

INSURANCE REQUIREMENT POLICY

The IREM National Organization provides a General Liability and D&O Insurance policy that covers local Chapters. Although both policies provide coverage, the payment of the deductible is the responsibility of the local Chapter, should a claim ever be filed. The Executive Council will review the current insurance coverage types and coverage amounts weighed against any changes within the Chapter prior to June of every year. If changes are required to the insurance types or coverage amounts, the Association Executive shall commence with the changes effective the next fiscal year. Any changes in premiums must be reported to the Treasurer and incorporated into the budget for the next fiscal year.

It is important to note that all Insurance claims will be weighed against the Chapter's adherence to federal, state and local laws, as well as their own internal policies. The coverage types are as follows:

General Liability Coverage

This is typically the "core" coverage for a nonprofit. The most common occurrence covered by the policy is "slip and fall." Depending on the extent of the general liability coverage purchased, commercial general liability insurance may provide coverage for a wide range of negligent acts, which result in bodily injury, personal injury, advertising injury or property damage to a third party. It does not cover damage to property under your control.

Directors and Officers Liability Coverage

The key distinction with directors and officers liability is that it is intended to cover wrongful acts that are "intentional" as opposed to "negligent." This is because directors and officers insurance is designed to cover actions and decisions of the board of directors. These actions may be in error and wrong, but they are, nonetheless, "intentional" acts. Most other types of insurance do not cover "intentional" acts. Among the items a good directors and officers policy should include is broad coverage for all types of employment related actions, including wrongful termination, harassment, discrimination, failure to hire, etc. It should also pay defense costs as they are incurred, not on a reimbursement basis.

Employee Dishonesty – Fidelity Bond This covers loss resulting directly from one or more fraudulent or dishonest acts committed by an employee whether acting alone or in collusion with others. Losses due to employee dishonesty are different from other losses making it difficult to determine the amount of insurance to carry. Loss of unrecorded assets could result from the following activities: theft from a cash register; pocketing money for which a receipt has not been given; padding of expense accounts; overcharging of fees for services; and walking off with assets.

Liquor Liability Coverage Depending on the extent of the liquor liability coverage form, this insurance may apply to claims resulting from selling, serving, or furnishing alcoholic beverages. "Host liquor liability" coverage is provided in most commercial general liability coverage forms, and some nonprofits buy stand alone liquor liability coverage when the argument can be made that they are in the business of selling, serving, or furnishing alcoholic beverages. The need for liquor liability coverage is frequently misunderstood, and an insurance broker can be of assistance to determine if the coverage is needed or not.



Meeting Cancellation Coverage

Covers the loss of revenue or expenses due to a cancellation, curtailment, postponement or abandonment of an event due to civil disturbance, strike, weather or fire, for example. It may cover moving to an alternative premises, postponing or abandoning an event. Policy may cover the extra expense of the normal costs to conduct the event in order to continue the normal operations of the show or meeting.

Approved: December 31, 2016