

EXCESS LIABILITY COVERAGE EXTRAS

Serve your community with ease

AIG Private Client Group, a division of the member companies of American International Group, Inc. (AIG), is pleased to offer a range of coverage options to supplement your excess liability insurance. Not-for-Profit Board Liability coverage is an added layer of protection for individuals who serve on not-for-profit boards of directors.

Addressing a range of risks

Serving on the board of a not-for-profit organization can be a fulfilling way to give back to the community. However, these organizations don't always have enough liability insurance coverage in place. In the unfortunate event that a lawsuit depletes that primary layer of coverage, the personal assets of board members could be at risk.

We can provide up to \$3 million of coverage above the organization's¹ underlying Directors & Officers insurance. Lawsuits against a not-for-profit board can result from claims of:

- Poor management practices
- Discrimination
- Wrongful termination
- Harassment
- Misrepresentations made by you as an employer
- Libel and slander
- Copyright infringement
- Tax law violations

Coverage highlights

- \$3 million of coverage available
- Coverage can be added by endorsement to the personal excess liability policy
- You and your spouse are protected
- Deductible options available for a premium credit
- Coverage available for up to 10 boards—no need to list the boards on which you participate
- Qualifying boards¹ can include civic groups, condos or co-ops, religious organizations, country clubs, cultural and performing arts institutions, alumni and youth associations
- Required underlying coverage can be satisfied by the board's Directors & Officers policy

Frequently Asked Questions

Why do I need to add Not-for-Profit Board Liability coverage to my personal excess liability policy? There is coverage afforded on your Personal Excess Liability policy if you sit on a not-for-profit condo, co-op or homeowners board. However, the coverage provided is for claims stemming from bodily injury or property damage. For example, if you are on the board of your residential condo association and the board is sued for a slip and fall injury of a third party on the condo premises, there would be coverage under the Personal Excess policy. Not-for-Profit Board Liability coverage extends coverage to claims that are financially related or stem from litigation involving wrongful termination, sexual harassment or discrimination.²

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Don't not-for-profit organizations already have liability insurance coverage?

Yes, typically they do. However, many operate on tight budgets and, as a result, carry only the minimum amount of liability insurance required by law. If coverage limits are exhausted due to a liability lawsuit, board members can be held personally responsible for the remaining judgment amount and/or legal fees.

Can my homeowners' or condo/co-op association be considered a not-for-profit?

Yes. You'd be surprised that many organizations and associations hold "not-for-profit" status. You can determine an organization's not-for-profit status via websites such as www.charitywatch.org, www.charitynavigator.org and www.guidestar.com.

Real-life examples

- The local chapter of a national service organization was named in several articles alleging mismanagement and misappropriation of funds. Subsequent investigations revealed that the chapter's executive director approved a number of questionable payments—some of which were disclosed but misrepresented, and others of which the board had no knowledge. The board members authorized a public response and temporarily suspended certain powers of the executive director, who subsequently resigned. The executive director later filed claims for defamation, wrongful termination and discrimination, seeking damages in excess of the chapter's \$1 million policy.
- The board of a residential cooperative building was sued by an applicant who was denied approval to purchase a unit. The applicant claimed the board discriminated against him based on his sexual orientation. The applicant later added a defamation count to the lawsuit.

Our exceptional claims professionals are skilled in handling the potential consequences of a liability lawsuit and will be there to support you every step of the way.

Not-for-Profit Board Liability coverage is just one of the many advantages available to our policyholders. Please ask your independent agent or broker about protection for your homes, automobiles, private collectibles, yachts and more, or visit www.aig.com/pcg.



Bring on tomorrow

¹ Qualifying organizations are defined in the policy as any not-for-profit organization qualifying under Section 501(c) (3), (4) or (7) of the Internal Revenue Code, some exceptions apply.

² Availability varies by state, and defense is within the limit of liability for this coverage.

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