



Policy Factsheet

Directors' & Officers' Liability Insurance

Overview

As an elected member of the vestry, one of your duties is to be a guardian of the financial wellbeing of the parish and to protect its long-term future by ensuring that funds it receives are appropriately allocated to fulfill the mission of the church.

But should some malfeasance occur, leading to a claim against both the church itself and you individually as one of its officers, your personal assets—your money, your house, your car or other property—may be threatened.

Every organization needs Directors' & Officers' Liability coverage to protect individuals serving the organization in an official capacity.

What's Covered

Directors' & Officers' Liability Insurance—which is exclusively for Episcopal parishes, missions, dioceses, and organizations—is underwritten as a national program for the Episcopal Church.

The policy is designed to protect Episcopal institutions and their people* against:

- **Wrongful Acts of individuals acting on behalf of the organization.** It provides defense and pays covered awards up to a total of \$1 million per participant.
- **Employment Practices Liability.** Covered are allegations of discrimination, harassment, wrongful termination, retaliation, misrepresentation to an applicant, libel, slander, defamation, failure to employ, deprived opportunity, wrongful evaluation or demotion, wrongful discipline, failure to enforce policy and violation of civil rights.

The policy provides both defense and indemnity coverage for the church and individual vestry members if a suit against members of the vestry alleging financial mismanagement is brought, a common Directors' & Officers' claim. Claims can also arise during or after the calling of a new rector from one or several members of the congregation who are upset with the process or decision.

The program does not have a prior acts exclusion so that there is coverage for claims evolving from past operations.

Also, any volunteer performing an authorized activity on the insured's behalf is covered under the policy. The volunteer coverage definition in the policy is broad.

FAQs

Q: *Is there a deductible?*

A: Yes, all policies contain a retention which is the dollar value of the loss you retain. In this way, it is just like a property deductible. Retentions range from \$500 for small parishes up to \$10,000 for large dioceses.

Q: *What can we do to help lessen the possibility of a claim?*

A: We offer risk analysis and loss prevention tips for Episcopal entities.

Employment Practices liability is one of the fastest-growing areas.

One parish recently discovered the value of this coverage when it was sued for violating the Americans with Disabilities Act after terminating an employee with an existing medical condition.

A settlement was reached between the claimant and the church through our program.