

Insurance Workshop

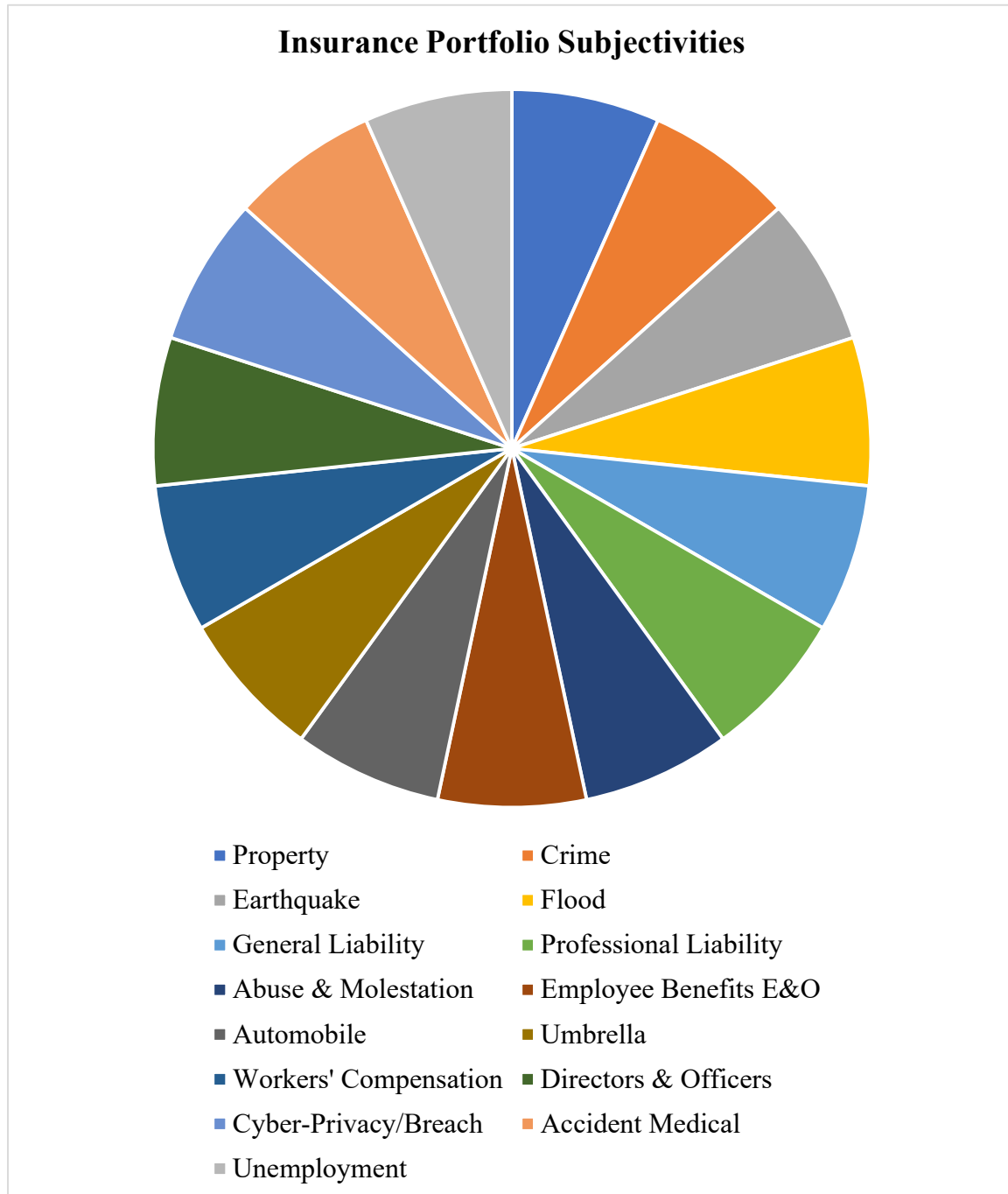


# NWRA & CORFA Friends

Presented by  
Bliss Sequoia Insurance & Risk Advisors  
April 13, 2022

*Insurance Brokers with Integrity*

## Are you missing any subjectivities within your nonprofit insurance portfolio?



# NWRA & CORFA Friends Workshop

## AGENDA

April 13, 2022

### Insurance 101

#### What are your liabilities and what are the tools to transfer risk?

- Who is Bliss Sequoia?
  - o Matt Lokan, CIC, Partner
  - o Nonprofit Insurance Brokerage
- Disclaimer - This is a general overview from an insurance perspective. This is not legal advice. Accuracy of the information provided is subject to change
- General insurance considerations (snorkel, not scuba dive)
  - o Without insurance and in the event of a claim, the assets of the organization are first to pay for damages... next are the board members
  - o Insurance Company Selection
    - Confirm expertise/experience within insurance arena
      - Much like selecting an attorney or doctor
    - Confirm insurance company financial strength
      - AM Best Rating
  - o Agent Selection
    - Confirm expertise/experience within insurance arena
      - Much like selecting an attorney or doctor
  - o Liability
    - Purchase in 1MM increments
      - Aggregate – “Annual Insurance Bank Account”
        - o 3MM is typical for nonprofits as baseline
      - Per Occurrence Limit – “Amount pulled from ATM per Claim”
        - o 1MM is typical for nonprofits as baseline, but increasing
    - Occurrence (Preferred) vs. Claims-Made
    - Legal Defense &/or Awards/Settlement as appropriate
      - “Legalized Extortion”
  - o Service contracts help guide involved parties through claim process
    - See attached specimen language highlighted in green (swap Lessee/Lessor for appropriate entities)
  - o Cost and exposure minimizing methods
    - If possible, transfer risk when being recognized and protected as volunteers of other entity (e.g. NWRA & CORFA) – In writing!
    - Utilize participants waivers
      - See attached specimen waivers (standard, minor)
        - o “Helps to weed out the insincere”
    - Create a Safety-First Culture

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- General insurance portfolio design
  - Property
    - Building, Contents, Business Income/Extra Expense
    - Earthquake/Flood typically purchased separately
  - Crime
    - Employee Theft, Forgery/Alteration, Money/Securities, Computer Fraud/Funds Transfer, ERISA
  - General Liability
    - Property and/or bodily injury to someone or something else, libel/slander
  - Professional Liability (aka E&O)
    - Insurance for individuals/companies holding themselves out to the general public as having greater than average expertise in particular area(s)
  - Pollution
    - Exposure created by pollutant at your negligence or said to be your negligence
  - Abuse & Molestation
    - Exposure created when working with vulnerable populations (e.g. kids, elderly and/or individuals with disabilities)
  - Employee Benefits E&O
    - Insurers against clerical errors that negatively impact employee benefits whether health or retirement related
  - Automobile (Hired/Nonowned)
    - Nonowned - Liability covering volunteer or employees' personal auto insurance to further protect the organization and board
      - Most organizations' largest exposure!!!
    - Hired - Rental vehicle liability
  - Umbrella
    - Insurance tool utilized to purchase higher limits of liability
      - Underlying coverages can vary (sublimits, included or excluded)
  - Directors & Officers
    - Directors & Officers
      - Managerial E&O
        - Decisions made or failed to be made from a financial and safety perspective
    - Employment Practices
      - HR E&O
        - E.g. wrongful termination, retaliation
    - Fiduciary
      - Benefits E&O
        - Decisions made or failed to be made that can negatively impact employee benefits whether health or retirement related

# **NWRA & CORFA Friends Workshop**

## **AGENDA**

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- Cyber-Privacy/Breach
  - Theft of Personally Identifiable Information
    - E.g. Name, Address, HIIPA, Financial, Credit Card
- Workers' Compensation
  - Sole remedy in the event an employee is injured preforming their job
- Accident Medical
  - Capped medical policy utilized for program participants
- Misc.
  - COVID-19
  - Social Inflation/Nuclear Settlements
- Q&A

## Hold Harmless Agreement

[Lessee] shall, at its own and sole expense:

- (a) Maintain at all times while performing under this agreement, the insurance coverage set forth below with insurers satisfactory to [Lessor] (hereinafter "Lessor") for policy limits not less than the amounts stated below:

**Workers' Compensation Insurance** as required by the laws and regulations applicable to and covering employees of [Lessee] engaged in the performance of work under this agreement.

**Commercial General Liability (CGL) (or Public Liability)** insurance with limits of liability of not less than: Bodily Injury - \$1 million (\$1,000,000) each person per occurrence/aggregate; Property Damage & Tenant Legal Liability - \$1 million (\$1,000,000) per occurrence/aggregate limits. This policy shall cover, among other risks, the contractual liability assumed by [Lessee] under the indemnification provision set forth in this agreement, personal injury coverage, premises liability coverage and advertising injury coverage with limits of liability identical to coverage for Bodily Injury as stated above.

**Professional Liability** insurance with limits of liability of not less than: \$1 million (\$1,000,000) each occurrence/aggregate. This policy shall cover, among other risks, the contractual liability assumed by [Lessee] under the indemnification provision set forth in this agreement.

**Abuse & Molestation Liability** insurance with limits of liability of not less than: \$1 million (\$1,000,000) each occurrence/aggregate. This policy shall cover, among other risks, the contractual liability assumed by [Lessee] under the indemnification provision set forth in this agreement.

**Cyber-Privacy/Breach Liability** insurance with limits of liability of not less than: \$1 million (\$1,000,000) each occurrence/aggregate. This policy shall cover, among other risks, the contractual liability assumed by [Lessee] under the indemnification provision set forth in this agreement.

**Automobile Liability insurance**, including non-owned and hired vehicle coverage with limits of liability of not less than \$1 million (\$1,000,000) combined single limit per occurrence and in the aggregate.

**NOTE:** Nothing contained in these provisions relating to insurance coverage and amounts set herein shall operate as a limitation of [Lessee] liability.

- (b) Deliver to organization prior to commencement of [lease] a certificate of insurance which shall:
1. Evidence the above coverages including: the identity of the insurer(s), the policy number(s), the effective dates of coverage and the limits of liability.
  2. Name the organization and all of its officers, directors, members, employees and volunteers as additional insureds.

3. Mutually agree to hold each other harmless and indemnify for their negligence. In addition, agree to mutually waive the right to subrogate.
4. Provide that any change restricting or reducing coverage or the cancellation of any policies under which such certificate is issued shall not be valid as respects organization's interest therein until organization has received thirty (30) days notice in writing of such change or cancellation.
5. Contain the following language: "The insurance afforded by this policy shall be primary insurance to any other valid and collectible insurance."

**NOTE:** Failure of [Lessee] to keep the required insurance policies in full force and effect during this lease term shall constitute a breach of this agreement. In the event of a breach, Lessor shall have the right, in addition to any other rights, to immediately cancel and terminate this agreement without further cost to Lessor, by notifying [Lessee] in writing of such cancellation and termination.

- (c) If a person, entity or organization makes a claim against Lessor (including its officers, directors, employees, agents and/or volunteers) and that Lessor (including its officers, directors, employees, agents and/or volunteers) is or may be liable for loss or damage sustained by the person, entity or organization, immediately upon Lessor's written request, [Lessee] will take all steps necessary, including hiring counsel, to defend, protect, indemnify, hold harmless, waive right to subrogate and render whole Lessor/organization (including its officers, directors, employees, agents and/or volunteers) against any and all claims, demands, suits or causes of action brought against Lessor/organization (including its officers, directors, employees, agents and/or volunteers) for all liability, damage or loss, whether sought under law or in equity, which may be asserted against organization (including its officers, directors, employees, agents and/or volunteers). The obligation undertaken by [Lessee] in this paragraph arises if the claims made against Lessor (including its officers, directors, employees, agents and/or volunteers) are on account of injury, loss or damage caused by, arising out of, or in any way incidental to the conduct or operation of [Lessee].

Lessor and [Lessee] agree that the obligations under this agreement include, but are not limited to, those situations where liability for (1) injury, loss or damage is caused by the combined or concurrent negligence of organization, [Lessee] or any third party (and any of their respective officers, directors, employees, agents and/or volunteers); and/or (2) injury, loss, or damage arises with or without fault based on any theory of strict liability, statutory liability or by operation of law.

Lessor and [Lessee] agree that to the extent this indemnification of organization (its officers, directors, employees, agents and/or volunteers) for injury, loss or damage may be found to be contrary to existing or newly-enacted law, this provision, to such extent (and only to such extent), is and shall be void or voidable. In such instance, [Lessee] agrees to immediately defend, indemnify, save and hold organization harmless to the fullest extent allowed by law.

**NOTE:** The terms and conditions of this agreement shall apply with respect to [Lessee]'s operations located at:

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SIGNATURE OF AUTHORIZED REPRESENTATIVE

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DATE

---

PRINTED NAME OF APPLICANT

---

TITLE

Sample policy language can streamline the policy adoption process and is a good starting point. But it is never a good idea to simply insert your organization's name and present the document to the board for approval. The policy MUST be discussed and tailored to reflect your organization's culture and to conform to your other policies. Always adapt to your specific needs, as well as the requirements imposed by state law, regulatory and licensing agencies, and your funders. Brackets [ ] indicate where you should customize this document with information specific to your nonprofit.

You should always date and/or use a document identification numbering system for your forms and policies. Space has been provided in the footer to include this important reference information.

If you need additional assistance, send an email to [losscontrol@insurancefornonprofits.org](mailto:losscontrol@insurancefornonprofits.org)

[08.0204]

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## PARTICIPANT WAIVER

The undersigned voluntarily agrees to participate in the [describe program or activity] program sponsored by [Name of Nonprofit] on [date; or change to 'from' and include a date range].

The undersigned recognizes that [Name of Nonprofit] has not undertaken any duty or responsibility for his or her safety and the undersigned agrees to assume the full responsibility for all risk of bodily injury, death, disability, and property damage as a result of participating in the [program name]. The undersigned recognizes that these risks include: [description of risks associated with the particular activity].

By my signature, I hereby state that I understand the risks involved in participating in the [describe program or activity; same as in paragraph one] and willingly and voluntarily accept these risks. By my signature, I hereby surrender any right to seek reimbursement from [Name of Nonprofit] and its directors, officers, employees, volunteers and other agents for injury sustained and liability incurred during my participation in the activity described above. By my signature, I warrant that I am not relying on any oral representations, statements or inducement apart from the statements made on this form.

By signing below, the parties confirm that they have read, understand, and consent to the terms of this waiver agreement.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
[Nonprofit] Representative Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

You should always date and/or use a document identification numbering system for your forms and policies. Space has been provided in the footer to include this important reference information.

You should review any sample documents with your nonprofit's legal counsel before using them in your organization. Always adapt to your specific needs, as well as the requirements imposed by state law, regulatory and licensing agencies, and your funders.

If you need additional assistance, send an email to [losscontrol@insurancefornonprofits.org](mailto:losscontrol@insurancefornonprofits.org)

## PARTICIPANT WAIVER AND RELEASE FOR MINORS

\_\_\_\_\_ has my (our) permission to participate in  
Name of Minor  
\_\_\_\_\_ on \_\_\_\_\_  
Event or Activity Date  
at \_\_\_\_\_ from \_\_\_\_\_ to \_\_\_\_\_  
Location Beginning Time Ending Time

I understand and acknowledge that [*description of activity: hiking, swimming, horseback riding*] poses risks to my child, including the risk of [*describe specific risks*] and serious injury or death.

I (we), as parent(s) or guardian(s) of the minor, do hereby, for my child, myself, my heirs, executors and administrators, release and forever discharge [*insert full name of nonprofit*] and all officers, directors, employees, agents and volunteers of the organization, acting officially or otherwise, from any and all claims, demands, actions or causes of action which in any way arise from the minor's participation in the above noted event.

I hereby certify that the minor is my son / daughter (circle one) and that his/her date of birth is \_\_\_\_\_ and I do hereby certify that to the best of my knowledge and belief said minor is in good health. In case of illness or accident, permission is granted for emergency treatment to be administered. It is further understood that the undersigned will assume full responsibility for any such action, including payment of costs.

I hereby advise that the above named minor has the following allergies, medicine reactions or unusual physical conditions, which should be made known to a treating physician: (If none, please write the word "none".):

1. \_\_\_\_\_  
Signature Print Name

2. \_\_\_\_\_  
Signature Print Name

\_\_\_\_\_  
Address City State Zip Phone (incl area code)

Alternate Adult:

\_\_\_\_\_  
Signature Print Name

\_\_\_\_\_  
Address City State Zip Phone (incl area code)

## Bliss Sequoia Optional Coverage Enhancements

### Property

Business Income/Extra Expense

Contingent Business Income/Extra Expense

Extended Period of Indemnity

Outdoor Property

Property of Others/Bailees (Vendors)

Property in Transit

Property off Premises

Fine Arts

Unique Types of Property

Water Backup/Overflow

Spoilage

Equipment Breakdown (w/Business Income)

Blanket Property

Peak Season

Off Premises Utilities Interruption  
Additional Covered Property  
(e.g. Foundations, Underground Pipes,

Tenant Legal Liability

### Earthquake

### Flood

### Inland Marine

Rented Equipment

Installation Floater

### Crime

1st &/or 3rd Party

ERISA

### General Liability

Food Contamination

Utility Services Interruption Property Damage

Product Recall

Additional Insured (Blanket)

### Liquor Liability

### Professional Liability (aka E&O)

Medical Malpractice

Contractor Professional

### Abuse & Molestation

### Tenant Discrimination

### Property Management Liability

### Employee Benefits E&O

### Automobile

Hired/Nonowned Auto Liability

Hired Physical Damage

Drive other Car

Automobile Business Income

Automobile Pollution

### Umbrella/Excess

### Directors & Officers

Directors & Officers

Employment Practices Liability (3rd Party)

Wage & Hour

Fiduciary Liability

### Cyber-Privacy/Breach

### Pollution (aka Mold)

### Workers' Compensation

### Builders Risk

### Farm/Agricultural

Crop

### Accident Medical

### Health

Group

Individual

Short-Term or Long-Term Disability

### Life

Key Person

Individual Life

### Home/Auto

### Misc.

Higher Limits

Drones - Physical Damage & Liability

**What else can we help you insure?**