

Directors & Officers (D&O) Insurance, 6/12/2020

The following email was sent from the Executive Officers to the HD Board:

Date: Tue, Jun 9, 2020 at 8:05 AM

Subject: HD Board: Action needed - D&O Insurance

To: HD Board and Officers <board@lists.hautedawgs.org>

Greetings Board!

The executive officers have reviewed our insurance coverage, which currently includes general liability for third parties, equipment coverage, and additional endorsements for our main venues (WAG, Dixon, and nose work venues and NACSW.) We have reviewed and updated our equipment list and venues and have been able to reduce our premium by \$695 this year, to \$1,851. This has been paid and we are covered through June of next year.

We would like to propose adding one more policy to our coverage - a Directors & Officers policy. D&O insurance covers things like liable, slander, misappropriation of funds, decisions entered into as a board, advertising issues. It protects us should someone decide to sue any one of the board because of a perceived injustice or perceived deliberate action against them causing them perceived harm. As we move forward with the possibility of holding trials during this uncertain time of COVID-19, we feel that this is one way to protect the Board and protect our club.

The cost of this additional insurance is \$885. We are recommending going forward with purchasing this policy.

Please Reply to this email by the end of the day Thursday and indicate:

- Yes, I approve purchasing the D&O insurance
- No, I do not approve purchasing the D&O insurance
- I prefer that we meet as a board to discuss this further

If anyone selects the latter option, we will convene a special meeting of the Board to discuss.

Thank you,

Debbie Campbell

Sandy Taylor

Anna Potter

Kris Backus

Email results:

Yes, I approve: Diane, Daniel, Gail

Abstain: Ann

Kris contacted Sportsmen's and requested the D&O insurance. We will be covered as of June 12, 2020.

More information:

Haute Dawgs Bylaws:

24. Insurance. The corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer's, director's, employee's, or agent's status as such.

Sportsmen's Directors' & Officers' Insurance

D&O insurance protects us from potential claims involving errors, omissions, negligence, breach of duty and other wrongful acts. Covers things like liable, slander, misappropriation of funds, decisions entered into as a board, advertising issues. Sometimes called the "hurt feelings" policy.

Example 1: Say that I am on the board and I know a guy who wants to join the club, but I know he is a troublemaker because I know him outside of the club. I tell other board members what I know, and the board chooses not to allow him to join. If he sues, then we are covered.

Example 2: Someone on the board is asked to give a monetary payment (say, for hospitality or raffle) to Mable Gray, but she mistakenly gives the money to Grady May, and Grady spends it. This would be covered.

Sportsmen's quoted us a premium of **\$885** for coverage by Great American Insurance Group.

<https://www.greatamericaninsurancegroup.com/for-businesses/product-details/executive-liability/nonprofit-directors-officers-usa>

Examples of actual claims: https://www.greatamericaninsurancegroup.com/docs/default-source/executive-liability/claims-examples/nonprofit/recreation-3966-eld.pdf?sfvrsn=b8f277b1_4

Resources:

Good article on D&O insurance:

<https://www.boardeffect.com/blog/do-insurance-nonprofit-boards/>