



THE NONPROFIT
ASSOCIATION OF
OREGON



Why your board needs Directors & Officers Insurance

Who owns your organization? This question is not asked enough. Maybe you didn't know to ask? When asked, this question serves as a good reminder to board members they are in the driver's seat and responsible for the governance of your organization. In other words, they own the organization along with the resulting liabilities.

A Directors & Officers Policy comprises one piece of a nonprofit's insurance portfolio. It is an important piece to insure your board and organization. There are three primary parts that can be included in a Directors & Officers Policy:

- **Directors & Officers**
 - o Managerial Errors & Omissions; covers the Directors & Officers and organization for decisions made or not made.

- **Employment Practices Liability**
 - o Human Resources Errors & Omissions; covers the Directors & Officers and organization for Human Resources related claims/lawsuits (e.g. harassment, wrongful termination, retaliation)
 - o

- **Fiduciary Liability**
 - o Employee Benefit Errors & Omissions; covers the Directors & Officers and organization for decisions made affecting employee health and/or retirement plans.

Without Directors & Officers Policy coverages, your organization and board will be responsible for lawsuits, settlements and/or awards resulting from one or more of the above occurrences. Few organizations could survive this financial burden. Without proper insurance(s) in place your organization's assets will first be on the line, followed by the individual pocketbook of your board members. With a Directors & Officers Policy in place, it places the insurance policy first in line to protect your board and your organization.

At minimum, it is recommended to obtain a quote and take to your board for consideration. This provides the opportunity for your board to take an active role with the insurance decision. Ultimately, they own the organization and should be making informed buying decisions to protect themselves and ultimately the organization.

NAO's Directors & Officers Insurance Program is a sound solution for high quality coverage and competitive pricing. Quotes include the above three types of coverage. For a quote, contact Matt Lokan the program Administrator & Agent at matt@blissinsurance.com or 877-364-5401.