**Choosing Insurance Coverage**

We believe that insurance is a top priority for nonprofit organizations and should never be an afterthought in the planning process.

Here are the 5 most common types of insurance coverages you’ll want to consider:

O General Liability Insurance policies address claims alleging bodily injury or property damage. Slips, trips and falls are the most common claims covered by these policies.

O Bonding Insurance (also known as Fidelity Insurance) protects against the financial risks of fraud and embezzlement by an insider.

O Accident Medical Insurance helps to avoid lawsuits and provides insurance coverage for out-of-pocket medical expenses resulting from an accident at a sponsored activity or covered event.

O Directors and Officers (D&O) policies are purchased in order to protect both the organization and its directors and officers. They address claims alleging wrongful management decisions by the volunteer and staff leaders of a nonprofit.

O Property Insurance protects the physical assets your nonprofit owns – such as computer and office equipment, computers, popcorn machines, etc. Note: If you require Property Insurance at your volunteer-run nonprofit, consider donating your property to the overarching entity you might be serving. For instance, if you’re a PTA and own a popcorn machine, consider gifting it to the school district with the caveat that it’s to stay at the location of your choice. Put it in writing so you are not responsible for future claims that may occur. Putting it in writing as directed above will also ensure that the popcorn machine stays on your campus.

If your board does not currently have insurance coverage, make it your first priority!

If your board declines to get insurance coverage (common excuses: don’t need, too expensive, too much trouble), resign. Right now. Before something happens that you may find yourself financially responsible for.