

COMMUNITY Risk Management & Insurance

 A publication of the Nonprofit Risk Management Center Volume 14, No. 3, September/October 2005

What Is a Risk Management Plan?

During the past two years the Nonprofit Risk Management Center has been engaged in a process of defining what it means to create a risk management plan. While that exercise could have been both interesting and insightful for its own sake, our motivation was the need to create a software tool that helps nonprofit leaders create a plan (See box).

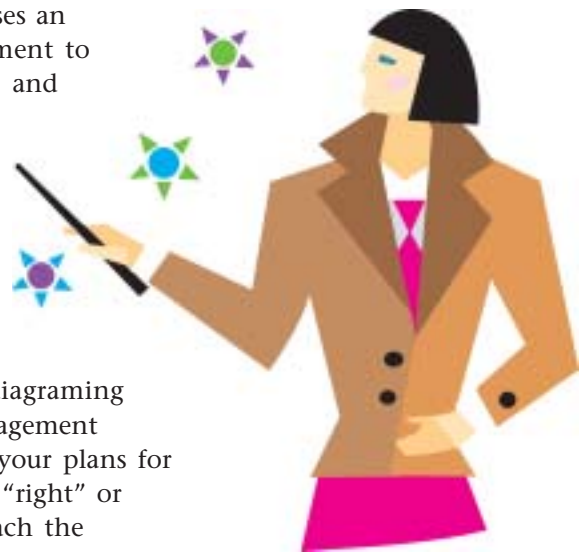
The inspiration for the project began a while back when we began receiving calls and e-mails from nonprofits of various sizes and purposes, asking: “Can you tell me how to prepare a risk management plan?” Many said, “We are required to have a plan, but the national office is unable to provide guidance.”

The answer to “what is a risk management plan” depends on who you ask and even when you ask. A professional risk manager might explain that a risk management plan is a compilation of the organization’s key risk management policies and procedures plus details on the organization’s risk financing and insurance program. A board member might reply that a risk management plan is a definitive analysis of critical risks facing an agency. A harried executive director might describe the plan as something that meets the requirements imposed by a parent organization, funding source or insurer.

What we have concluded, after two years of research and design, is that there is no single approach to creating a risk management plan for your

nonprofit. Instead, an effective plan is one that expresses an organization’s commitment to managing myriad risks, and communicates the strategies in place and the agency’s plans for the future. Perhaps the best way to describe an effective plan is that it acts as both a travel diary and a roadmap—one diagramming your agency’s risk management journey and the other your plans for the future. There is no “right” or “wrong” way to approach the development of a plan.

In our journey we have learned that there are some principles that apply to
continued on page 7



NEW! My Risk Management Plan

Visit www.MyRiskManagementPlan.org to check out a brand-new online program developed by the Nonprofit Risk Management Center. **My Risk Management Plan** walks you through the process of creating a custom risk management plan for your nonprofit. The \$139 cost provides unlimited access to the software and your results. Return whenever you wish to edit entries, fill in new modules or create your own module. For more information on the program, visit www.nonprofitrisk.org and click on the SOFTWARE tab. Call **(202) 785-3891** if you have questions about the program.



Whistleblower Protections in the Nonprofit Sector

by Jason M. Zuckerman

COMMUNITY Risk Management & Insurance

A publication of the Nonprofit Risk Management Center

Volume 14, Number 3
September/October 2005

Published three times annually by the Nonprofit Risk Management Center, 1130 Seventeenth Street, NW, Suite 210, Washington, DC 20036, (202) 785-3891, FAX: (202) 296-0349, or www.nonprofitrisk.org

Questions about the content of this publication should be directed to the editor, Barbara Oliver. For information on advertising contact Suzanne Hensell. They can be reached at (202) 785-3891.

**Nonprofit
Risk Management
Center**

Staff Directory

(all staff can be reached at 202.785.3891)

Sheryl Augustine

Customer Service Representative
Sheryl@nonprofitrisk.org

Suzanne M. Hensell

Program and Research Manager
Suzanne@nonprofitrisk.org

Melanie L. Herman

Executive Director
Melanie@nonprofitrisk.org

Barbara B. Oliver

Director of Communications
Barbara@nonprofitrisk.org

John C. Patterson

Senior Program Director
John@nonprofitrisk.org

Special Advisor

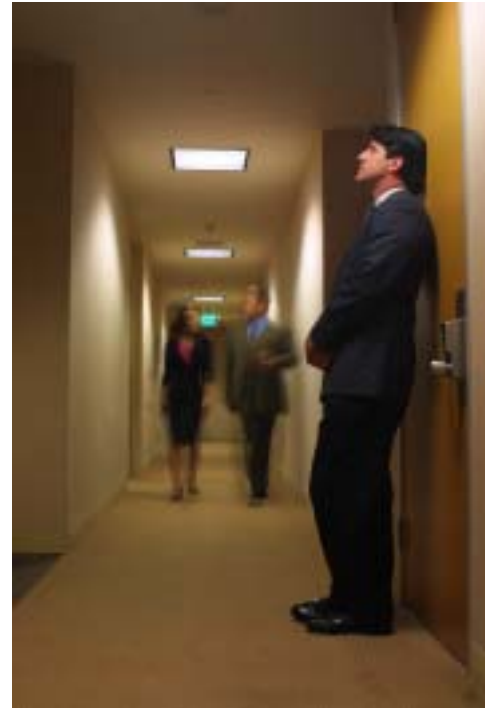
George L. Head, Ph.D.

George@nonprofitrisk.org

Since the enactment of the Sarbanes-Oxley Act of 2002 (SOX), publicly traded companies have begun to focus on protecting whistleblowers and providing mechanisms for employees to raise concerns. This results from numerous provisions in SOX that mandate whistleblower protection, a high number of SOX whistleblower-retaliation complaints filed with the U.S. Department of Labor, and the realization that it is better for an organization to learn about unethical or unlawful conduct internally than to find out about the conduct from a news article, a subpoena from law enforcement, or an investigation from a regulatory agency.

Unfortunately, the scandals that prompted Congress to enact SOX have not been limited to the private sector. Nonprofits have also been subject to increasing scrutiny due to allegations of excessive compensation, self-dealing, and ineffective governance. Many of these problems came to light from whistleblower disclosures.

At the encouragement of the U.S. Senate Finance Committee, the Panel on the Nonprofit Sector was formed to prepare recommendations for Congress to improve the oversight and governance of charitable organizations. The Panel's final report, which was released in June 2005 and is available at www.nonprofitpanel.org/final/, provides a comprehensive series of recommendations intended to strengthen nonprofit governance and improve transparency and accountability. Many of these reforms are modeled on SOX. The final report addresses whistleblower protections and recommends that nonprofits voluntarily comply with the whistleblower provisions of SOX.



Protecting whistleblowers is an essential component of an ethical and open work environment. Whistleblower protection should not be viewed only as a prophylactic mechanism designed to avoid employee lawsuits. Instead, protecting whistleblowers from retaliation and encouraging constructive whistleblowing benefits nonprofits by increasing transparency and by giving management the opportunity to learn early on of unethical or unlawful practices directly from their employees rather than from the media, law enforcement, or a regulatory agency. In addition, effective whistleblower protection helps foster a work environment in which all employees are held accountable, thereby improving performance and empowering employees.

This article provides general guidance for the establishment of a comprehensive whistleblower protection program at a nonprofit.

continued on page 3

Whistleblower Protections

continued from page 2

Provide Employees Multiple Avenues to Report Concerns

While employees will hopefully feel comfortable raising concerns directly with their supervisors, many employees are reluctant to raise concerns with line management for fear of retaliation, especially where their concerns pertain to unethical or illegal conduct by their line managers. Therefore, nonprofits should provide several options for employees to raise concerns, including the option of raising a concern anonymously.

Establish an Ombudsperson Program

Establishing a forum in which employees can raise concerns internally and have assurance that their concerns will be investigated and appropriately addressed is an effective means of mitigating the risk of whistleblower-retaliation lawsuits and resolving employee concerns internally before the concerns are exposed in the media or in regulatory enforcement proceedings. In addition, an ombudsperson program can help alert the board of directors or management to alleged violations early on, thereby providing an opportunity to intervene and prevent further damage.

To be successful, such a program must be perceived by employees as credible. Accordingly, the ombudsperson should be independent of line management and conduct objective investigations that are not geared toward reaching a conclusion favored by management. Sham investigations always backfire. Employees who suspect that their concerns are not being taken seriously will go outside the organization and report them to someone who they believe will take them seriously, such as the media, a regulatory agency, or law enforcement. Accordingly, the ombudsperson investigating an employee's concern

should frequently update the employee on the status of the investigation and on corrective actions taken to remedy the problems identified by the concerned employee.

Preferably, the ombudsperson should report directly to the board. This ensures adequate independence and strengthens the credibility of the program, thereby increasing the likelihood that employees will raise their concerns internally.

Adopt a Policy Prohibiting Retaliation

Employees should be put on notice that all forms of retaliation against whistleblowers, including harassment, termination, and blacklisting, will not be tolerated and will result in disciplinary action. In addition, the policy should provide that individuals who blow the whistle will be protected from retaliation. While the policy needs to incorporate relevant legal requirements, including federal and state whistleblower protection statutes and common law claims, the policy should be concise and easy to understand. The policy should unambiguously state that employees have the right to raise concerns without being subjected to reprisal.



Train Managers and Supervisors

Merely adopting a policy is not enough to prevent retaliation against whistleblowers. Instead, managers and supervisors should be educated about whistleblower protections and provided the tools to address employee concerns.

continued on page 4

“Merely adopting a policy is not enough to prevent retaliation against whistleblowers. Instead, managers and supervisors should be educated about whistleblower protections and provided the tools to address employee concerns.”

Nonprofit Risk Management Center

Board of Directors

President

Samuel C. Bennett
The Salvation Army
West Nyack, NY

Treasurer

Michael Downs
Pension Boards -
United Church of Christ
New York, NY

Secretary

Debra C. Griffith
Boy Scouts of America
Irving, TX

Karen Beavor

Georgia Center for Nonprofits
Atlanta, GA

Arthur F. Blinci

Adventist Risk
Management, Inc.
Riverside, CA

Pamela E. Davis

Alliance of Nonprofits
for Insurance,
Risk Retention Group
Santa Cruz, CA

Judy Nolan

American Red Cross
Falls Church, VA

John B. Pearson

Big Brothers of Massachusetts Bay
Boston, MA

Kim Y. St. Bernard

Girl Scouts of the USA
New York, NY

Marty Scherr

Washington, DC

Linda P. Varnado

American Red Cross
San Antonio, TX

Jeffrey D. Weslow

Housing Authority Insurance Group
Cheshire, CT

Whistleblower Protections

continued from page 3

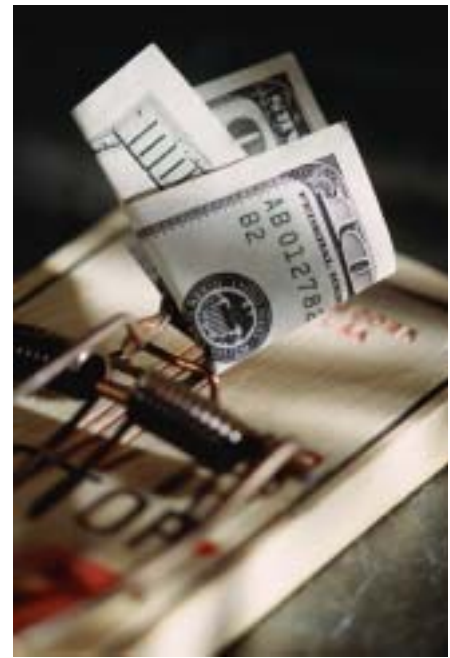
To be effective in sensitizing managers and supervisors to the rights and responsibilities of employees to raise concerns, training should be practical and interactive. A PowerPoint presentation filled with legalese will not have a lasting impact. Instead, the training should be in plain English and should provide case studies that offer participants the opportunity to apply what they learn in the training. Moreover, training should address Section 1107 of SOX, which makes it a criminal offense to “knowingly” retaliate against a whistleblower who has provided to a law enforcement officer any truthful information relating to the commission or possible commission of any federal offense.

Take Disciplinary Action Against Those Who Engage in Retaliation

When a manager or supervisor retaliates against an employee who voiced a concern, other employees are dissuaded from raising concerns for fear that they will also suffer retaliation. Failing to hold an employee accountable for violating an anti-retaliation policy signals to other employees that the organization is not truly committed to maintaining an open and ethical work environment. Accordingly, nonprofits should enforce their anti-retaliation policies and monitor compliance with those policies.

Conclusion

By viewing whistleblowers as allies rather than as adversaries and by making a relatively minimal investment in processes and procedures designed to protect whistleblowers, nonprofits can increase transparency, empower employees, learn early on about unethical or unlawful practices, and enhance legal and procedural compliance. ■



Jason Zuckerman is an attorney in private practice in Washington, D.C. His practice focuses on litigating whistleblower retaliation claims, conducting internal investigations, and advising companies on whistleblower protections and other employment law issues. He can be reached at jzuckerman@zuckermanlaw.com.

What Is a Sample?

The next page features a sample whistleblower policy. The Center receives requests for policy “samples” on a regular basis. We are happy to provide samples; however, we do so after explaining that a sample policy should be viewed as the starting point for developing a policy in your nonprofit. It is never a good idea to insert the name of your nonprofit and call it a day. When you read a sample, ask:

- What changes should be made due to our special circumstances?
- What editing is required so that anyone who must comply will easily understand the policy?

Happy customizing!

NONPROFIT RISK MANAGEMENT CENTER

www.nonprofitrisk.org

SAMPLE**Employee Protection (Whistleblower) Policy**

If any employee reasonably believes that some policy, practice, or activity of [Name of Nonprofit] is in violation of law, a written complaint must be filed by that employee with the Executive Director or the Board President.

It is the intent of [Name of Nonprofit] to adhere to all laws and regulations that apply to the organization and the underlying purpose of this policy is to support the organization's goal of legal compliance. The support of all employees is necessary to achieving compliance with various laws and regulations. An employee is protected from retaliation only if the employee brings the alleged unlawful activity, policy, or practice to the attention of [Name of Nonprofit] and provides the [Name of Nonprofit] with a reasonable opportunity to investigate and correct the alleged unlawful activity. The protection described below is only available to employees that comply with this requirement.

[Name of Nonprofit] will not retaliate against an employee who in good faith, has made a protest or raised a complaint against some practice of [Name of Nonprofit], or of another individual or entity with whom [Name of Nonprofit] has a business relationship, on the basis of a reasonable belief that the practice is in violation of law, or a clear mandate of public policy.

[Name of Nonprofit] will not retaliate against employees who disclose or threaten to disclose to a supervisor or a public body, any activity, policy, or practice of [Name of Nonprofit] that the employee reasonably believes is in violation of a law, or a rule, or regulation mandated pursuant to law or is in violation of a clear mandate or public policy concerning the health, safety, welfare, or protection of the environment.

My signature below indicates my receipt and understanding of this policy. I also verify that I have been provided with an opportunity to ask questions about the policy.

Employee Signature

Date

For more information or assistance on any risk management topic, visit **www.nonprofitrisk.org** or call (202) 785-3891.

2005 Risk Management and Finance Summit for Nonprofits

Thanks to our Hosts!

With a record number of preregistered attendees, the 2005 *Risk Management and Finance Summit for Nonprofits* (formerly the *Nonprofit Risk Management Institutes*) promises to be a high point in the Nonprofit Risk Management Center's education calendar for the year. The tremendous turnout and solid program would not have been possible without the extraordinary effort and contributions of the Summit hosts. The Center is grateful to the following nonprofit organizations for their service and commitment as hosts of this year's event:

- Nonprofits' Insurance Alliance of California (www.niac.org);
- CompassPoint Nonprofit Services (www.compasspoint.org);
- San Francisco Chapter of the California Society of CPAs; and
- California Association of Nonprofits (www.canonprofits.org).

With Gratitude to our 2005 Corporate Sponsors

This year a record number of companies and organizations signed on as Corporate Sponsors of the Summit. This tremendous response has allowed the Center to offer a content-packed program at a minimal registration fee. The Center is grateful to the following organizations for their generous sponsorship of the Summit:

- Arthur J. Gallagher & Co.
- CAN Insurance Services
- Chapman and Associates
- Charity First Insurance Services
- ChoicePoint
- The Chubb Group of Insurance Companies
- David Szerlip and Associates



- The Hartford Steam Boiler Inspection and Insurance Company
- Heffernan Insurance Brokers
- IntelliCorp
- Markel Insurance Company
- Monitor Liability Managers, Inc.
- Munich-American RiskPartners
- Mutual of America
- Nonprofits' Insurance Alliance of California
- Nonprofits' United
- Philadelphia Insurance Companies
- Riverport Insurance Company
- Ze/USI Insurance Services

Scholarships Sponsor

The Center is also grateful to the *Public Entity Risk Institute* for once again sponsoring the conference scholarships program. For more information on PERI, visit www.riskinstitute.org.



What Is a Risk Management Plan?

continued from page 1

the most useful, most effective plans. While not a template per se, they are universal.

Best Practices—Your Risk Management Plan

An effective risk management plan:

- reflects a wide range of views and perspectives in an organization;
- expresses the nonprofit's belief in and support of risk management;
- states that personnel at all levels of the organization play a vital role in protecting the nonprofit's mission, reputation and assets;
- incorporates the existing risk management policies of the organization;
- reflects the nonprofit's goals and aspirations for its risk management efforts;
- focuses on priority risks and considers secondary risks.

How to Get Started

Every nonprofit has some risk management policies/procedures in place, yet leaders find it difficult to make time to organize these materials into a broad plan. There are two ways to begin using *My Risk Management Plan*: 1) Gather your existing risk management policies and procedures. If you know what you have and know where each file (electronic or paper) is stored, working with the software will move along more quickly than if you have to hunt for paper or electronic information and consult other staff as you go. 2) Or dive right into the software's modules, beginning with the *Introduction*, and consult with colleagues or locate appropriate policies as needed to insert policies into a module. Neither way is the "right" way, it is a matter of working style. Either approach will get you to the end result. ■

www.MyRiskManagementPlan.org

My Risk Management Plan is a Web-based software program that helps nonprofit leaders develop customized risk management plans for their organizations. Generous funding to support the development of this program was provided by the Public Entity Risk Institute and the St. Paul Companies, Inc. Foundation. The program was developed by the Nonprofit Risk Management Center (www.nonprofitrisk.org).

How Does it Work? The program walks the user through a suggested Table of Contents for a *Risk Management Plan*. Each section of the plan is presented as a program module. The current modules are:

- | | |
|------------------------------------|---|
| ■ Introduction | ■ Facility/Site Safety and Security |
| ■ Risk Management Program | ■ Technology and Information Management |
| ■ Governance | ■ Transportation |
| ■ Human Resources | ■ Crisis Management |
| ■ Programs and Services | ■ Volunteer Management |
| ■ Client Safety | ■ Insurance Program |
| ■ Financial Management | ■ Your Custom Module |
| ■ Fundraising and Public Relations | |

Once you select a module, you will review introductory material followed by a list of submodules. The program then asks about the existence of current policies covering the topic area. For example, under "Risk Management Program," you will be asked whether your nonprofit has established specific risk management goals. If you answer "yes" you will have the opportunity to incorporate this existing material into your *Risk Management Plan*. If you answer "no" you will be able to view sample policy statements. Each section of the program affords the user an opportunity to select from sample language, draft original language or paste in existing policies or procedures.

Any time after you have completed at least one module, you can generate a draft *Risk Management Plan*. The program provides simple instructions for saving the draft plan on your computer hard drive or network.

Flexible. Affordable. Accessible. *My Risk Management Plan* offers tremendous flexibility. You can add a custom module covering special areas of interest in your nonprofit and draft original statements of policy as you progress through the program. With a one-time cost of \$139, the program is an affordable, time-saving tool for busy leaders who have struggled to organize existing risk management policies into a document that can be presented to the board of directors, funders, accrediting agencies, or national groups that are increasingly demanding the development of a plan. The software is accessible and easy-to-use. If you can access the Internet, you can access *My Risk Management Plan* and begin honing your risk management program without delay.

For information about developing a special edition of *My Risk Management Plan* for your national association or umbrella group, contact Melanie Herman at (202) 785-3891 or at Melanie@nonprofitrisk.org.

The “Additional Insured”

By George L. Head, PhD, CPCU, ARM, CSP, CLU, Special Advisor, Nonprofit Risk Management Center

A nonprofit’s commercial general liability (CGL) policy goes to great length to specify whom (organizations or individuals) that policy protects. To grasp this, take a look at the Declarations page (dec page) and the section titled “Who Is an Insured” in your nonprofit’s current CGL policy.

Some Confusing Language

The Insurance Services Office’s (ISO) CGL policy wording explains that “You” means the “Named Insured” shown on the Declarations page and any other person or organization qualifying as a Named Insured under the policy. An Insured, in contrast, means any person or organization qualifying as an Insured under “Who Is an Insured.” For example, executive officers, directors, employees, or volunteers of the Named Insured are Insureds while acting within the proper scope of their official duties or powers with the organization.

ISO’s CGL policy distinguishes between a Named Insured (or You) and an Insured, as respects the protection the policy provides. Often the exclusions are broader—and, consequently, the liability coverage narrower—for an Insured than for a Named Insured. Every Named Insured is an Insured; however, not every Insured is a Named Insured.

For example, a policy may contain an exclusion that applies only to employees but not the corporate entity (the nonprofit). Keep in mind that it is more advantageous to be a Named Insured than just an Insured.

And then there is an “Additional Insured.” Additional Insured status is always added by endorsement, which amends the Who Is an Insured section to add another person or organization

as an Insured. Therefore, an Additional Insured will only have the extent of coverage offered to other Insureds or as defined by the endorsement. It may seem complex, but it really is not. An endorsement must be requested by the agent or broker, and issued by the insurance company to add the person or organization to the policy as an Additional Insured.

Additional Insured coverage can be very limited. The Named Insured is more fully protected than Insureds, and Additional Insureds may enjoy even less coverage than the Insureds. However, you cannot determine the extent of coverage without reading the language in both the Additional Insured Endorsement and the policy itself.

The request for Additional Insured status should result in the issuance of an endorsement and a “Certificate of Insurance” indicating that the coverage has been provided. A Certificate of Insurance without an Additional Insured Endorsement *does not provide additional insured status* to the requestor—the policy must be endorsed or contain a blanket additional insured endorsement. When requesting additional insured status always ask for a copy of the additional insured endorsement.

The explosive growth in the requests for Additional Insured status can in some ways be attributed to the nature of our litigious society. When someone seeks compensation for harm, it is common to look widely for a source of financial recovery. The range of people or organizations who may be sued, and the amounts for which they may be sued, are theoretically unlimited. Therefore, those who feel threatened by potential lawsuits have been seeking liability coverage wherever possible. Additional Insured status under another organization’s liability insurance becomes an inviting, but often confusing, option.

continued on next page

“Additional Insured coverage can be very limited. The Named Insured is more fully protected than Insureds, and Additional Insureds may enjoy even less coverage than the Insureds. However, you cannot determine the extent of coverage without reading the language in both the Additional Insured Endorsement and the policy itself.”

The “Additional Insured”

continued from page 8

A Resulting Problem

In negotiating a business contract with another person or organization, one entity often seeks to become an Additional Insured under the policies of the other party. For example, if your nonprofit is contracting with a company to sponsor an event, any sponsor may require that it become an Additional Insured under your CGL policy. Otherwise, the sponsor may refuse to deal with you. Conversely, if an organization that serves one of your nonprofit’s core constituencies wishes to obtain from you something that your nonprofit is uniquely able to provide—perhaps the use of your trademark or your sponsorship of an activity—you may seek to become an Additional Insured under that organization’s CGL policy with respect to any aspect of that trademark use or activity.

As this example shows, your organization can be both a “provider” of additional insurance protection (such as to the sponsor) and a “user” of additional insured protection (such as from the organization that wants your public endorsement).

Many nonprofit leaders mistakenly believe that they can obtain appropriate liability insurance at no cost (free!) by becoming an Additional Insured under the liability policies of other organizations with which they contract. This is rarely true. As discussed, Additional Insured status *does not extend the same coverage and protection* afforded to the Named Insured. The nature of the coverage as an Additional Insured depends upon the endorsement used to provide the coverage.

Most Additional Insured endorsements limit coverage for the other entity (Additional Insured) with respect to their liability for your activities or activities they perform on your behalf. For example, ISO Form “Additional Insured – Manager or Lessors of Premises” (CG 20 11 01 96) adds the lessor or manager as an insured

“but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you.” It is inappropriate to believe that additional insured status is as effective as the insurance that the organization purchases directly.

Elements of a Solution

The four key parts of solving this problem—making sure your nonprofit has appropriate insurance, or receives suitable insurance from business partners, whenever it enters into any joint effort with another organization—are:

1. Don’t assume that the other organization has appropriate insurance; require the other business to have the appropriate liability coverage and obtain a certificate of insurance to verify their insurance coverage.
2. Request a copy of the additional insured endorsement and review it with your insurance professional. Remember that your coverage as an Additional Insured is limited to your activities or operations that are related to the Named Insured’s operations;
3. Read very carefully both your policies and the Additional Insured Endorsements of others’ policies.
4. Seek guidance and clarification from your insurance agent, broker, or insurance consultant.

The Center is grateful for the generous assistance provided by David Szerlip (David Szerlip & Associates) and Leslie T. White (Croydon Consulting), whose insights and expertise were instrumental in developing this article.

Is This Nonprofit Covered?

A small nonprofit leases one location for its operations and also uses donated space at a nearby church. The executive director believes that his nonprofit does not need general liability coverage for the nonprofit’s church location because “the church already has insurance.”

Setting the Record Straight

The church’s insurance does not do good for the nonprofit because the nonprofit isn’t a Named Insured, Insured or Additional Insured under the church’s policy. Adding the nonprofit as an Additional Insured to the policy isn’t a viable solution because the nonprofit has operations totally independent of the church. Assuming that an insurance company was willing to add the nonprofit as Additional Insured, coverage would only apply *as respects the nonprofit’s activities arising from the Named Insured’s operations*. The church should request the nonprofit to add the church as an additional insured to its policy.

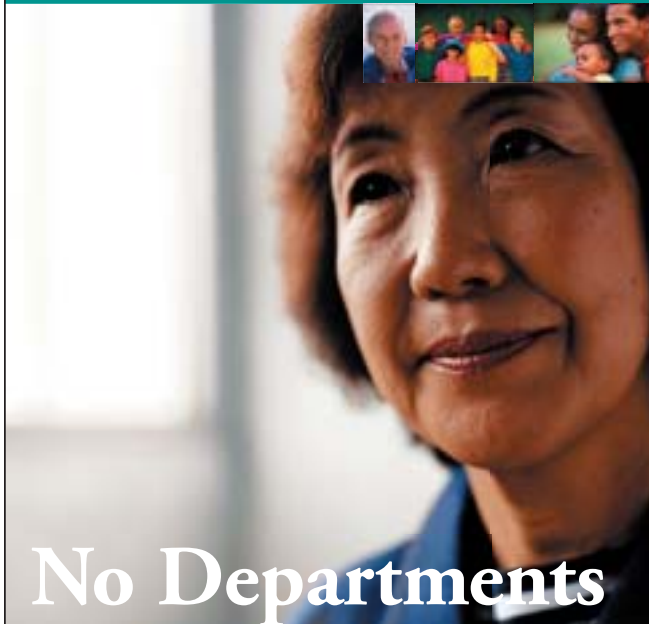
In the end, the executive director of the nonprofit is persuaded to obtain a policy that provides commercial general liability coverage for both of his locations, the building he leases and the space donated by the church.

Risk Management MARKETPLACE

Welcome to the **Risk Management Marketplace**, a regular feature in *Community Risk Management & Insurance*. Inclusion in the Marketplace does not constitute an endorsement by the Nonprofit Risk Management Center. To inquire about space availability for future editions of the Risk Management Marketplace, contact Suzanne@nonprofitrisk.org.

CHARITY FIRST

■ Insurance Dedicated to Nonprofits



No Departments

No Divisions

An entire company dedicated to insuring your nonprofit organization. Our products and services are provided by the nation's best-known and respected insurance companies. Established 1985.

- Business Auto
- Crime
- Directors & Officers
- Employment Practices Liability
- Fiduciary Liability
- General Liability
- Property
- Sexual Abuse/Molestation Liability
- Social Services Professional Liability
- Umbrella
- Workers' Compensation

Charity First

One Market, Spear Tower, Suite 200
San Francisco, CA 94105
P 800.352.2761 • F 415.536.8561
www.charityfirst.com



Seasoned.

Rely on the experience of our staff.

No matter how unique your situation, Munich-American RiskPartners has the talent and expertise you're looking for. Specializing in alternative solutions, we help clients control the total cost of risk.

And when it comes to stability, we're the only alternative risk specialist that offers the resources of American Re—a member of the Munich Re Group—which has been standing behind its commitments and paying claims for over 86 years.

So call Munich-American RiskPartners with your alternative risk needs today. We'll bring plenty of know-how to the table.



MUNICH-AMERICAN RISKPARTNERS
A Member of the Munich Re Group



1-877-888-2081 www.mariskpartners.com

Munich-American RiskPartners is a division of American Re-Insurance Company. Risks are underwritten by American Re-Insurance Company and other members of the Munich Re Group. The Munich-American RiskPartners name and logo are trademarks of American Re-Insurance Company.

©2004 American Re-Insurance Company. All rights reserved.

Risk Management MARKETPLACE



**Risk management?
It's common sense.**



- **Protect** customers and employees
- **Prevent** loss and litigation
- **Preserve** profits and credibility



We are a nationwide provider of **background checks** for volunteer organizations and risk-management personnel.

IntelliCorp
an ISO Company
6001 Cochran Road
Suite 200
Solon, OH 44139
www.intellicorp.net

Minimize your risk. Protect our nation and your organization. It's common sense.

Contact: Dean Weinhardt
(440) 542-2103
dweinhardt@intellicorp.net



*Heart of
Partnership*[®]

**SPECIALIZED INSURANCE
FOR SOCIAL SERVICE AGENCIES
AND NON PROFIT ORGANIZATIONS**

- "A" rated Admitted Carrier*
- Superior Producer Compensation
- Profit Sharing
- Long-Term Commitment
- Innovative Product Portfolio

49 E. Fourth Street
Cincinnati, OH 45202
800.542.4245

300 South Wacker Drive
Chicago, IL 60606
800.722.3260



**SPECIALTY HUMAN SERVICES
DIVISION**

www.hsd.gaic.com

*A.M. Best Co., March 21, 2005
© 2005 Great American Insurance Company

Fast.
Easy.
Dependable.

(That's us.)



MONITOR
LIABILITY MANAGERS, INC.

We are the preferred D&O partner for numerous nonprofits and state nonprofit associations and their members.
Find out why.

Ask your agent or broker for a Nonprofit D&O quote from Monitor.

Contact Helen Savaiano, Vice President, Nonprofit D&O, at Monitor Liability Managers, 2850 W. Golf Rd., Ste. 800, Rolling Meadows, IL 60008-4039.
Phone 847.806.6590. Fax 847.806.6282.
<http://www.monitorliability.com>

Risk Management MARKETPLACE

Remember when closing
your eyes and hanging on
tight were all you needed
to feel secure?



Now that you run a social service agency, your eyes are wide open. Where others see only your good works, you see that things can spin out of control. Markel sees things your way, and can design an insurance program that protects your staff, clients, board members, and volunteers.

Feel secure with Markel.



800-253-3104

www.markelsocialservice.com

Risk Management MARKETPLACE

INSURANCE SPECIALISTS FOR NONPROFITS



Education is when you read the fine print; experience is what you get when you don't.

— PETE SEGER — Singer, Composer and Social Commentator

David Szerlip & Associates

391 Springfield Ave. Berkeley Heights, NJ 07922 800•508•3808

If you're too busy to worry about insurance, we understand...

You have a choice of insurers, so why not choose the only ones that are themselves 501(c)(3) nonprofit organizations?

Nonprofits' Insurance Alliance of California (NIAC), and

Alliance of Nonprofits for Insurance, Risk Retention Group (ANI-RRG)

We understand nonprofits ...because we are nonprofits!

CALL Susan Bradshaw at **(800) 359-6422, ext. 41**

It costs nothing to get a quote and chances are we can save you money!

Currently insuring more than 6,000 nonprofits nationwide



Nonprofits' Insurance Alliance of California

A HEAD FOR INSURANCE . . . A HEART FOR NONPROFITS

www.InsuranceforNonprofits.org



Alliance of Nonprofits for Insurance
Risk Retention Group

Risk Management MARKETPLACE

3 Good Reasons to Contact CIS Today!

- 1 *Better Insurance*
- 2 *Lower Rates*
- 3 *Nonprofit Expertise*

Contact us for an easy, no cost insurance quote.

www.caninsurance.com

TOLL FREE (888) 427-5222



CAN Insurance Services

Insuring Nonprofits. Surpassing Expectations.
Serving the nonprofit sector since 1984.

AH&T Nonprofits



(703) 777-2341

www.ahtins.com



HEFFERNAN INSURANCE BROKERS

A Member of the Heffernan Group

Heffernan Insurance Brokers NonprofitsCHOICE

specializes in unique plans for nonprofit groups of all types. Exclusive programs include:

- Workers' Compensation
- Employee Benefits
- Professional Liability including Sexual Harassment
- Property
- Liability including Sexual Abuse

Heffernan has access to the markets you need.

Contact Melani Havener or Brian Dantzig at
800.234.6787 or email melanih@heffgroup.com,
or briand@heffgroup.com

Walnut Creek, CA • San Francisco, CA • Palo Alto, CA • Petaluma, CA
Los Angeles, CA • Portland, OR • West Palm Beach, FL
www.heffgroup.com • License #0564249

Have Expertise. Will Travel. Via Cyberspace to You.

The Nonprofit Risk Management Center presents monthly Web seminars



There's still time to register for upcoming programs in our series of monthly webinars. You can also purchase past programs and download the audio and video portions of the program as well as handout material. For more information about past or upcoming webinars, visit www.nonprofitrisk.org.

October 5	Conducting Effective Performance Appraisals in a Nonprofit
November 2	Staff Screening: What's New and What You Need to Know
December 7	Managing Transportation Risk in a Nonprofit
January 4	Managing Legal Risks in a Nonprofit

Each Webinar costs only \$49.
Save \$\$ when you register for 3 or more!

Products / Publications Order Form

	Price	No.	Total
NEW! My Risk Management Plan (or purchase at www.MyRiskManagementPlan.org)	\$139.00		
NEW! Risk Management Essentials Series in a handy totebag* (free shipping!)	\$129.00		
Pillars of Accountability: A Risk Management Guide for Nonprofit Boards	\$12.00		
Managing Risk in Nonprofit Organizations: A Comprehensive Guide	\$20.00		
Staff Screening Tool Kit—3rd Edition	\$30.00		
No Surprises: Harmonizing Risk and Reward in Volunteer Management—3rd Edition	\$15.00		
The Season of Hope: A Risk Management Guide for Youth-Serving Nonprofits	\$30.00		
Managing Facility Risk: 10 Steps to Safety	\$15.00		
Playing to Win: A Risk Management Guide for Nonprofit Sports & Recreation Programs	\$20.00		
Ready in Defense: A Liability, Litigation and Legal Guide for Nonprofits	\$20.00		
A Golden Opportunity: Managing the Risks of Service to Seniors	\$20.00		
Enlightened Risk Taking: A Guide to Strategic Risk Management for Nonprofits	\$25.00		
Enlightened Risk Taking: The Workbook	\$15.00		
Nonprofit CARES™ –Version 2.0—(or purchase at www.nonprofitcares.org)	\$89.00		
Coverage, Claims & Consequences: An Insurance Handbook for Nonprofits	\$30.00		
Vital Signs: Anticipating, Preventing and Surviving a Crisis in a Nonprofit	\$20.00		
Full Speed Ahead: Managing Technology Risk in the Nonprofit World	\$25.00		
No Strings Attached: Untangling the Risks of Fundraising & Collaboration	\$15.00		

Visit www.nonprofitrisk.org for a complete description of all current titles, including tables of contents. Also available: e-books—download our current titles and save shipping and handling costs.

*The Risk Management Essentials Series includes: *Coverage, Claims & Consequences*; *Staff Screening Tool Kit*; *Pillars of Accountability*; *No Surprises*; *Ready in Defense*; *Enlightened Risk Taking*; and *Vital Signs*.

	SUBTOTAL	
	Int'l Checks, please add \$12.00	
	Shipping & Handling	
	TOTAL	

Customer Information

Name _____

Title _____

Org _____

Address _____

City _____ State _____ Zip _____

Tel (____) _____

FAX (____) _____

E-mail _____

Method of Payment

Check enclosed P.O. # _____

Charge my: Visa MasterCard AmEx

Card No. _____

Exp. Date _____

Signature _____

Shipping & Handling

\$1.50 for orders of \$7.50 or less
 \$5.00 if subtotal is \$7.51 - \$25.00
 \$7.00 if subtotal is \$25.01 - \$50.00
 \$10.00 if subtotal is \$50.01 - \$75.00
 \$13.00 if subtotal is \$75.01 - \$100.00
 Actual shipping cost will be billed for orders over \$100.00,
 Next Day UPS, or 2nd Day UPS.

Mail or fax this form with payment to:



1130 Seventeenth Street, NW, Suite 210
 Washington, DC 20036-4604

Telephone: (202) 785-3891; FAX: (202) 296-0349

Order online at
www.nonprofitrisk.org

Call (202) 785-3891 to inquire about
 quantity discounts.

Nonprofit Risk Management Center



1130 Seventeenth Street, NW, Suite 210
Washington, DC 20036-4604

Please route to:

- Executive Director
- Director of Volunteers
- Risk Manager
- Legal Counsel
- Human Resources
- Finance/Administration

Prepared for distribution to:

Big Brothers Big Sisters of America
Boy Scouts of America
California Association of Nonprofits
Child Welfare League of America
Council of Community Services of New York State, Inc.
Delaware Association of Nonprofit Agencies
Georgia Center for Nonprofits
Kansas Non Profit Association
Laubach Literacy
Maine Association of Nonprofits
Michigan League for Human Services
Michigan Nonprofit Association
Minnesota Council of Nonprofits
North Carolina Center *for* Nonprofits
Ohio 4-H Youth Development
Presbyterian Church USA
Pro Bono Partnership
United Way of Central Indiana
YMCA Services Corporation

COMMUNITY **Risk Management & Insurance**

A publication of the Nonprofit Risk Management Center

Inside This Issue

What is a Risk Management Plan?	1
Whistleblower Protections for Nonprofits	2
The "Additional Insured"	6
The Risk Management Marketplace	10
Publications from the Nonprofit Risk Management Center	15