

▶ *Hanover Nonprofit Advantage*

Providing greater coverage for the greater good



▶ Comprehensive solutions for nonprofits

As part of our ongoing effort to enhance and secure unique positions in the marketplace for our agents, The Hanover is pleased to deliver nonprofit management liability insurance. This specialized program offers a comprehensive line of up-to-date products that offer broad coverage, competitive pricing, unparalleled underwriting expertise, and value-added services—all of which add up to unprecedented opportunities for your agency. This is where you and The Hanover can protect organizations while expanding your portfolio and building client trust. Hanover Nonprofit Advantage is designed to help protect the assets of nonprofits and the personal assets of their directors, management, and employees from a myriad of liability exposures and the resulting financial consequences.

Risk is everywhere. And it is relentless.

Even a skilled management team can encounter unanticipated and complex risks they are unprepared or ill-equipped to resolve. How prepared is your nonprofit client or prospect to manage these risks that are inherent in today's litigious environment?

- A gender, race, or age discrimination lawsuit from an employee

- The discovery of an embezzlement scheme spanning years
- The unauthorized disclosure of customers' confidential information
- An allegation of potential mismanagement of employees' pension or 401K plans

Organization leaders face a multitude of liability exposures which may not only result in costly litigation, but also divert important resources away from day-to-day operations, threatening the very existence of the organization.

Comprehensive protection with choice and flexibility

Hanover Nonprofit Advantage gives you the power to choose the right mix of executive and nonprofit liability coverage for each client's needs. With a wide array of options and limits, you can quickly and effectively respond to changing risk profiles, including multiple coverage parts, limits of liability, retentions, and an array of enhancements.

- Directors and officers liability insurance
- Employment practices liability insurance
- Fiduciary liability insurance
- Fidelity and crime insurance
- Cyber privacy and security insurance
- Kidnap/ransom and extortion insurance



Nonprofit Advantage policy highlights

- Duty to defend
- Covers the entity and any past, present, or future directors and officers of the organization
- Damages include punitive or exemplary damages up to the limit of liability, where insurable
- 100% defense costs for covered claims
- Coverage for allegations of discrimination, harassment, retaliation, termination, and other employment acts
- Automatic coverage for qualified subsidiaries created or acquired during the policy period
- Crime coverage includes executive personal accounts protection
- Broad fiduciary coverage includes a sub-limit for voluntary compliance resolution program settlement fees
- 80%–20% settlement provision
- Comprehensive cyber privacy and security coverage with multiple insuring agreements for first and third party exposures

Hanover Nonprofit Advantage— products overview

Directors and officers liability coverage

As leaders, directors and officers (D&O) may be held personally liable for their management decisions. D&O coverage protects directors and officers, and their organization, from lawsuits by employees, customers, and the government.

Allegations may include (but are not limited to):

- Breach of fiduciary duties
- Conflicts of interest
- Overstating or misrepresenting financial value

Employment practices liability coverage

Employment practices liability (EPL) claims are on the rise, by staffers who are treated like family. Employment practices liability coverage is designed to protect nonprofits from the financial damage of a claim or lawsuit from within the organization—one they may have never seen coming.

Allegations may include (but are not limited to):

- Claims of discrimination by a terminated employee based upon gender, race, age, or religious affiliation
- Hostile work environment
- Emotional distress, humiliation, or defamation as a result of a wrongful employment act

Fiduciary liability coverage

Employees of a nonprofit who are responsible for the design, administration, and management of pension, health, and welfare, employee stock ownership, and employee benefit plans may be held liable to the plan beneficiaries for any breach of their fiduciary duties. The Employee Retirement Income Security Act of 1974 (ERISA) substantially increased the exposure of companies and individuals responsible for administering employee benefit plans, such as administrators, human resource professionals, and appointed fiduciaries. Fiduciary liability is designed to protect them against legal liability arising out of their role as fiduciaries, including the cost of defending those claims.



Claims could include:

- Negligence in plan creation and administration
- Lack of investment diversification
- Conflicts of interest with investment options
- Negligence in the selection of third-party advisors or plan service providers
- Improper disclosure
- Lack of advice
- Reduction in benefits

Cyber privacy and security coverage

Many organizations need to obtain and use the confidential information of customers and employees in the course of providing products and services. The exposure to financial loss arising from the unauthorized disclosure or misuse of private information can result in substantial legal liability and other expenses related to reporting and remediation measures.

Claims may include:

- Negligence in failing to protect personally identifiable information
- Libel or slander in electronic publications
- Expenses incurred to notify individuals of lost or stolen information
- Costs of remediation or restoration of lost data or programs
- Expenses related to responding to regulatory investigations
- Business interruption or extra expense losses incurred from attacks on systems
- Extortion related to the threatened release of confidential customer information

Fidelity and crime coverage

In this era of computer proliferation, mergers, downsizing, and restructuring, no organization is immune from employee fraud, embezzlement, or theft, even if physical and internal loss controls have been implemented.

Claims could include:

- Forged signatures on checks
- Loss of money, securities, and other property by means of computer transfer
- Fraudulent instructions to financial institutions directing the transfer or payment of funds to an account
- On-premises robbery

Kidnap/ransom and extortion

Nonprofit organizations can be targets for kidnapers and extortionists. Managing the unexpected risk and cost associated with a single extortion threat could result in severe financial damage to an organization. In addition to offering coverage, The Hanover offers immediate access to crisis management expertise through an internationally recognized crisis management firm.

Claims could include:

- Threat to harm employees unless an extortion payment is received
- Threat to poison food or drug products unless an extortion payment is received
- Hacker threat to destroy electronic data unless a ransom is paid

Target Market

The Hanover will consider nonprofit organizations (Section 501c) of all types and sizes, however, coverage is not available for:

- Bar associations
- Civil liberty organizations
- Colleges or universities
- Governmental entities
- Managed care organizations
- Labor organizations

Available Coverage Enhancements

- Defense Expenses in addition to Limit of Liability
- Nonrescindable Coverage
- Third-Party Liability
- Wage & Hour (FLSA) sub-limit
- Immigration Investigation sub-limit
- Crisis Management Expense Supplemental Coverage
- Workplace Violence Counseling Supplemental Coverage
- Waiver of Deductible if no liability ruling obtained

Risk Management Services

Hanover Nonprofit Advantage policyholders can access expert risk management services designed to help them manage challenging situations that could turn into claims. And because we see risk management as an essential component of an effective Management Liability insurance solution, many of these services are available at no additional charge to our customers.

- Access to Cyber Privacy and Security—The eRisk Hub, powered by NetDiligence, provides essential complimentary resources to help Hanover Nonprofit Advantage customers prevent and prepare for a potential cyber breach, including Breach Coach® services, risk self-assessments, news, recovery planning tools, a directory of pre-screened security expert service providers, and much more.
- Employee Background Screening Services provided by Intellicorp—Discounted background checks and preferred pricing on a host of employment verification services, including Criminal SuperSearch, Nationwide Sex Offender Registry searches, OFAC Terrorist Searches, and more.
- Employment Practices Hotline from Jackson Lewis—Hanover EPL policyholders can contact Jackson Lewis, the #1 employment law firm according to Best Lawyers®, for free legal advice on employment practices anytime—even before a claim occurs.
- Access to WorldAware®—WorldAware® offers international security risk management training in addition to free kidnap crisis management services for policyholders.

▶ Choose a true partner for
Nonprofit Liability.

The Hanover Management Liability team provides responsive, personal service, along with the expertise you need to market this comprehensive management liability solution to your existing and prospective nonprofit clients, large and small.

Contact your local Hanover representative or visit us online at hanover.com/agentsolutions.



Why The Hanover?

The Hanover is a leading property and casualty insurance company dedicated to achieving world-class performance. Our commitment is to deliver the products, services, and technology offered by the best national companies with the responsiveness, market focus, and local decision making of the best regional companies. This powerful combination has been a proven success since our founding in 1852, and all insurance company subsidiaries are rated "A" (Excellent) by A.M. Best Company.



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