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DIRECTORS & OFFICERS (D&O) LIABILITY COVERAGE

Nine out of every 10 D&O claims allege improper employment practices, with an average cost of **\$33,000** to resolve. Claims with merit can cost **upwards of \$150,000**.

(source: Nonprofits Insurance Alliance Group Claims Data)

As a nonprofit leader, you make the decisions that run your organization. With that responsibility comes the potential for liability, *personal liability* for actions you take. In fact, **nearly two-thirds of nonprofits have had a D&O claim filed against them within the past 10 years.**¹

WHY YOU NEED D&O COVERAGE

D&O coverage protects leaders of your nonprofit for the decisions they make. That includes board members, administrators and others acting under the authority delegated to them.



Most nonprofits will encounter a D&O claim *whether the claim has merit or not*



You and other leaders could be individually liable for the claim



D&O coverage funds legal defense to refute a claim and, if necessary, pays financial damages that could cost hundreds of thousands of dollars



You can recruit leaders because they'll know they're protected for any alleged mistakes they make



WHAT D&O IS, AND WHAT IT'S NOT

You carry general liability insurance to protect against allegations of bodily injury or property damage. But that doesn't cover claims against directors and officers for financial damages.

YOU NEED SEPARATE D&O COVERAGE FOR THESE CLAIMS:



Financial mismanagement or improper financial oversight and reporting



Failure to preserve tax-exempt status



Employment-related complaints including sexual harassment, discrimination and Americans with Disabilities Act non-compliance



Discrimination in membership standards



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Breach of contract that causes financial damage to another party

¹Towers Watson Directors and Officers Liability Survey

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