

SVdP Rockford Council – 2020 Insurance

Why do we need insurance?

- 1) Liability insurance protects SVdP against lawsuits that arise from accidents involving visitors, clients, or delivery people: e.g. slip and fall.
- 2) The Rockford Diocese mandates SVdP have liability insurance. SVdP is a separate 501c(3) organization.
- 3) County or local municipalities may require proof of insurance if SVdP has an event on public property: e.g. Walk for the Poor.
- 4) Renting a space for a fundraiser or other special event requires liability insurance. Depending on the event additional insurance coverage may be needed: e.g. serving alcohol or sports activities.

SVdP Rockford Council Insurance Coverages

The Rockford Council has three insurance policies: Commercial General Liability, Business Auto, and Directors and Officers (D&O). The Commercial General Liability and Business Auto policies are with West Bend Mutual Insurance Company. The D&O policy is with United States Liability Insurance Company.

The **Commercial General Liability** insurance is typical for non-profit organizations and it is similar to National's group insurance but National's policy has application restrictions and limited coverage (covers ~500 conferences, premium around \$200 per conference).

The Commercial General Liability insurance mainly covers 3rd party injuries, 3rd party property damages, and advertising injury. Vincentians are covered while performing duties related to the conduct of the Society's business. However, Vincentians are excluded from bodily injury or personal and advertising injury, and medical expenses, from an accident on SVdP owned or rented property. Coverage for property damage caused by a Vincentian to SVdP owned or rented property is also not covered. (This is similar to a homeowner's policy where an injury to the homeowner on their property is not covered. Only 3rd party injuries are covered.) Vincentians are covered against lawsuits arising out of Physical Abuse & Sexual Molestation claims and Professional Counseling claims.

The **Business Auto** policy purchased by the Council covers the Society for claims caused by Vincentians while performing the works of the Society. However, **the Vincentian's/volunteer's personal auto insurance is the primary insurance.** The Business Auto Coverage is secondary/in excess to the Vincentian's personal auto policy for bodily injury and property damage to a 3rd party. Medical expenses are excluded from the Business Auto policy.

It is *highly recommended* that members have adequate auto insurance including coverage for medical expenses. For example, 100/300/50 coverage on your policy means that you have coverage of \$100,000 bodily injury liability insurance per person, \$300,000 total bodily injury liability insurance per accident, and \$50,000 property damage liability per accident. Medical payments coverage pays for the medical expenses of you and/or your passengers, regardless of who caused the accident. Depending on the value of your car, you might consider collision and comprehensive coverage too. Consult your insurance agent for any questions that you might have regarding your auto coverage.

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The **Directors and Officers (D&O)** insurance purchased by the Council protects board members and officers against legal expenses if they are sued for a decision they made on behalf of the Society.

The thrift store has its own insurance for liability, auto, employees (workman's comp), and property.

Depending on the location, program and services provided by Hope Takes Action (HTA), the Rockford Council's policy should cover the liability. Need to review liability and restrictions when the HTA program starts.

Food pantries that want to insure their inventory should get property insurance. Also, conferences that have significant equipment and/or supplies might want to get property insurance.

Examples:

1. Volunteer gets injured setting up St Joseph's Table. **Not covered** by Rockford Council's liability insurance. The injury might be covered by the parish's/property owner's policy. [John: what if the parish's policy didn't cover the injury, would the General Liability cover?]
2. Volunteer accidentally damages property (non-SVdP property) while performing duties of the Society. **Covered** by Rockford Council's liability insurance.
3. Volunteer gets injured on a home visit. **Not covered** by Rockford Council's policy. Covered under FIN's homeowners insurance or landlord's liability policy.
4. Two Vincentians are transporting a FIN to a doctor's visit and get into an auto accident while performing the duties of the Society.
 - a. Assuming an accident is the Vincentian's fault, the Vincentian's personal auto coverage would first apply. Non-household passengers in the Vincentian's vehicle are covered for bodily injuries by the Vincentian's liability insurance. If those limits are exhausted and a 3rd party (other vehicle, property owner, or FIN) involved then goes after the insured (SVdP), the non-owned auto coverage of the Rockford Council comes into play. Because Vincentians are not insureds under the business auto policy, coverage does not apply for the Vincentians (**not covered**) but does apply for the Rockford Council on an excess basis. Note that the Rockford Council's insurance does not provide medical payments coverage. So if the Vincentian does not have coverage for medical payments on his personal policy, then there is no coverage for injury to the Vincentian (driver or household members). Exception would be if the driver's general health insurance provided some coverage.
 - b. Assuming an accident is not the Vincentian's fault, the other driver's auto insurance would cover bodily injuries and property damages to your car. If the other driver does not have insurance or does not have the Illinois State minimum liability insurance, the Vincentian's auto insurance should cover the expenses, as long as they have uninsured motorist coverage and underinsured motorist coverage to cover bodily injuries and related medical expenses.

See Insurance Coverage Explanations beginning on Page 5 for more information.

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SVdP Rockford Council Insurance - Effective: 01/31/2020 to 01/31/2021

Commercial General Liability Coverage - Limits of Insurance

General Aggregate Limit (other than Products/Completed Operations)	\$2,000,000
Products/Completed Operations Aggregate Limit	\$2,000,000
Each Occurrence Limit	\$1,000,000
Personal and Advertising Injury Liability Limit (3 rd Party only)	\$1,000,000
Damage to Premises Rented to You Limit	\$100,000
Medical Expense Limit, Any One Person (3 rd Party only)	\$5,000

Coverage Inclusion:

PROFESSIONAL COUNSELING LIABILITY COVERAGE (LIMITS)
PHYSICAL ABUSE AND SEXUAL MOLESTATION LIABILITY ENDORSEMENT

Coverage Exclusion:

EXCLUSION - ATHLETIC OR SPORTS PARTICIPANTS

EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY - WITH LIMITED BODILY INJURY EXCEPTION

EXCLUSION UNMANNED AIRCRAFT

EXCLUSION - MEDICAL PAYMENTS (except 3rd Parties)

EMPLOYMENT-RELATED PRACTICES EXCLUSION

AMENDMENT OF LIQUOR LIABILITY EXCLUSION

EXCLUSION – DISCRIMINATION

EXCLUSION - DESCRIBED HAZARDS FIREWORKS

EXCLUSION - NONCOMPENSATORY DAMAGES

EXCLUSION - DESCRIBED HAZARDS-MECHANICALLY OPERATED AMUSEMENT DEVICES

EXCLUSION - SEXUAL OFFENDER TREATMENT

EXCLUSION - ASBESTOS OR ASBESTOS PRODUCTS

LIMITED FUNGI COVERAGE

EXCLUSION - LEAD LIABILITY

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Business Auto Coverage - Limits of Insurance

Limit (the most we will pay for any one "Accident" or "Loss")

Covered Autos Liability 8, 9	\$1,000,000 Each Accident
Uninsured Motorist 8, 9	\$1,000,000 Each Accident
Underinsured Motorist 8, 9	\$1,000,000 Each Accident

Covered Autos Symbols 8, 9

8 Hired "Autos" Only

Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.

9 Non-owned "Autos" Only

Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs.

Coverage Inclusion:

EMPLOYEE HIRED AUTOS

Coverage Exclusion:

EXPLOSIVES

PUBLIC OR LIVERY PASSENGER CONVEYANCE AND ON-DEMAND DELIVERY SERVICES EXCLUSION

Insurance Coverage Explanations

1) Commercial General Liability - covers common risks

General liability insurance protects against lawsuits that arise from accidents involving visitors, clients, or delivery people: e.g. slip and fall. If you hold a fundraiser or other special event, work in partnership with another organization, or rent space, you might need liability coverage to book a venue or fulfill a client contract. Proof of general liability insurance may be required.

The general liability coverage relates to:

- Customer injuries

- Customer property damage

- Advertising injuries

Third-party bodily injury

If a customer or delivery person slips at your community center, you could be blamed for the injury. If sued, you might end up paying for medical expenses – plus the cost of a legal battle. General liability insurance covers:

- Medical bills

- Attorney's fees

- Court-ordered judgments

- Settlements

Typically, general liability insurance does not cover injuries sustained by your employees or volunteers. For employees workers' compensation insurance would be required. For volunteers (Vincentians), Accident & Health Insurance or Volunteer-Accident Medical Insurance would be required.

Third-party property damage

When dealing with the public, your nonprofit might have to handle a client or visitor's property. If an item is damaged or lost, your organization could be held liable. General liability insurance can help pay for:

- Repair of a damaged item

- Replacement of a destroyed or lost item

- Legal costs from a property damage lawsuit

- Advertising injuries

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While advertising your nonprofit and its services, it's possible to mimic another company's logo or slogan. Any promotional materials to attract visitors to your church, counseling center, or other nonprofit may infringe on a copyright. Accidental advertising injuries are covered by general liability insurance, including:

Defamation, both libel (written) and slander (spoken)

Copyright or brand infringement

Additional Coverages

Professional liability covers an organization for services that could be considered professional in nature, whether you employ licensed professionals or not. If you have mentoring, educational, life skills, counseling, or case management exposure at all, then professional liability is a necessary consideration.

Abuse and molestation liability provides defense and, if required, claim settlement funds for lawsuits involving abuse and molestation incidents. These claims can be a result of accusations from a client regarding an employee, volunteer, or contractor act of abuse. They can also result from negligent supervision that results in client or student abuse or molestation incident.

2) Business Auto Insurance

Even if your nonprofit does not own a vehicle, consider including hired/non-owned auto coverage. If you own a car, you need a commercial auto policy.

Non-owned auto liability provides some liability protection for the organization when someone uses his or her vehicle for activities related to the nonprofit: running errands, transporting clients, etc. Hired auto liability provides liability protection when the organization rents a vehicle.

Bodily Injury liability insurance is coverage against you being at-fault in an auto accident in which there is bodily injury to a 3rd Party most often in another car.

2a) FYI - Personal Auto Insurance (required for all Vincentians)

Illinois is not a no-fault state, but runs under a tort system with modified comparative negligence. This means that the driver who caused the accident pays up to the percentage which they are deemed liable.

Liability insurance is a requirement for all drivers in Illinois. Underinsured Motorist coverage is also mandated for all drivers. Illinois requires you to purchase uninsured motorist limits (or coverage) of at least \$25,000 per person and \$50,000 per accident. Underinsured motorist coverage is included if you purchase higher limits of uninsured motorist coverage. For Vincentians 100/300/50 coverage is recommended. Medical payments coverage could be optional.

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Full Coverage

Full coverage auto insurance covers your vehicle in case you have an accident, unlike basic liability, which covers only the other driver's vehicle. Full coverage also includes the state-mandated minimum liability coverage.

Full coverage includes collision and comprehensive coverage. Collision protects your vehicle if it is damaged in an accident. Comprehensive provides protection if your vehicle is damaged by something other than a collision, such as your car being stolen or a light pole falling on your car when it's parked at night.

Bodily Injury Liability

Bodily injury liability provides coverage, up to your policy limit, for medical payments, hospital stays and other bodily injury-related medical expenses associated with the accident. The occupants in your vehicle and the occupants in the other vehicle are covered, but you are not. Bodily injury coverage also provides a defense for you if someone whom you have harmed sues you.

Property Damage Liability

If you cause an accident and there are damages to other vehicles, Property Damage Liability covers the repair expenses up to the limit on the policy. Property Damage Liability insurance does not cover your vehicle.

Medical payments

Medical payments is a coverage designed to cover the medical expense of individuals within your car including yourself, and it can help pay your health insurance deductible and some of your co-pay expenses. Note that if you do not have coverage for medical payments and an accident is your fault, there is no coverage for injury to you unless your general health insurance provides some coverage.

Uninsured Motorist Coverage

If you are in an accident caused by an individual who does not have auto insurance, uninsured motorist coverage provides coverage for injuries to you and your passengers. (Uninsured Motorist Property Damage coverage, which covers the damage to your vehicle, is purchased less often.)

Underinsured Motorist Coverage

This coverage is different from uninsured motorist coverage. It covers injuries to you and your passengers in the event that someone whose auto insurance policy does not cover your expenses hits your vehicle. In this case, your insurance company covers the expenses that exceed the limits of the other driver's policy. (Underinsured Motorist Property Damage coverage, which covers the damage to your vehicle, is purchased less often.)

For additional information on Personal Auto Insurance contact your insurance agent. Another resource:

<https://insurance.illinois.gov/AutoInsurance/ConsumerAuto.html> (see Auto Insurance Shopping Guide)

3) Directors and Officers Insurance

Directors and officers (D&O) insurance is designed to protect the decisions made by an organization's management. The policy can also cover defense costs and mitigate the risk of individual directors' personal assets being exposed during a lawsuit.

D&O protects your decision-makers

Your board of directors makes major decisions about how your nonprofit is run. The directors might establish a nonprofit's goals and strategies, determine how funds are spent, and set salaries for employees. This means they need liability protection for their decisions – in fact, it's likely they expect it.

Directors and officers insurance can pay for lawsuits related to decisions made by your board of directors and by officers elected or appointed by the board. This policy is also called management liability insurance.

D&O insurance provides coverage related to:

- Accusations of mismanaged funds

- Failure to meet regulatory standards

- Failure to perform official duties

Accusations of mismanaged funds

If board members are accused of making a bad investment decision or misusing your nonprofit's funds, they could be sued. Even if the lawsuit is without merit, attorney's fees and court costs could significantly drain your nonprofit's finances.

Failure to meet regulatory standards

If your charitable organization fails to meet regulatory standards, your board of directors could take the blame. A nonprofit organization's D&O insurance can help pay for the cost of hiring an attorney and other legal expenses that result from a lack of compliance with industry standards or regulations.

Failure to perform official duties

Though directors and officers only have so much influence over the success of your nonprofit, when something goes wrong, the blame may fall squarely on their shoulders. If a board member is sued for failing to perform fiduciary duties or fulfill legal requirements, this policy can help pay for the cost of hiring a lawyer and other expenses.