

# Directors and Officers and Employment Practices Liability for Nonprofit Organizations



As a director or officer of a nonprofit organization, are you immune from liability?

- ▶ Immunity does not prevent an organization from being sued
- ▶ Immunity typically applies to volunteers, not to paid employees or the organization itself
- ▶ Employment-related laws are the same for any type of organization
- ▶ Over 90 percent of the claims against nonprofit organizations are employment practices-related
- ▶ These employment practices claims may include wrongful termination, third party sexual harassment, and third party discrimination
- ▶ Nearly 85 percent of nonprofits have an annual budget that is less than the average cost to defend a claim closed by litigation

COVERAGE FEATURES	USLI	COMPETITORS
Separate limits of liability for D&O and EPL claims (D&O Limit not eroded by employment claims)		
Defense outside the limit of liability on all claims		
Punitive damages, where insurable by law, included automatically in most states.		
Third-party sexual harassment and third-party discrimination coverage		
Lifetime occurrence reporting provision (Occurrence feature for former D&Os)		
Coverage for both monetary and non-monetary claims		
Coverage for outside directorship liability		
Risk management services - Free unlimited employment practices consultation via a toll free helpline supported by the ability to ask questions online in the new EPL Risk Management Toolkit from PeopleSystems. The toolkit also contains a helpful news center, how-to guide for writing an employment manual and sample HR policies and employment forms.		
Fair Labor standards Act (FLSA) \$100,000 sublimit for defense and settlement (available in most states)		
Optional Standard Form option; combined D&O and EPL limit, defense inside the limit, excludes helpline and FLSA		



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