



CUG.COMments

A Newsletter from Chicago Underwriting Group, Inc.
Underwriters of D & O and Professional Liability Insurance

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In this issue ... Old Republic enters the Not-for-Profit D&O Market

EXPANDING INTO NONPROFIT D&O

After more than 25 years of underwriting commercial Directors and Officers Liability insurance, Old Republic has expanded its capabilities by moving into the nonprofit-organization D&O market and, with immediate effect (June 1, 2010), is offering primary D&O coverage for this sector.

Working With an Experienced Partner

To bring this product to the market, Chicago Underwriting Group has partnered with one of the country's leading nonprofit-D&O underwriting managers, ALTRU LLC of Cincinnati, Ohio (www.altru.com), which has been writing this specialized class since 1995. Quotes, binders and policy issuance are handled electronically, using the same efficient and effective web-based platform familiar to Chicago Underwriting Group producers.

Nonprofit D&O Program Highlights

- Defense costs are generally payable in addition to the limit.
- Insurer generally has the right and duty to defend.
- Broad employment-practices liability coverage included.
- Coverage applies to EEOC complaints or other administrative proceeding.
- Third-party discrimination and harassment coverage included.
- Fiduciary-liability extension included for \$100,000; higher limits available.
- No personal-injury exclusion (defamation, libel/slander coverage included).
- Defense coverage for claims seeking non-monetary damages.
- Coverage included for Marital Estate and "domestic partner" (as permitted by states).
- Coverage provided for service on outside nonprofit boards.
- Punitive Damages coverage included where permitted.
- Coverage included for excess-benefit transaction penalties.
- Workplace violence coverage is available.
- Limits of up to \$5,000,000 are available.
- Coverage for supplementary data-breach is available for most classes.
- Old Republic Insurance Company: A.M. Best Rating A + (Excellent).
- The program is currently approved in 48 states; New York and Vermont are expected to give their approval shortly.

The Importance of the Nonprofit Sector

According to the 2008 edition of the [Nonprofit Almanac](#), approximately 1,400,000 nonprofit organizations were registered with the Internal Revenue Service in 2005. This vast number encompasses an array of groups as wide-ranging and diverse as American society, including the arts, culture, humanities, education, healthcare, social services, the environment, animal welfare and societal benefit. Many of these organizations will be overseen by boards of directors—conscientious citizens usually giving their time and experience freely.

The Need for Nonprofit D&O Insurance

Nonprofits may not have the outraged-stockholder problems faced by public companies; however directors serving on nonprofit boards can encounter their own particular kind of exposures, some of them serious and no less distracting.

Many producers who read this newsletter may only work in the public-company D&O arena, but are likely to have colleagues who arrange D&O for nonprofits. Then there are the needs of our producers' clients: thousands of public-company directors and officers who serve on the boards of some of those 1,400,000 organizations, and for whom a reliable nonprofit D&O program is critical.

Who can submit business?

ALTRU will accept submissions from any properly licensed producer—retailer or wholesaler—and pays competitive commissions.

Contacting ALTRU

Please send an e-mail to Melissa Black: mblack@altru.com

Review the basic policy form: <http://bit.ly/CUGAltru>

Note: coverage may vary due to individual state requirements



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