

Are you a board member at your church or another charitable organization?

Board members of all organizations are subject to liability losses by virtue of their position. Directors and officers of organizations are sometimes held liable for financial losses to their organizations that are a result of the decisions that the board made. Most companies with boards will purchase insurance protection for their board members. This insurance protection is called Directors and Officers Liability Insurance, or simply D&O Insurance.

What should you do? Contact the person in charge of the insurance policies for the organization and check and see if they carry D&O policy. If so, ask them the limits of coverage and be sure you are comfortable with that amount of coverage.

If no coverage is provided by the organization, you can purchase a personal umbrella insurance policy. This policy will not provide you with high liability limits on your home and auto policies, but most will give you D&O coverage for any charitable organization for which you are the director or officer.

I prefer the umbrella policy as a solution to this coverage hole because you are in control of the protection. The church may have this coverage built in with one policy, but may change policies next year and not purchase the coverage. If this happens, it is not likely that you will be informed of the change.