

Insurance Coverage

What Your Nonprofit Coalition Might Need

Overview for State Coalitions

State coalitions are independent, nonprofit businesses and like other nonprofit businesses, they should consider insurance coverage as way of managing their risks. The types and amounts of insurance that a state coalition would need will vary depending on a number of factors, such as their activities, property, and personnel. The following is provided to state coalitions as general information. We encourage you to speak with your insurance provider for specific guidance and additional information.

General Liability Insurance

Often thought of as “slip and fall” insurance, a general liability policy protects the state coalition against accidents, such as when someone gets hurt or property gets damaged. Don’t skip this policy just because your state coalition doesn’t have its own “bricks and mortar” location—it could protect you against claims from state coalition activities held elsewhere. General liability insurance also protects your coalition against claims for things like copyright infringement.

Special Event Insurance

If your state coalition conducts events, you may need Special Event Insurance if you don’t have a general liability policy or it doesn’t cover everything. Many venues will require proof of insurance to contract your events. You might want to consider event cancellation insurance as part of your special event coverage.

Directors and Officers Liability Insurance

Your state coalition’s board members could be personally named in a lawsuit brought against the state coalition. “D & O” covers the cost of defending your directors and officers and pays any resulting damage. Some people won’t serve on a board unless they’re covered by a D&O policy, so this coverage could be an important leadership recruitment tool.

Other types of insurance include (but are not limited to):

- **Employee (and Volunteer) Dishonesty** coverage would protect the coalition against theft, embezzlement, and acts of fraud. Remember that these types of crimes are more common in smaller companies/organizations.
- Consider **Professional Liability Insurance**, sometimes referred to as “errors and omissions,” if your coalition provides services and if errors and omissions is not included in your general liability policy.
- Most of our state coalitions don’t have much in the way of property; but **Property Insurance** would protect it if you do.
- Cyber-crime is a growing trend and a **Cyber Liability** policy would protect your state coalition if your data (think names, contact information – even financial information) were stolen and damages occurred as a result.
- State coalitions might need **Auto Insurance** if anyone is using their personal vehicle for coalition activities. You can get a non-owner policy if the coalition doesn’t own the vehicle.

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- If your state coalition has **employees**, there are other coverages – and *employee benefits* coverages – to consider. If your coalition employs independent **contractors**, the contractors should have their own insurance (you can ask them to verify this), but you may want/need a **Worker’s Compensation** policy anyway.

Again, this information is intended to get you started, but you should speak with an insurance professional to determine specifically what your coalition might need. In compiling this information, we referred to [Nolo.com](#), [Blue Avocado](#), [Board Effect](#), and the [Nonprofits Insurance Alliance](#).