



Insurance for Non-Profit Organizations

Like a business or a homeowner, a nonprofit organization needs to protect its property from loss from a fire, by theft and from many other hazards. Nonprofits can be lawsuit targets as well. Without insurance, a lawsuit could prove financially devastating. Whether a human services, arts, educational, civic or other type of nonprofit, your organization should be protected by liability insurance to cover defense costs and damages.

Some insurers specialize in coverage for nonprofits and may be able to best meet the insurance needs of your organization.

PROPERTY INSURANCE

There are many aspects to property insurance. If your organization owns real estate, you will want to insure the property. If it rents or leases its premises, you may want coverage for tenants' improvements and betterments. These are fixtures, alterations, installations or additions that you have put into the space that cannot legally be removed from the landlord's premises.

Depending on the particulars of your activity, you may want to add other coverages, such as Theft and Burglary, Employee Dishonesty or Electronic Data Loss.

LIABILITY INSURANCE

Nonprofits have no immunity from lawsuits. Clients, volunteers, vendors, donors or visitors may sue if they are accidentally injured on your premises or while on business for the organization. Someone may sue claiming libel or slander. Employees may sue claiming discrimination or sexual harassment. Liability insurance covers these risks.

Before buying insurance, it's a good idea to consider the particular loss exposures you have and to buy a policy that addresses them. If, for example, your organization is made up mostly of volunteers and has no paid staff, your best choice could be a policy that covers only volunteers.

BUSINESS VEHICLE INSURANCE

Vehicles owned by a nonprofit organization will need to be insured with a business auto policy.

Anyone driving a personal auto on business for a nonprofit organization will have coverage under his or her personal auto liability policy. If the personal policy has low limits, however, they could quickly be exhausted by an accident with serious injuries. An injured party might then sue the nonprofit group. You should discuss with your insurance agent whether the organization is adequately protected.

WORKERS COMPENSATION INSURANCE

Please check with your local Department of Labor to see if employers, not covered by Federal programs, have workers' compensation coverage or be approved for self-insurance. Also check to see if out-of-state employers

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may need workers' compensation coverage if a contract of employment is entered into within your state or if work is performed in within your state.

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