for their own residential structures
 - **Homeowners associations:** organizations made up of the homeowners in a particular subdivision or planned unit development; homeowners typically own the entire physical structure of their individual homes, and the associations are responsible for any common elements and amenities
 - **Planned unit developments:** a zoning classification that allows flexibility in the design of a subdivision to preserve open space; planned unit development zones generally set an overall density limit for the entire subdivision, allowing the dwelling units to be clustered to provide for common open space; typically classified similar to a homeowners association
- ▶ **Class Code: 62003 — Condominiums — Residential — Association Risk Only:** used when the association owns/maintains/provides insurance for the exterior of residential structures
 - **Condominium associations:** organizations made up of all unit owners in a condominium to oversee the common elements and enforce the bylaws; condominium owners typically own only the interior of their individual units, and the associations are responsible for all common elements, exterior structures, roofs, elevators, grounds, etc.
 - **Cooperative (co-op):** a type of corporate ownership of real property whereby stockholders of the corporation are entitled to use a certain dwelling unit or other unit of space; typically classified similar to a condo association
 - **Townhome associations:** typically a single-family house of two or three stories that is usually connected to a similar house by a common sidewall

If the association is responsible for any exterior portion of the building, use:

 - **Class Code: 62003 — Condominiums**

If the individual unit owners are responsible for the exterior portion of the building, use:

 - **Class Code: 68500 — Community Association**

Houses of Worship

This product is designed for small to midsize organizations with a primary focus on worship services in communities. We write all denominations and non-denominations with possible ancillary services.

Common classes:

- ▶ **Class Code: 41650 — Churches or Other Houses of Worship**
 - Churches
 - Ministry groups
 - Mosques
 - Religious study and prayer groups
 - Synagogues
 - Temples

Nonprofit Excess and Umbrella

This product is designed for excess and umbrella coverage over nonprofit coverage with underlying carriers that have an AM Best rating of B++ or better. All nonprofit products and classes of business can be written over another general liability carrier except social service residential and animal rescues/shelters classes. (Those classes would require an underlying general liability policy with a USLI company.)

Common classes:

- ▶ **Excess** (over a single nonprofit coverage line)
- ▶ **Umbrella** (over multiple nonprofit coverage lines)

Nonprofit Social and Human Services

This product is designed for nonprofits that directly provide social and human services in the community.

Common classes:

- ▶ **Class Code: 63218 — Botanical Gardens — Not-for-profit:** nonprofit organizations that maintain plant collections for the purpose of display, education, research, conservation and enjoyment; rating includes annual admissions
- ▶ **Class Code: 41668 — Food Bank — Not-for-profit Only:** a place where food is contributed and made available to those in need via food distribution services on and off the food bank's premises
- ▶ **Class Code: 41668 — Historical Societies — Not-for-profit:** an organization that collects, researches, interprets and preserves information or items of historical interest
- ▶ **Class Code: 41668 — Horticultural Societies — Not-for-profit:** a group of likeminded individuals connecting people to gardening and plants
- ▶ **Class Code: 41668 — Senior Activities Center — Not-for-profit:** organizations that provide environments of non-medical, social gatherings for seniors
- ▶ **Class Code: 11039 — Soup Kitchens — Not-for-profit:** a place where food is offered to those in need for free or a reasonably low price; this may also include groups that provide meals to individuals away from premises, including meal delivery services; rating includes value of meals distributed annually
- ▶ **Class Code: 18438 — Thrift Store — All Other — Not-for-profit Only:** nonprofit charitable organizations operating as retail shops and selling secondhand goods donated by members of the public for the purpose of fundraising; this also includes nonprofits distributing items and products like household items for no charge; rating includes estimated value of items distributed annually
- ▶ **Class Code: 11128 — Thrift Store — Clothing Only — Not-for-profit:** nonprofit charitable organizations operating as retail shops and selling secondhand clothing for the purpose of fundraising; this includes nonprofits distributing clothing, backpacks, coats, etc. for no charge; rating includes estimated value of items distributed annually

*These classes are not currently eligible for a web quote but are available to be quoted by a USLI underwriter over the phone at **888-SPD-USLI** or you can [quote by email](#) to submit your application.*

- ▶ Abused adult shelters
- ▶ Animal shelters/rescue groups
- ▶ Big Brothers Big Sisters of America
- ▶ Court-appointed special advocates (CASAs)
- ▶ Caregivers (non-medical)
- ▶ Community centers
- ▶ Counseling and referral/Mental health counseling
- ▶ Group homes
- ▶ Halfway housing/Transitional housing
- ▶ Health care clinics
- ▶ Hospices (in-home and institutional)
- ▶ Sheltered vocational workshops
- ▶ Youth community centers (homeschool support groups, children with special needs/mental health challenges, camps)

Sports Advantage

This product targets sports organizations (youth, adult, nonprofit, for-profit) whose purpose is to provide sports programs and activities. These organizations may offer single or multi-sport programs, run practices, compete in games, host tournaments, and run camps and clinics.

Youth sports can be quoted via the web, but any adult sports would need to be submitted for review.

Common classes:

- ▶ **Class Code: 49891 — Nonprofit Youth Sports** — (Sport below)
 - Badminton
 - Baseball
 - Basketball
 - Billiards
 - Bowling
 - Cheerleading (non-competitive) — through age 14 and in conjunction with another eligible sport
 - Field hockey — class as lacrosse and review with product leader if necessary
 - Football (flag)
 - Golf
 - Handball
 - Lacrosse — through age 18 only
 - Paddle sports
 - Racquetball
 - Soccer
 - Softball
 - Squash
 - Swimming
 - Tennis
 - Track and field
 - Volleyball

*These classes are not currently eligible for a web quote but are available to be quoted by a USLI underwriter over the phone at **888-SPD-USLI** or you can [quote by email](#) to submit your application.*

Additional Sports

- ▶ Adult sports
- ▶ BMX/Stunt cycling
- ▶ Cheerleading (as a single class)
- ▶ Contact martial arts/karate
- ▶ Cycling
- ▶ Fencing
- ▶ Rugby
- ▶ Skateboarding
- ▶ Wrestling

Nonprofit Fraternal, Civic and Social Clubs

This product is designed for nonprofit clubs and private membership organizations, such as auxiliary groups, cultural organizations, ethnic clubs, hobby clubs, military private membership groups, social clubs, veteran organizations and clubs of many varieties.

*These classes are not currently eligible for a web quote, but you can submit a quote request on USLI-SNAP. They are also available to be quoted by a USLI underwriter over the phone at **888-SPD-USLI** or you can [quote by email](#) to submit your application.*

Common classes:

- ▶ The American Legion
- ▶ The Ancient Order of Hiberians
- ▶ Civic Leagues
- ▶ Elks Lodges
- ▶ The Fraternal Order of Eagles
- ▶ Granges
- ▶ Heritage or cultural societies
- ▶ Knights of Columbus
- ▶ Lions Clubs
- ▶ Moose Lodges
- ▶ Order Sons and Daughters of Italy in America
- ▶ Social and recreation clubs
- ▶ The Veterans of Foreign Wars (VFW)

Nonprofit Office (Premises Preferred)

This product is designed for nonprofit organizations with office spaces that only require premises liability to comply with lease requirements.

*These classes are not currently eligible for a web quote, but you can submit a quote request on USLI-SNAP. They are also available to be quoted by a USLI underwriter over the phone at **888-SPD-USLI** or you can [quote by email](#) to submit your application.*

Common classes:

- ▶ Campaign offices
- ▶ Domestic administrative offices (risk with international operations)
- ▶ Labor union offices
- ▶ Political affiliated offices
- ▶ Radio/Television studios