

EAPA Chapter Insurance Guidelines & Information

Conduct of operations as a group or organization inherently carries risk. Whether it is potential of a “slip and fall” injury during a meeting, or the violation of fiduciary responsibility, a Chapter runs the risk of falling victim to a lawsuit seeking damages in some form or another. Liability insurance carried by the Chapter will help provide financial protection from such actions.

Two distinct forms of liability insurance should be considered to afford full protection:

Professional Liability Insurance (Directors and Officers and Entity Liability Insurance) – This coverage is typically used to provide financial protection for the actions of an organization’s officers, its committees, or those persons acting on the behalf of the organization’s officers. The acquisition and maintenance of this insurance is important to protect the personal assets of organization officers who may be subject to claims. While specific policy coverage can be customized for the needs of the organization, it can support protection against suits or losses resulting from –

- Allegations of mismanagement
- Allegations of misconduct (embezzlement, sexual harassment, etc.)
- Allegations of damages resulting from officer decisions/actions

General Liability Insurance – This coverage can be used to protect the organization from potential losses resulting from “slip and fall” incidents, loss of organizational personal property, damages incurred on property being used by the organization, or practically any other potential loss that can be written into the policy, including “umbrella” coverage for almost any cause.

The Employee Assistance Professionals Association, Inc., headquartered in Arlington, Virginia maintains both types of insurance. That coverage does not, however, extend to individual Chapters or Branches, so it is imperative that each Chapter/Branch conduct an appropriate risk assessment and determine its respective needs for coverage.

Insurance policies are drafted unique to the requirements, composition, purpose and history of any organization. In addition, geographic location is a significant factor in that each nation, state and/or locale may have unique regulatory requirements. Chapters and Branches are, therefore, encouraged to make contact with insurance agents within their geographic proximity to determine appropriate policies and levels of coverage unique to their circumstances.

Premiums for policies will be tailored to the organization and its chosen coverages, but the following “ballpark” costs have been provided by EAPA’s current agents (please note again, that organizational unique circumstances will dictate coverage/premium requirements, and these are U.S. specific):

Professional Liability - \$1,000,000 policy / \$1,000 deductible: approx. \$1,500.00/yr
General Liability - \$1,000,000 occurrence / \$2,000,000 aggregate: approx \$350.00/yr

EAPA's current professional liability insurance agent has agreed to assist U.S. Chapters with their requirements related to both Professional Liability and General Liability coverage, and can be contacted as follows:

Judith A. Myers, CPCU
Associated Insurance Management, Inc.
8120 Fenton Street
Silver Spring, MD 20910
(240) 638-4024
jam@aimcommercial.com

Chapters are encouraged to obtain quotes from multiple sources to ensure appropriate, and cost-effective coverage. The American Society of Association Executives (ASAE) has several endorsed insurance programs referenced on their website, www.asaecenter.org, that may be of interest. A Google search of "liability insurance" specific to your geographic area will also yield substantial options.

Please direct any continuing questions to Chris Drake, EAPA's Senior Director Finance & Operations at (703) 387-1000 x305, or findir@eapassn.org.