Directors and Officers Insurance

Nathan Peterman
Hylant

Lisa Heindricks
Kiwanis International
Coverage

Kiwanis International and its owned, controlled, subsidiary or affiliated organizations or any non-profit entity over which the Named Insured has the ability to exercise managerial control.
Coverage

Kiwanis clubs
Kiwanis clubs

Kiwanis districts
Kiwanis districts

Kiwanis International
Kiwanis International Foundation

Kiwanis Youth Programs (KYP)

Service Leadership Program clubs and Alumni Association
Coverage

• Broad coverage including foundations and SLP clubs
• Covers directors, officers, staff, members, committee chairmen and volunteers
• The club entity
• Insurer has “duty to defend”
• Defense costs paid on current basis
• Claims made
• Protection against a breach of “duty”
• Actual or alleged wrong decisions
• Actual or alleged act or omission, error, misstatement, misleading statement, neglect in the discharge of duties
• Includes coverage for employment-related practices — wrongful termination, harassment and discrimination
<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$10,000,000</td>
<td>Annual limit, includes employment practices liability</td>
</tr>
<tr>
<td>US$10,000,000</td>
<td>Annual maximum aggregate</td>
</tr>
<tr>
<td>US$50,000</td>
<td>Per claim retention (paid by Kiwanis International)</td>
</tr>
<tr>
<td>US$1,000,000</td>
<td>Aggregate (Kiwanis International)</td>
</tr>
</tbody>
</table>
• Premium can be paid from service account

• General liability = US$13.00

• D&O = US$4.00

• Total per member insurance cost is US$17.00

• Districts have a separate fee of US$800
MR. CLAUS, YOU'RE NAMED IN A CLASS-ACTION LAWSUIT FOR DISCRIMINATING AGAINST THE 'NAUGHTY.'
What to do?
Claims

- Notify Kiwanis International of any potential claim
- Claims administered similarly to general liability claims
- No deductible for club or district
- Deductible included in US$4.00
Potential claims

- Mismanagement of funds
- Conflict of interest
- Acting beyond authority granted in bylaws
- Failure to enforce bylaws
Potential claims

• Employment practices liability
  – Sexual harassment
  – Unfair employment practices
  – Wrongful termination
  – Discrimination

• Violation of state/provincial and federal laws (antitrust, Internal Revenue Code, EEOC)
www.KiwanisOne.org/liability

Member Resources/Club Leader Tools/Risk Management