DOES YOUR D&O LIABILITY INSURANCE PASS THE TEST?



UNDERSTANDING THE BREAKDOWN OF YOUR DIRECTORS, OFFICERS & ENTITY (D&O) POLICY

Side A: Broad protection for a nonprofit organization's insured persons, including directors and officers. Coverage may pay for covered claims brought against such persons, minimizing the threat of non-indemnified, out-of-pocket expenses.

Corporate reimbursement: Reimburses your nonprofit organization for payments made for covered claims against insured persons.

Entity liability: Pays expenses for covered claims brought against your nonprofit organization by members, vendors, regulatory agencies and a wide range of other entities.

Derivative demands: Coverage can help defray investigation costs related to derivative demands brought by members or the organization.

HOW DO OTHER D&O LIABILITY INSURANCE CARRIERS COMPARE TO THE HARTFORD?

The Hartford's Private Choice Premier D&O liability insurance for nonprofit organizations is designed to help protect nonprofit organizations of all sizes from potential losses stemming from management of the organization. Fill in the checklist to help decide which policy can best help to protect you and your nonprofit organization in the event of a D&O liability claim.

DIRECTORS, OFFICERS & ENTITY LIABILITY COVERAGE FEATURES	CRITICAL CONSIDERATIONS	THE HARTFORD	OTHER CARRIERS
Crisis Management Coverage Provides reimbursement for up to $250,000 in public relations expenses incurred as the result of specified negative events such as a third party illegally raising funds in the name of the insured organization, the commencement of a governmental investigation or alleged wrong doing by a member of senior management.	Negative publicity can significantly impact an organization's ability to raise money. Does your policy provide reimbursement for public relations expenses?	☑	☐
Data Breach Coverage Provides up to $100,000 in coverage for notification and credit monitoring costs, regulatory expenses and public relations expenses incurred as the result of a data breach or other similar event.	Nonprofit organizations can hold a significant amount of personal information about clients and donors. Are you currently protected against data breaches?	☑	☐

continued

THE HARTFORD

DIRECTORS, OFFICERS & ENTITY LIABILITY COVERAGE FEATURES	CRITICAL CONSIDERATIONS	THE HARTFORD	OTHER CARRIERS
Specified Penalties Coverage Provides up to $50,000 in coverage for penalties levied for a failure to file tax returns, violation of the CAN-Spam act or violations of specified lobbying laws.	Nonprofit organizations are subject to a myriad of rules and regulation. Mistakes can happen and penalties can be levied. How would your current policy respond?	☑	☐
Retired Directors Coverage Provides unlimited extended reporting coverage for directors who retire during the policy period.	This policy can provide perpetual protection to directors who retire during the policy period. Does your current policy provide similar coverage?	☑	☐
$500,000 in Derivative Demand Coverage The policy provides up to $500,000 in coverage for the cost of an investigation resulting from a derivative demand made by one of your members.	Your member(s) can force the organization to bring a lawsuit against its own board of directors. Does your policy provide you with this protection?	☑	☐
Expanded Coverage for Social Service Organizations Provides up to $250,000 in defense costs and associated public relations expenses for allegations of sexual misconduct. In addition, up to $100,000 in defense coverage is provided for claims arising from Medicare, Medicaid and similar programs.	While nobody likes to talk about these types of events, they can happen and the reputational damage can be significant. Will your current policy help repair your reputation?	☑	☐
Expanded Coverage for Trade and Professional Associations The definition of wrongful act is amended to include the sponsorship of member benefit programs as well as antitrust related violations.	These are important coverages for associations. Are you sure that your current policy provides this necessary coverage?	☑	☐
D&Os are Paid First Specifies loss is paid to insured persons first.	D&O liability insurance should pay individuals before the organization. Litigation may involve restrictions to indemnification. Would your nonprofit organization's D&Os receive priority access to insurance proceeds?	☑	☐

DIRECTORS, OFFICERS & ENTITY LIABILITY COVERAGE FEATURES	CRITICAL CONSIDERATIONS	THE HARTFORD	OTHER CARRIERS
Additional Limit of Liability for D&Os Provides an additional $1 million limit of liability for non-indemnified loss.	In the event of a policy limit loss, D&Os may need additional coverage. Look for preset terms vs. trying to negotiate this with a carrier when there's little or no coverage remaining.	☑	☐
Waiver of Retention Reimbursement of defense costs paid by an insured that are within an applicable retention where a final adjudication or settlement with prejudice establishes that none of the insureds in the claim is liable for any loss.	Many claims can be resolved more cost effectively through settlement outside the courtroom, but there are circumstances when it may be necessary to go to trial. Look for a carrier to reward a finding of no liability.	☑	☐

LEARN MORE.

Contact your agent from The Hartford today or visit us at **thehartford.com/nonprofit.**

THE HARTFORD

Business Insurance
Employee Benefits
Auto
Home

This document outlines in general terms the coverages that may be afforded under a policy from The Hartford. All policies must be examined carefully to determine suitability for your needs and to identify any exclusions, limitations or any other terms and conditions that may specifically affect coverage. In the event of a conflict, the terms and conditions of the policy prevail. All coverages described in this document may be offered by one or more of the property and casualty insurance company subsidiaries of The Hartford Financial Services Group, Inc. Coverage may not be available in all states or to all businesses. Possession of these materials by a licensed insurance producer does not mean that such producer is an authorized agent of The Hartford. To ascertain such information, please contact your state Department of Insurance or The Hartford at 1-888-203-3823. All information and representations herein are as of May 2017.

In Texas, insurance is underwritten by Hartford Fire Insurance Company and Twin City Fire Insurance Company. In California, insurance is underwritten by Twin City Fire Insurance Company.

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