

Nonprofit Risk Management Center  
...find the answer here

**D&O Insurance:  
What You Need to Know**

**Audio Dial-In Information:**  
U.S. & Canada: 866.740.1260  
Access Code: 7853891

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**Our panel of D&O experts:**

**David Szerlip**  
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**What's the biggest myth  
about D&O insurance?**



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What percentage of relatively established nonprofits (annual revenues over \$1 million) buy D&O?



What percentage of small nonprofits (annual revenues under \$ 1 million) buy D&O?

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Hard and Soft Market Cycles

- There have been many comments about whether we're in a soft, hardening or hard market.
- With respect to D&O insurance, what phase of the market cycle applies?

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Soft Market Phase of the Insurance Cycle

- Carriers are most likely to come up with innovations in coverage
  - new endorsements
  - changes that provide additional coverage on either an automatic or optional basis
- What are the most significant innovations and enhancements to D&O for nonprofits that have emerged during the past 10 years?

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### The proverbial \$25,000 question

- “What limit should we purchase?”
- How do you answer that question for your clients?



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### Most of D&O claims allege wrongful employment practices

- What are examples of unusual (EPL or not) D&O claims?
- Were they covered?
- How were they resolved?

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### “Endorsed” or “Sponsored” Programs

- There are many carriers selling D&O for nonprofits and lots of “endorsed” or “sponsored” programs
  - Programs are usually provided by associations and federations of nonprofits
- What are the pros and cons of participating in a sponsored program
  - Is it generally a good idea?

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### Purchasing D&O Insurance

- Every nonprofit leader wants to make sure they are purchasing the “right” coverage
- What are the top items that are “Musts”?
- What additional five to ten coverage features are “desirable” for most nonprofits?



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If you only had the time to provide one piece of advice to a nonprofit CEO or board chair who had already decided to purchase D&O, what would that be?!

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## Resources

- Frequently Asked Questions About D&O Liability Insurance
- Twelve D&O Buying Tips
  - Go to: <http://nonprofitrisk.org/advice/technical.shtml>
- Coverage, Claims & Consequences: An Insurance Handbook for Nonprofits — 2nd Edition
  - Purchase at: <http://nonprofitrisk.org/store/coverage-claims.shtml>

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## Webinar Next Month: June 3, 2009 at 2PM EDT

**Working with an Agent or Broker:  
Strategies for Managing and Improving Your  
Relationship with an Insurance Professional**

Attend this webinar to learn how to get the most out your relationship with an agent or broker and how to determine if it's time to make a change in providers.

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## Questions?

Contact Melanie  
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