

To the competitor in you—NIF nonprofit advisor is our investment in your business.

NIF nonprofit advisor's purpose is to enable the highest quality, insurance brokers and advisors with strategies that add further to their competitive advantage. We provide access to resources, expertise and capital to help these advisors grow.

- Marketing Strategy
- Business Development
- Campaigns
- Prospecting
- Sales Support
- Industry and Client Benchmarking
- Competitive Benchmarking
- Research and Product Development

Something the leading brokers know is that they must continuously find ways to deliver unique value for their clients. Yet, given their limits on resources how can they execute—separating their firms from the pack of insurance-only brokers to an elite class of true non-profit business advisors, with access to a world-class platform of services to help the largest non-profit organizations through the smallest.

NIF nonprofit advisor is the leading source for non-profit intelligence and solutions for brokers, advisors and carriers operating in any segment of the non-profit arena. From helping your non-profit clients with funding issues to forming the appropriate insurance programs, NIF nonprofit advisor is dedicated to helping you deliver leading edge solutions.

Following is an introduction into the opportunities in building your insurance business in the nonprofit sector with us.

Opportunities in Building Your Insurance Business in the Nonprofit Sector

Scope of Opportunity in Nonprofit

Nonprofits consist of more than a million organizations nationally. Each Non Profit operates through a board of directors. These boards are generally comprised of members of the community including a director and CFO who report to them. Funding, insurance and other major decisions by this group are typically voted on by the board.

Types of Nonprofit Organizations

Humanitarian aid and human service organizations

Health Care

Education, including early childhood education and early childhood intervention – Cognitive, speech, occupation

After School programs

The Arts

Social Issues

Religion

Recreation

The Environment

Animal protection

Research and public awareness

Drug and Alcohol Rehabilitation Facilities

Mental health Facilities

Family Crisis centers

Facilities for the Developmentally Disabled

Food Banks

Community Health Clinics

Special Needs Schools

Sheltered Workshops, Vocational Training for the Handicapped / Indigent

Back to Work Programs

Multi-service Community Action Facilities

Boys and Girls Clubs

Volunteer Organizations, including Fund-Raising, Community Service and Charity Agencies

YWCA's

Shelters for the Homeless, Elderly, Family, Battered Women and Teens

Why should you look to serve nonprofit clients?

- There are significant nonprofit prospect opportunities in every community, which can go overlooked by competing brokers due to their unique needs
- Nonprofits face unique exposures and are required to carry insurance to protect their assets and other interests
- Many group buying programs have evolved to offer nonprofit members competitive pricing and coverage
- Although they face unique needs, nonprofits have limited resources and need a trusted advisor (broker) more so than other segments of the insurance buying economy

How do you sell to nonprofits?

- Compile a pipeline of nonprofit prospects in your community through a variety of prospecting sources, including:
 - > Chamber of commerce
 - > Personal networks
 - > Rainmaker Marketing Services from NIF
- Conduct prospecting surveys with NIF Rainmaker services. These will position you as expert, bringing certain infrastructure and knowledge that can help nonprofits through difficult decisions in the future
- As you're managing the relationships of this sales pipeline, be sure to understand the mission of each nonprofit you get to know. This will be critical in establishing trust and ultimately making the appropriate recommendations to the board

What are the potential exposures and insurance related concerns of nonprofits?

- Financial protection from third-party lawsuits. Understand and communicate what might go wrong that can lead to lawsuit including:
 - > Negligent client care by employees and volunteers
 - > Property damage
 - > Auto accidents
 - > Vicarious liabilities
 - > Misappropriation or mismanagement of employee benefits, financial activities
- Risk management concerns:
 - > Employee hiring and screening procedures
 - > Fund raising activities and events
 - > Contracts that are in place
- Special risk concerns due to the nature of nonprofit's operations. For example, child care, abuse exposures, housing, zoning laws, security, physical condition of buildings, etc.

Identify coverage needs or potential gaps in coverage that our program addresses.

General coverage needs include some of the following:

- Commercial property coverage
- Commercial general liability
- Commercial auto liability and physical damage
- Non-owned and hired auto coverage
- Sexual or physical abuse or molestation coverage
- Sexual misconduct coverage
- Employee benefits liability coverage
- Professional liability coverage
- Crime coverage
- Employee dishonesty
- Directors and officers liability
- Umbrella/excess coverage

Accommodate potential coverage gaps and special coverage concerns.

- Review property valuation
- Business income
- Broaden endorsements (property, auto, general liability, professional liability)
- Volunteers as additional insureds (general liability, professional liability)

Identify and address the use of volunteers.

Due to financial constraints, many nonprofits use volunteers to deliver service. When assessing a nonprofit's exposures, the agent should obtain information on the following:

- Number of volunteers used in the operation
- Pre-screening and eligibility-for-service protocols
- Management and supervision
- Duties they perform
- Auto exposure (identify if the volunteers drive the insured's vehicles or do the volunteers drive their own vehicles on behalf of the insured)

Many nonprofits rely heavily on the use of volunteers in their service delivery and to limit and manage expenses. Volunteers have to be specifically addressed in policy forms to avoid coverage gaps. Policy forms have to be broad enough to cover affiliated foundations, chapters, etc.

Thorough hiring and screening practices should be in place to ensure that the insured is properly screening all potential individuals that will have direct contact with their clients. Besides the initial employment application, interview and securing of references, the nonprofit should be conducting fingerprinting (especially when dealing directly with children) and background checks on all new hires.

Where necessary the insured should verify that all staff is degreed and experienced in their positions held. An adequate ratio of employees/staff to clients should exist to ensure that clients/consumers of the nonprofit are adequately supervised at all times.

What are the advantages of an A-rated carrier?

- Financial stability
- Claims paying ability
- Assures adequate protection of nonprofit's operations

Identifying exposures for nonprofits.

What is generally at risk can be categorized as follows:

- Physical Damage to owned buildings, equipment, computer data, bank accounts, vehicles
- Personal injury to or injury caused by employees, clients, volunteers, board members, general public
- Loss of Income generated through fund raising, sponsorship funds, grants and sales
- **Liability.** To protect the nonprofit for bodily injury and property damage. A big issue under the liability insurance is the ability to cover sexual harassment which includes child molestation, physical or sexual abuse
- **Property.** To cover loss of property/assets of the organization. Such as damage to facilities, owned and rented equipment, property/inventory related to fundraising programs and other assets
- **Non-Owned Auto.** To protect the organization if a volunteer or employee is driving their car on behalf of the Insured and an accident occurs
- **Professional Liability.** To protect the organization when it has employees or volunteers who provide specialized services and have direct contact with clients, patients or customers in a professional capacity, such as social workers, counselors, case workers, registered nurses, psychologists and physicians
- **Fidelity/Crime.** To protect the organization against theft of funds, forgery, robbery or burglary
- **Directors and Officers (E & O).** To protect the board and certain employees for their defense and loss due to failure to implement appropriate policies, controls and procedures. One big issue is wrongful employment or termination, discrimination, sexual harassment (which may not be included under the general liability)
- **Automobile.** To protect the insured for accidents that occur while their employees/volunteers are utilizing the insured's vehicles for transportation of clients, transporting goods and running errands
- **Special Events.** To cover certain events and fundraisers such as book fairs, walkathons, social gatherings