



Directors & Officers Insurance

CONNECTING·THE·DOTS

<p>What is it?</p>	<p>Directors & Officers insurance (D&O) is intended to protect board members and managers against allegations of wrongdoing that may arise from their roles in an organization.</p> <p>More than 90% of claims against boards involve some type of employment dispute such as wrongful termination and discrimination. If you don't have any employees and are unlikely to hire any over the coming year, you may want to save money and look for a policy that does not include "employment practices" coverage.</p>
<p>What to look for in a policy:</p>	<p>Each policy is unique. Unlike other insurance policies, D&O coverages greatly vary among policies. When looking at policy options, keep your eyes open for:</p> <ul style="list-style-type: none"> ● Who is insured: The broader definition the better. Most for-profit policies only cover directors and officers so you want to look for a policy written for nonprofits. Look for language such as "any person who was, is or becomes a director, trustee, officer, employee, committee member, or volunteer" as well as the nonprofit organization itself. ● Defense Costs: D&O cases are expensive and can be drawn out. Look for a policy that pays defense cost as they occur. Some policies make the policy holder pay the defense cost and only reimburse once the case is closed. ● Want to save money?: Ask your broker to give you different deductible options when shopping. A higher deductible will mean a lower premium but be sure you can afford the deductible if the worst happens and your organization is sued. ● Attorney Selection: The insurance carrier shouldn't be the only one to call the shots. Look for a policy that allows you to have vote in the selection of an attorney.
<p>Where to go if you have questions?</p>	<p>Use our free helpline 888.565.1326 help@1connectinsurance.com</p>

This factsheet is a general overview of Directors & Officers Insurance and should not be construed as legal advice. In no event will we be liable for any damages whatsoever resulting from use of this material.