

NONPROFIT DIRECTORS & OFFICERS LIABILITY INSURANCE

Agent Product Guide



NONPROFIT DIRECTORS & OFFICERS LIABILITY INSURANCE

This Nonprofit Directors and Officers Liability Insurance (NPDO) product guide from ABA Insurance Services is a reference for the **professional and management liability product** we offer you and your nonprofit customers, featuring specialized coverage, superior claims and customer service, competitive rates, and easy-to-use agency technology.

The NPDO product is underwritten by **Great American Insurance Company**, an A.M. Best “A+” rated carrier and a leading provider of professional and management liability coverages. The NPDO is offered through Progressive’s ForAgentsOnly.com and is serviced by **ABA Insurance Services**, a managing general agency with more than 30 years of professional and management liability experience. ABA Insurance Services was formerly known as Progressive’s Professional Liability Group.

Our NPDO is the best choice for your customers

- **Ease of use**
Quote and bind through ForAgentsOnly.com (FAO) in just minutes.
- **Experience**
More than 30 years of experience in professional and management liability.
- **Coverage Features**
 - First Dollar Defense.
 - Defense Outside Limits.
 - Prior Acts Coverage.
 - Employment Practices Liability available. Third-party liability included for most business classes.
 - Fiduciary Liability available.
- **Legal Services and Loss Prevention Services at no additional cost**
Littler Mendelson, one of the nation’s leading employment defense firms, provides legal services and HR resources to our insureds for employment-related issues, such as unlimited access to online reference material and a toll-free helpline. Attorneys from Littler are available to provide confidential consultations regarding employment matters such as terminations, disciplinary actions, and harassment issues.
- **Claims**
In partnership with Great American’s outstanding claims handling, we offer a dedicated staff of in-house attorneys who specialize in professional and management liability claims.

Easy-to-Use Technology

Use FAO to easily quote and buy NPDO for all your nonprofit clients. Benefits of using FAO quoting include:

- Quote online in minutes—No submitting an application and waiting for a quote.
- Only a handful of questions need to be answered to generate a quote.
- Bind coverage online. Quotes are open for up to 60 days.

If you have any questions about our NPDO program, please contact us at

800-274-5222 or smallbusiness@abais.com

Monday – Friday
8:00 am to 5:30 pm Eastern

***Thank you for choosing to sell
NPDO from ABA Insurance Services.***

NONPROFIT DIRECTORS & OFFICERS LIABILITY INSURANCE PRODUCT GUIDE

PAGE	SUBJECT
3	Contact Information Phone Numbers
4	Frequently Asked Questions
5	Quoting NPDO Underwriting Overview FAO Quoting Information Needed
6	Coverages Directors and Officers Liability Coverage Features
7	Coverage Options Employment Practices Liability Fiduciary Liability Workplace Violence Privacy and Security
8	Nonprofit Type Guide
11	Unacceptable Risks
12	Billing and Payment Information Billing Process Payment Due Dates Payment Instructions
13	Transaction Guidelines Binding Guidelines Endorsement Requests Cancellation Requests
14	Services Claims Loss Prevention

ABA Insurance Services Inc. dba Cabins Insurance Services in CA, ABA Insurance Services of Kentucky Inc. in KY, and ABA Insurance Agency Inc. in MI. All coverage feature descriptions are summarized and provided for informational and educational purposes only and are not a representation as to coverage. Please refer to your actual policy for a full description of applicable terms, conditions, limits, exclusions and for details on the coverage provided by your specific contract of insurance. Coverage features and/or options may not be available to all accounts or in all states depending on state restrictions and/or underwriting considerations.

PRODUCT CONTACT INFORMATION

Online

Progressive's ForAgentsOnly.com (FAO)

- Quote and sell new policies using **ProCision**, ABA Insurance Services' platform
Go to "New Business" > Click on "New Quote" > Select "State" > Select "EPLI, NPDO, Cyber and more"
- View quotes and bound policies
- Access Product Guide
- Access marketing materials

Customer Service, Claims or Sales

Phone: 800-274-5222

Email: smallbusiness@abais.com

Monday - Friday, 8:00 a.m. – 5:30 p.m. Eastern

- Report a claim
- Manage policy activity
- Payment information
- Claims reporting and management
- Agency production

NPDO Fax

800-456-6590

Correspondence Address

ABA Insurance Services

3401 Tuttle Road, Suite 300

Shaker Heights, Ohio 44122

Technical Support

Phone: 800-274-5222

Email: smallbusiness@abais.com

FREQUENTLY ASKED QUESTIONS

What is Nonprofit Directors and Officers Liability Insurance?

NPDO provides protection for the directors, committee members, trustees and officers of an organization for an error or omission or breach of their fiduciary responsibilities. The organization is also covered. Additionally, coverage is available for employment-related matters brought against the organization, its employees and volunteers for actual or alleged discrimination (age, sex, race, disability, etc.), wrongful termination, sexual harassment, and other employment-related allegations. Fiduciary liability can be added as a separate endorsement to cover the organization's benefit plan trustees.

Who is Great American Insurance Company (GAIC)?

Great American Insurance Company is a worldwide insurer and reinsurer and a leading provider of professional and management liability products, including Directors & Officers Liability (D&O), EPLI, E&O and Cyber Liability. The NPDO product is admitted and available in all states except Alaska.

Who is ABA Insurance Services?

As a licensed managing general agency (MGA) and E&S broker in all 50 states, ABA Insurance Services is the program administrator of professional and management liability lines available through Progressive's ForAgentsOnly.com (FAO). Our flagship product is EPLI for small businesses. The company was formed in 2010 after operating as a business unit of Progressive for nearly 25 years.

What is ProCision?

ProCision is ABA Insurance Services' state of the art and proprietary quoting platform. ABA Insurance Services was one of the first organizations to begin quoting and binding professional and management liability policies online. Since 2006, we have fine-tuned prior platforms and incorporated best practices to develop our innovative **ProCision** platform.

Why quote NPDO from ABA Insurance Services?

With the ability to generate a quote through ForAgentsOnly.com in minutes with few application questions, you can provide a bindable NPDO quote to all your nonprofit customers. You can present an affordable quote that comes with legal services that are especially valuable to your customer.

What do I need contractually to write NPDO from ABA Insurance Services?

After binding your first NPDO policy, you will be provided with a Producer Agreement from ABA Insurance Services, which will need to be signed and returned along with a copy of your Agents' Errors & Omissions declarations page.

Can I use ForAgentsOnly.com (FAO) to quote and service policies?

You can use FAO to quickly and easily quote and bind a policy; however, you or your customer will need to call ABA Insurance Services at 800-274-5222 for policy service or to report a claim.

How are NPDO claims handled?

Claims are managed by Great American Insurance Company in partnership with ABA Insurance Services' experienced staff of claims attorneys. As our policy is a duty-to-defend form, we have retained the services of Littler Mendelson, one of the nation's leading employer defense firms, to defend the insureds in employment litigation covered under the policy.

How do I quote NPDO in FAO?

Log in to FAO. Go to New Business > New Quote > State > EPLI, NPDO, Cyber and More.

To access an existing quote, go to New Business > Existing Quote and follow the "EPLI, NPDO, Cyber and More" link at the bottom of the page.

Both will send you directly to ABA Insurance Services' **ProCision** home page, where you can access existing quotes, policies or start a new quote.

If you are quoting with ABA Insurance Services for the first time, you may be required to set your preferences to include the product. Your ForAgentsOnly.com administrator password will be required.

What if I do not see "EPLI, NPDO, Cyber and More" in the FAO navigation menus?

Please contact us at 800-274-5222 or smallbusiness@abais.com.

QUOTING NPDO

Underwriting Overview

We use the following as part of the criteria for determining NPDO rates. Although rating factors may vary depending on the type of nonprofit, these are the main rating factors consistent across all risks:

- **Description of operations**
We take into consideration the type of business or operation of the organization.
- **Total assets and annual salary and wages**
An important factor we use to determine the overall size of the operation as well as the employment exposure.
- **Does the nonprofit have any for-profit subsidiaries**
The existence of for-profit subsidiaries will increase the risk of the exposure as there may be additional stakeholders involved with the nonprofit.
- **Past history**
Previous claims or litigation occurring within the last five years.

Application Process

After completing the quoting process online, you can easily generate a completed but unsigned application. You'll need to have the application signed by the insured within five days of binding.

Quoting without FAO

If you are not a Progressive appointed agent and do not have access to FAO, please contact ABA Insurance Services at 800-274-5222 or smallbusiness@abais.com for assistance.

COVERAGES

Directors & Officers Liability provides protection from actions brought against directors and officers based upon actual or alleged wrongful acts arising from the execution of their day-to-day duties and management functions. D&O liability insurance can protect the personal assets of directors and officers from catastrophic financial loss in the event of such a claim. The D&O policy also provides coverage for the organization.

Coverage Features Some features below may not be included in the Policy as they are dependent on the coverage options selected.

- Costs of Defense are in addition to the limit for no additional charge
- Duty to Defend
- First Dollar Defense for Qualifying Accounts
- 22 named EPL Wrongful Acts
- Volunteers and Leased, Seasonal, and Part-Time employees are included as Insured Persons
- Employed Lawyers Coverage
- Prior Acts Coverage
- Third Party Coverage
- Definition of Claim includes non-monetary relief
- Definition of Claim includes tolling
- Coverage for suits brought by Qualifying Independent Contractors for EPL Claims
- Up to \$500,000 sublimit for defense of Fair Labor Standards Acts (FLSA) Claims
- Personal Injury Coverage
- Copyright/Trademark Coverage
- Crisis Fund for reputational damage done due to lost or stolen donor data
- Order of Payments wording
- Punitive Damages Coverage for Qualifying Accounts
- 90-day complimentary Discovery Period if the Insurer non-renews
- Definition of loss includes Pre/Post-judgment Interest and Front/Back Pay
- Spousal & Domestic Partner Coverage
- Worldwide Coverage
- Excess Benefit Transaction
- Outside Directorship Coverage for service on other Nonprofit Boards
- Severability of the Exclusions
- A-side carve-out for the Pollution Exclusion
- Retaliation Coverage for Claims related to workers compensation and other benefits issues
- Executive Officer Claim Notice Trigger
- Broad Severability wording
- Broad Subrogation wording
- 35% Automatic Subsidiary Coverage

Important Exclusions Include

- Claims made prior to the inception of the policy.
- Claims for bodily injury and physical damage.
- Claims arising from lockouts or strikes.
- Claims for contractual liability.

Aggregate Limit Options Available

- \$ 5,000,000
- \$ 4,000,000
- \$ 3,000,000
- \$ 2,000,000
- \$ 1,000,000
- \$ 500,000

COVERAGES

Per Claim Retention Options Available

Minimum retention will apply under certain underwriting scenarios

\$	25,000
\$	20,000
\$	15,000
\$	10,000
\$	5,000
\$	2,500
\$	2,000
\$	1,000
\$	500
\$	0

COVERAGE OPTIONS

Employment Practices Liability (EPL) provides protection for an employer and its employees against claims made by current, former or potential employees for actual or alleged discrimination (age, sex, race, disability, etc.), wrongful termination, sexual harassment, and other employment-related allegations.

Fiduciary Liability protects both the organization and its employees against allegations of errors, omissions, or breaches of fiduciary duties surrounding the establishment, administration, dissolution, or settling of employee benefit plans offered by the organization. Coverage also extends to violations of ERISA regulations or any common or statutory law relating to any employee benefit plan.

Other Options Available

- Separate limits of liability for EPL and Fiduciary Liability Coverage are available
- Workplace Violence Coverage available
- Data Security and Privacy Coverage available
- One, two, and three-year Discovery available at 40, 75, and 100% additional premium respectively

NONPROFIT TYPE GUIDE

A key piece of information used in the rating of risks is the type of nonprofit. Be sure to choose the most appropriate nonprofit type in order to accurately rate your customer. ***Please refer to the Unacceptable Risks section of this Product Guide for exceptions.*** The list of nonprofit categories and sub types in FAO is intuitive and easy to use; however, ***please contact us at 800-274-5222 or smallbusiness@abais.com for help categorizing unusual nonprofit types.***

Animal Related Organization

- Animal Club*
- Animal Shelters*
- Humane Society*
- Zoo & Wildlife Facilities*

Art, Culture & Humanities

- Art Exhibit / Center
- Cultural Center / Organization
- Fair
- Historical Society
- Library
- Museum
- Performing Arts

Authorities*

Blood Banks

Camps/Day Care Facilities

- Camp
- Daycare Center
- Preschool / Kindergarten

Cemeteries

Certification Boards

Chamber of Commerce/Business Leagues

- Business Networking Groups
- Business Promotion (Chamber)
- Tourist Bureau

Civil Rights/Social Action

- Activist Groups*
- Defense of Human or Civil Rights
- Elimination of Prejudice & Discrimination
- Immigrant Rights

Clubs & Fraternal Benefit Groups

- Animal Club
- Fraternal Benefit Groups
- Garden Club
- Hobby Club (ie: camera, hiking, music)
- Hunting or Fishing Club
- PTO / PTA / Booster Club
- Student Society or Group
- Women's Club
- Youth Sports - Individual Club

College Fraternities

College Sororities

Communications/Public Broadcasting

- Online Communication
- Producing Films
- Publishing Activities
- Radio or Television Broadcasting

NONPROFIT TYPE GUIDE

Education

- Alumni Association
- Home School Related
- School - Charter*
- School - Colleges/Universities*
- School - Private*
- School - Public*
- School - Related activities and groups
- Special School for Handicapped
- Student Exchange*
- Student Housing Activities

Environmental Issues

- Environmental Awareness*
- Land Trust / Acquisition
- Nature Society / League
- Preservation of Natural Resources*
- Wildlife Sanctuary or Refuge*

Food, Nutrition

Foster Care / Adoption

Foundation or Grant Making

- Family Foundations
- Foundations - All Other
- Internal Programs
- Scholarships

Hospices

Hospitals & Nursing Homes

- Hospitals
- Nursing or Convalescent Home

Human Service/Community Education

- Community Health Planning
- Consulting & Other Professional Services
- Data Storage Services
- LGBT Entities
- Public Education & Awareness
- Social Services

Job Training/Placement

Legal Services

Low Income Housing / Community Redevelopment

- Development Corp / Commission
- Housing Authority
- Low Income Housing

Medical & Dental Clinic

Mentally Handicapped

- Mentally Handicapped / Illness Housing
- Mentally Handicapped / Illness Services

Public Safety/Disaster Relief

- Crime Prevention - Neighborhood Watch or Crimestoppers
- Crime Prevention - Other
- Emergency or Disaster Relief
- Volunteer Fire/Medical

NONPROFIT TYPE GUIDE

Recreation/Leisure/Sporting

- Athletic League
- Car & Motorcycle Club
- Community Center
- Community Recreational Facilities
- FFA, FHA, 4H Club
- Fundraising Athletic or Sports Event
- National Athletic Organizations
- Recreational Activities
- Social Club
- Sports or Athletic Activities
- Swimming and Tennis Club
- Training in Sports
- Yacht Clubs
- YMCA, YWCA, Boys/Girls Club

Rehab/Counseling

- Consumer Credit Counseling*
- Family & Housing Counseling
- Inpatient Rehab / Counseling
- Outpatient Rehab / Counseling

Religious Organization

- Association or Convention of Churches*
- Evangelism
- Missionary Activities
- Religious Activities

Retirement Communities

- Adult Day Care
- Care & Housing for the Aged
- Services for the Elderly

Scientific Technology/R&D

- Contract or Sponsored Research*
- Medical Research (misc)*
- Research, Development, Testing (Business Related)*
- Scientific Research (Disease)*
- Scientific Research Activities (misc)*
- Scientific Research for Gov't*

Testing Facilities

Trade Association

- Apprenticeship Training Trusts
- Cooperative
- Farm Bureau
- Medical Association or Society
- Police & Fire Associations
- Trade Association

Veterans Groups

Water Supply Company*

*Nonprofit types that will be referred to an underwriter.

UNACCEPTABLE RISKS

The following are unacceptable risks and may not be bound.

Restricted Classes

- Airports
- Condo/Home/Business Owner's Association
- Country Clubs
- Financial or Insurance Related
- Gun Club
- Individual House of Worship
- Labor Unions
- Pension Plan / Benefit Trusts
- Quasi-Governmental Agencies
- Temporary Housing/Shelters
- Tobacco

TARGET MARKETS

We insure accounts of all sizes. However, our general appetite can best be described as follows:

- Assets less than \$5 million
- Annual salary less than \$1 million

Small Account Advantage

Qualifying small nonprofit accounts receive the following advantages:

- Financials not required
- Renewals underwritten every third year
- Renewals quoted 60 days in advance of the expiration date
- Just thirteen questions to receive an online quote at *ProCision*
- Average new business turnaround time is less than one day
- Minimum retention of \$0
- Minimum premium of \$700

BILLING AND PAYMENT INFORMATION

ABA Insurance Services will bill your customers directly or your agency. At the time of purchasing coverage, the agent is prompted to select a billing option. Invoices are sent within 2 business days of binding, with a copy provided to the agent if direct billing is chosen. Customers have 20 business days to pay in full. If payment is not received by that date, we will send a cancellation notice and notify you.

Payment Methods

- **Online**

A link to our online payment system will be emailed along with the invoice. The online payment system can also be accessed through *ProCision*.

- **By Phone**

To make a payment by phone, call 800-274-5222 and ask for Accounting.

- **Check or Money Order**

We accept checks and money orders. Do not retain commission. Any checks received by you should be forwarded to the address below. Please make sure to include the policy number with any correspondence. Customers can submit their payment to:

ABA Insurance Services
3401 Tuttle Road, Suite 300
Shaker Heights, Ohio 44122

Payments made to other addresses may result in a delay in processing.

- **Outside Premium Finance Company**

We will accept outside premium financing provided we receive a signed copy of the finance agreement, including the power of attorney, and the premium finance company draft for the entire policy premium. The agent is responsible for any earned premium if the finance company stops payment on the draft because of improper handling by the agent or non-sufficient funds.

Commission payment will be remitted on a monthly basis and payment will be made only for paid-in-full policies.

At present, extended billing options are not available for NPDO policies.

TRANSACTION GUIDELINES

General Binding Guidelines

Below are guidelines for any type of transaction, whether new business, endorsement or cancellation. No agent may bind risks, limits or coverages outside the guidelines stated in this guide or on ForAgentsOnly.com.

- Appropriate signatures must be obtained when binding coverage.
- Competitor applications may be accepted for rating purposes only. A Great American Insurance Company application must be completed for each new account.
- You may not backdate coverage.
- You may not permit a broker, subproducer or solicitor to bind Great American Insurance Company on any risk.
- You may not bind coverage except through ForAgentsOnly.com or by obtaining a binder letter from us. Some risks you submit on ForAgentsOnly.com will be referred for underwriting approval prior to providing a quote. ForAgentsOnly.com will indicate when underwriting approval is needed.
- Requests made by mail must be postmarked within 3 business days of binding coverage.
- Include your 5-digit agency code on all faxed, emailed or mailed correspondence.

Mid-Term Change Requests

Requests for endorsement changes or modifications can be made as follows:

- Call us at 800-274-5222
- Email to smallbusiness@abais.com
- Fax request to 800-456-6590

Please make sure to include the name of the insured and policy number in all correspondence.

Please contact ABA Insurance Services for all matters relating to Great American Insurance Company NPDO. Please use these numbers for your NPDO endorsement and other requests to avoid a possible delay in service.

Cancellation Requests

To request cancellation, please contact us at 800-274-5222 or smallbusiness@abais.com after obtaining the request from the insured.

Customer's Request	The policy's cancel effective date may not be earlier than the date of the phone call or the date of the postmark of the request	Calculate pro rata of 90% of total policy premium
Company's Request	We will provide the required notice of cancellation.	Calculate pro rata
Nonpayment of Premium	Nonpayment cancel requests from outside premium finance companies will be honored if we have received a copy of the outside premium finance agreement, including power of attorney.	Calculate pro rata

We will provide cancel notices to the first named insured on the policy. Upon request, we will also provide cancel notices to outside premium finance companies. We do not send notices to parties other than as described above.

Acquired Business

If you acquire a Great American Insurance Company policy, either through an agent of record change or through the transfer or purchase of another agency's book of business, you must immediately obtain, from the prior agent or agency, all original signed applications and all other records relating to that policy. Such records must be maintained in accordance with the terms of your ABA Insurance Services Producer's Agreement and all applicable laws. If attempts to obtain records from the prior agency prove unsuccessful, then you must obtain signed forms directly from the policy holder.

SERVICES

Claims

Consistent with our mission to provide excellent claims service, ABA Insurance Services has its own staff of attorneys experienced in professional and management liability claims. As provided in the policy, notice of claim must be made by fax to 800-456-6590, by email to epinotice@abais.com or by sending notice to:

ABA Insurance Services
3401 Tuttle Road, Suite 300
Shaker Heights, Ohio 44122

Employment Legal Services

Customers insured through Great American Insurance Company have access to high quality legal services and materials created by Littler Mendelson, including the following at **no additional charge**:

- **Employment Termination Helpline Advice**
Your customers can talk with an employment law attorney from Littler Mendelson via a toll-free helpline. The helpline is available at no additional charge and confidential, consulting with insureds about their specific employment issues associated with employment terminations, disciplinary actions, or workplace harassment.
- **Human Resources Forms Online**
Your customers will have access to valuable human resources forms, including employment applications, offer letters, new employment data sheet, I-9 guidelines, performance evaluation forms, termination checklists, disciplinary notices, vacation request forms, and more.
- **Employee Handbook and Model Policies**
Your customer can download an up-to-date, legally compliant sample employee handbook and model employment practices policies drafted by Littler Mendelson.
- **“Hire & Fire” Guide**
Your customer can access a guide designed to help small business employers work their way through the maze of laws that apply to managing their workforce, referencing each phase of the employment relationship—from hiring to firing.
- **“Preventing Unlawful Harassment” Guide**
Your customer will have access to a guide which provides a complete program for preventing, addressing, and resolving harassment issues in the workplace.
- **Employment Law Email Alerts**
Your customer will be kept up-to-date on significant employment law developments via email alerts as well as practical tips to help them manage their workforce.
- **“Respect in the Workplace” Booklet**
Your customer will receive a small booklet containing 10 core policies that can be immediately distributed to every employee, regardless of whether your customer already has a handbook or other policy manual in place.

Littler Mendelson Contact Information

Helpline: 800-638-6865

Online Resource Center: HRRiskManager.com

Email: askcounsel@littler.com

Please note that the insured will need their NPDO policy number when contacting Littler Mendelson.