

# Overview of Nonprofit Insurance

**Kevin Cothron, President & CEO**

TCG Insurance Programs



**NIA Member:**  
AbleCloset  
Shady Cove, OR



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# Agenda

Why Nonprofit Insurance?

NIA's NONPROFITS OWN® Insurance

- Commercial General Liability
- Improper Sexual Conduct and Physical Abuse Liability
- Social Service Professional Liability
- Directors and Officers Liability
- Business Auto Liability and Physical Damage
- Umbrella Liability

Other Coverages to Consider

- Property
- Participant/Volunteer Accident

Who Is Eligible for Coverage?

Questions?



**NIA Member:**  
Belong!  
Vienna, VA

# Why Specialty Insurance for Nonprofits?



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# Why Specialty Insurance for Nonprofits?

Provides holistic coverage for the unique challenges facing your organization.



**NIA Member:**  
Stable Spirit  
Vidor, TX

**Insurance is not “one size fits all.”**

Nonprofits have unique risks that a standard business insurance policy may not consider or provide coverage in the event of a claim.

Does your business insurance policy provide coverage for the following?

- Special events, including fundraisers and galas?
- The serving of alcohol at these events, either by your staff or your hired vendor?
- Financial loss or personal injury resulting from your professional staff, such as counselors or case workers?
- Defense costs resulting from allegations of sexual assault or physical abuse?

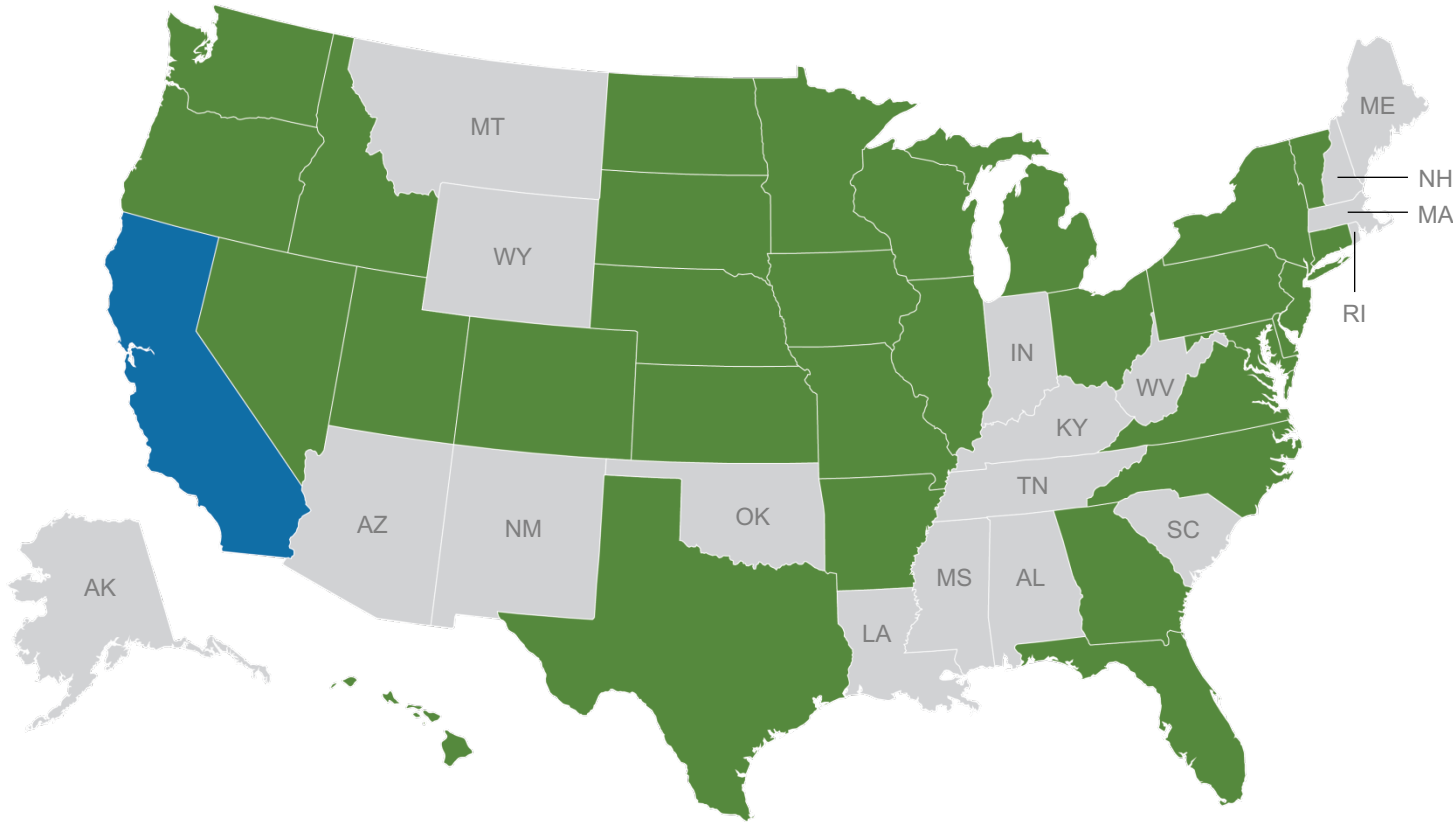
**Building a partnership with an insurance company that understands the needs of nonprofits is critical to rebuilding after a loss.**

# Enduring Commitment to the Nonprofit Sector

Nonprofits Insurance Alliance® is a group of 501(c)(3) nonprofit insurers whose sole purpose is to serve other 501(c)(3) organizations.



# Geographic Footprint of NIA



■ Nonprofits Insurance Alliance of California (NIAC)
 ■ Alliance of Nonprofits for Insurance, RRG (ANI)

## 32 States & District of Columbia

- |                      |                |              |
|----------------------|----------------|--------------|
| Arkansas             | Kansas         | Ohio         |
| Colorado             | Maryland       | Oregon       |
| Connecticut          | Michigan       | Pennsylvania |
| Delaware             | Minnesota      | South Dakota |
| District of Columbia | Missouri       | Texas        |
| Florida              | Nebraska       | Utah         |
| Georgia              | Nevada         | Vermont      |
| Hawaii               | New Jersey     | Virginia     |
| Idaho                | New York       | Washington   |
| Illinois             | North Carolina | Wisconsin    |
| Iowa                 | North Dakota   |              |

# NIA is Different

When commercial insurers raised prices, NIA did not.



**NIA Member:**  
Longmont Meals  
on Wheel  
Longmont, CO

**NIA is a Risk Retention Group. NIA calculates premium on the risk posed and does not participate in the destructive pricing cycles of commercial insurers**

- Their commitment is to stability and fair pricing
- Their pricing for members remained stable over decades
- NIA is not always the lowest premium, but is stable and overtime will save you money
- There is a long term commitment with 95% of members renewing year after year
- Board of directors elected by members, one-person one vote
- NIA's only profit motivation is to make sure that nonprofits own insurance company is financially solid to continue to offer protection to nonprofits, during all market cycles

# NIA's NONPROFITS OWN® Insurance



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# NIA NONPROFITS OWN® Insurance

NIA has built insurance products based on the needs of their nonprofit members for 30+ years.



**NIA Member:**  
Gleanings for  
the Hungry  
Dinuba, CA

**NIA isn't your typical insurance company. NIA provides tailor-made coverage for the nonprofit sector along with risk management services designed with nonprofits in mind.**

NIA has pioneered several of the coverages that are standard in the nonprofit insurance marketplace today:

- Improper Sexual Conduct
- Fundraiser Coverage
- Defense Costs attributable to Communicable Disease

# NIA's NONPROFITS OWN® Insurance Commercial General Liability

**Who needs it?** All nonprofit organizations.

**What does it provide?** Coverage for bodily injury and property damage claims arising from your day-to-day operations, including claims from your products and injuries at your business locations.

## NIA also includes:

- Blanket Additional Insureds & Blanket Waiver of Subrogation
- Fundraiser & Event coverage
- Liquor Liability
- \$25,000 sublimit for Damage to Property of Others in your Care, Custody and Control for borrowed or shared items
- \$500,000 sublimit for Damage to Premises Rented to You (higher than the industry standard of \$50,000)
- \$50,000 sublimit for loss of Electronic Data and Protected Health Information



**NIA Member:**  
Jefferson Economic  
Development Institute  
Mount Shasta, CA

# NIA's NONPROFITS OWN® Insurance Improper Sexual Conduct and Physical Abuse Liability

## Who Needs It?

All organizations working with vulnerable populations, including children and youth, developmentally disabled or elderly clients.



**NIA Member:**  
Longmont Meals  
on Wheel  
Longmont, CO

## What does it provide?

Coverage for defense costs, damages, settlements, and fees associated with actual, alleged or threatened misconduct, including sexual abuse and molestation or physical abuse.

## NIA also provides:

Separate limits from the Commercial General Liability form.

Coverage for any form of sexual or physical abuse.

Reimbursement of wages for an employee suspended from work with pay during an improper sexual conduct or physical abuse investigation, up to \$10,000.

Coverage for client vs. client allegations.

# NIA's NONPROFITS OWN® Insurance Social Service Professional Liability

**Who needs it?** All nonprofit organizations providing professional services, including but not limited to educational professionals, nurses, adoption service employees, assisted living providers, aides, childcare workers, counselors, instructors, mentors, home care providers, and social workers.

**What does it provide?** Coverage for damage arising from your organization's failure, or alleged failure, to provide professional services to a client.

## NIA also includes:

- Defense Costs outside of the policy limit
- Separate limits from the Commercial General Liability Coverage form
- Reimbursement of Wages for an employee suspended from work with pay during an investigation, up to \$10,000
- Coverage for employees, volunteers, interns and individual independent contractors



**NIA Member:**  
Covering House  
Washington, MO

# NIA's NONPROFITS OWN® Insurance Directors and Officers Liability

## Who Needs It?

All nonprofit organizations.



**NIA Member:**  
Coastal Connections  
Vero Beach, FL

## What does it provide?

Directors & Officers Liability coverage protects your nonprofit and its board from litigation costs associated with accusations of negligence, wrongful employment practices, and mismanagement of funds.

## NIA also provides:

Flat rate Directors & Officers Liability for nonprofits with zero employees at \$650 annually.

Defense outside of the policy limits.

Employment Practice Liability including coverage for third-party discrimination for organizations with employees.

Fiduciary Liability at no additional premium.

ERISA coverage at a sublimit of \$250,000.

Breach of Contract coverage for defense at a \$250,000 sublimit.

Wage and Hour coverage for defense at a \$250,000 sublimit.

# NIA's NONPROFITS OWN® Insurance Business Auto Liability and Physical Damage

**Who needs it?** All nonprofit organizations who own, rent, or lease vehicles, as well as those who have staff or volunteers using their own personal vehicles to do work on behalf of the nonprofit.

**What does it provide?** Coverage for liability claims for those types of vehicles referenced above, as well as coverage for physical damaged to a vehicle you own.

## NIA also includes:

- Rental Reimbursement for owned vehicles up to 30 days at \$50 per day



# NIA's NONPROFITS OWN® Insurance Umbrella Liability

## Who Needs It?

Any organization that is concerned the limits provided under their other liability policies isn't adequate or is contractually required to purchase higher limits



## What does it provide?

Umbrella Liability coverage provides additional limits over your primary Liability policies to provide coverage for a catastrophic loss or to provide coverage in the event your primary Liability policy limits have been depleted.

## NIA also provides:

Umbrella Limits up to \$10,000,000, based upon the specific needs of your nonprofit

Following form coverage over NIA's Commercial General Liability, Auto Liability, Directors & Officers Liability, Social Service Professional Liability, and Improper Sexual Conduct and Physical Abuse Liability policies

Following form coverage over your Employers Liability policy

# Other Coverages to Consider



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# Other Coverages to Consider

## Property

**Who needs it?** All nonprofit organizations who own their building(s) and/or own business personal property.

**What does it provide?** Coverage for your property in the event of a loss, such as a fire or theft.

### Also can include:

- Employee Dishonesty coverage up to \$500,000
- Business Income and Extra Expense coverage for a restoration period of 18 months
- Coverage for Accounts Receivable, Valuable Papers & Records, and Property Off Premises or In Transit

## Volunteer & Participant Accident Insurance

**What does it provide?** Coverage for medical expenses resulting from an accident to your registered volunteers and participants participating in activities and projects sponsored by your organization.

Activities must be supervised and sponsored by your organization.



**NIA Member:**  
Firefighters  
Burn Institute  
Sacramento, CA

# Who Is Eligible for Coverage with NIA?



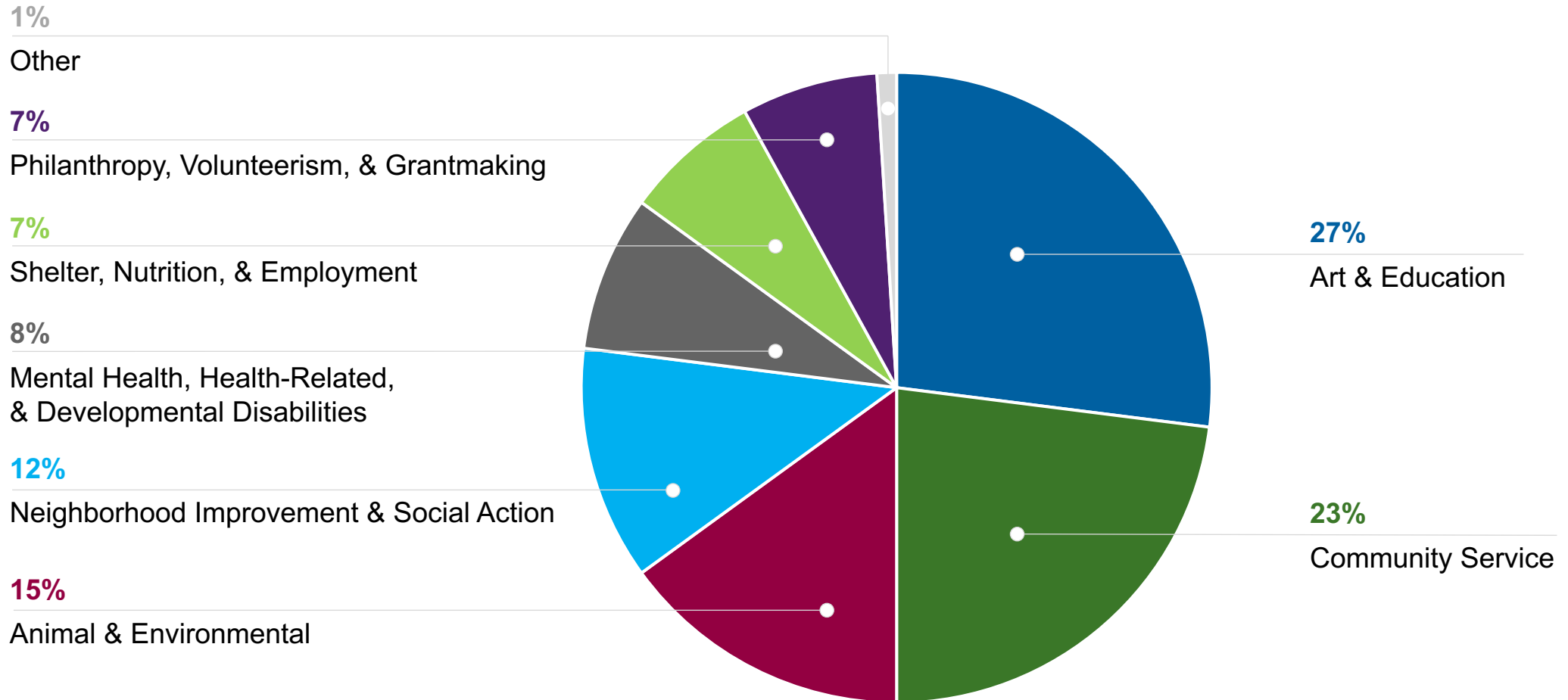
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# NIA Members Represent a Broad Class of 501(c)(3) Nonprofits



# What Types of Nonprofits Does NIA Work With?

**NIA writes 501(c)(3) nonprofits of all sizes, including new ventures. Here's just a sample:**

- Adoption
- Affordable housing
- Animals  
(therapeutic, shelter, rescue)
- Arts and cultural groups
- Big Brothers, Big Sisters
- Booster Clubs
- Boys & Girls Clubs
- CASAs  
(Court Appointed Special Advocates)
- Charter schools Community Action Programs (CAPs)
- Counseling and crisis support education
- Daycare (child and adult programs)
- Developmentally disabled senior and youth services and programs
- Drug and alcohol recovery programs
- Environmental organizations
- Fiscal sponsors
- Foodbanks
- Foster family agencies
- Foundations
- Goodwills
- Group homes
- Home health agencies
- Hospices
- Information and referral services
- Mentoring programs
- PTAs
- Residential programs
- Senior Services
- Shelters (housing)
- Theater groups
- Transportation  
(senior & accessibility programs)
- Vocational training
- YMCAs
- YWCAs
- Youth programs  
(after school, tutoring, etc.)
- and more...

**This is not an exhaustive list. If your organization isn't listed, be sure to request a quote from your broker to see if you may be eligible.**

# Member Resources

NIA offers free and discounted Risk Management resources tailored to the needs of nonprofits.

(Partial List)

## Consulting

- Employment Issues Assistance
- Loss Control Assistance

## Services

- BOARDnetWORK
- NIA Telematics powered by Azuga
- AlertMedia
- Employee Handbook Service

## Training

- Driver Training
- Webinars
- Workplace & Business Compliance Training
- Sexual Harassment Prevention Training

Visit [insurancefornonprofits.org/member-resources.pdf](https://insurancefornonprofits.org/member-resources.pdf) to learn about our member resources.

# Thank you! Questions?





[tcg-ip.com](http://tcg-ip.com)  
[www.insurancefornonprofits.org](http://www.insurancefornonprofits.org)