



Coverage:

D&O Liability and EPLI

Segment:

Not-for-Profit Organizations

Claims Scenarios

Many not-for-profit organizations are now realizing the value and importance of having comprehensive management liability insurance coverage in place to protect their organization. Proper management liability insurance is an important element in an enterprise risk management program. Consider the following claims examples:

Discrimination

A not-for-profit organization whose mission was to “promote traditional family values in at-risk youth” hired a new director of community relations. The new hire left a job in another city and relocated. Several weeks later, he was spotted engaging in public displays of affection with a man and confirmed he was gay. The executive director of the organization immediately terminated the employee, stating his conduct was inconsistent with the mission of the organization. The employee sued, claiming improper discrimination based on sexual orientation and sought damages for relocation, back pay, and front pay.

Loss

After spending \$22,000 in defense costs, the case settled for \$125,000.

Restricted Charitable Contributions

An historical society received a donation from a benefactor, the purpose of which was to create an exhibit to be displayed at the society, and then offered to other organizations. Upon completion of the exhibit, the benefactor was disappointed and demanded that the exhibit be altered or her donation returned.

Loss

After spending \$54,000 in defense costs, the society agreed to clarify in writing its policy with regard to restricted and unrestricted donations.

Darwin’s Claims Handling Philosophy

A policyholder buys insurance to protect themselves. They buy insurance to pay a covered claim when they have one. An insurance partner shouldn’t hassle them when they have one that is legitimate. And Darwin will pay claims fairly – that’s what we agreed to do, that’s what policyholders expect us to do, and that’s simply the right thing to do.

Claim examples are based on hypothetical situations or composites of actual cases. It is our policy not to release claim case numbers or any specific claim details. Coverage for particular claims is subject to policy language as issued. (i-bind)sm is a trademark and service of Darwin Professional Underwriters, Inc. Coverage is provided by Darwin member companies which include Darwin National Assurance Company and Darwin Select Insurance Company. For more information about Darwin, visit www.darwinpro.com.