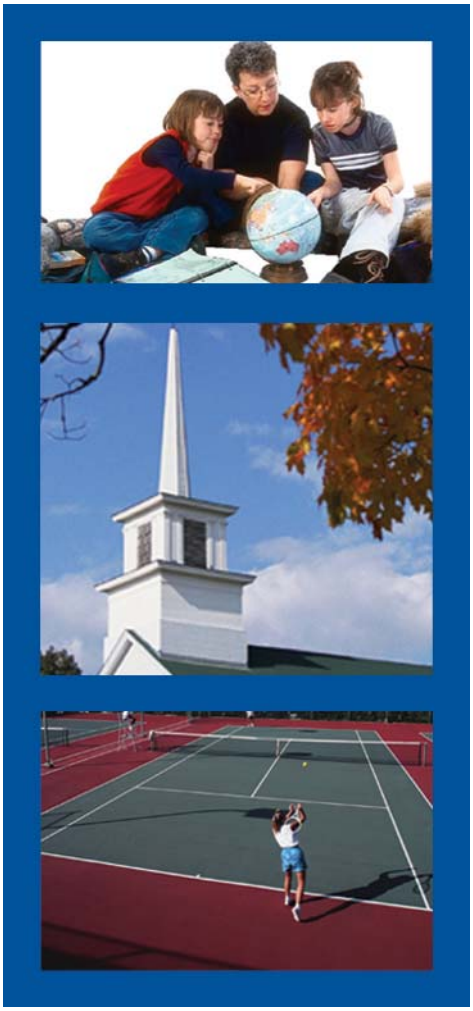
SOUTHERN SPECIALTY UNDERWRITERS, LLC.
5444 Riverside Drive
Macon, GA 31210
Phone: 478 757 7111 Fax: 478 474 9604

Why To Buy Directors and Officers Coverage For Non Profit Organizations

- Non Profit Director and Officer boards can be sued by donors, employees (prospective, current or former), the general public, third parties, clients, and/or government agencies.
- The personal assets of the individual board members are at stake! Directors & Officers (D&O) insurance can help protect a board member's home, investments, or other personal assets.
- The bylaws of the Non Profit may indemnify the Board but does not guarantee the entity has the resources to fund the cost of a claim. The financial backing of a Directors & Officers policy will ensure financial solvency to the organization.
- Directors and Officers lawsuits can have a devastating impact on the operating budget of the Non Profit organization, and can even put the entity out of business.
- The average cost of a Directors and Officers policy is often under $1,000 with a zero retention yet the average cost of a claim is over $100,000.
- Directors and Officers claims are not covered under General Liability or any other policy form.
- Corporate scandals have heightened regulation of accounting practices. The Sarbanes-Oxley Act has also impacted Non Profits.
- The Internal Revenue Service has increased their scrutiny of Non Profits. Over 400 private foundations have been audited in the past year.
- Directors of Non Profit boards have the same fiduciary duties as corporate board members. Non Profit Directors and Officers lawsuits may involve a variety of issues related to the daily operations of the board including:
  - Duty of Care – requires Directors and Officers to act prudently and reasonably in regard to the management of the organization's affairs
  - Duty of Loyalty – prohibits Directors and Officers from using their position in the organization to further their own personal interest
  - Duty of Obedience – requires Directors and Officers to ensure that the organization is run in accordance with it's charter and bylaws, and that the organization complies with applicable laws



This document does not amend, extend or alter the coverage afforded by the Policy. For a complete understanding of any insurance you purchase, you must first read your Policy, Declaration Page and any Endorsements and discuss them with your Broker. A specimen policy is available from an Agent of the Company. Your actual Policy Conditions may be amended by Endorsement or affected by State Laws.