



www.ConservationSouth.org

INSURANCE OPTIONS FOR NONPROFIT LAND CONSERVATION AND ENVIRONMENTAL PROTECTION ORGANIZATIONS

Private, nonprofit organizations involved in conserving and protecting land, water, wildlife, and other environmental resources and natural heritage assets need liability insurance.

A common misconception among nonprofit groups is that dues-paying membership in one of the national associations of conservation organizations is a prerequisite for eligibility in any of the alternative liability insurance plans. **That is not true.** A local land trust does NOT have to be a dues-paying member of the national Land Trust Alliance to qualify for liability insurance (and at the same rates as for LTA member groups). Neither does a local river group have to be a member of the national River Network to qualify for liability insurance.

We recommend that you investigate several optional sources of insurance coverage available for nonprofit organizations. Select the insurance company and policies best for you.

The ConserveANation Insurance Program from Alliant Insurance Services, Inc.

Over 1500 private land trusts (about 600 members of them members of the Land Trust Alliance), river protection groups (some of them members of the River Network association), chapters of The Nature Conservancy, state chapters of the National Wildlife Federation, affiliates of the National Wildlife Refuge Association, and many independent land, river, and other wildlife and environmental protection groups hold liability insurance with this carrier. Membership in a national association is NOT a requirement by Alliant Insurance to participate in the [Conserve-A-Nation® Insurance Program](#). That program provides a range of coverage, at very competitive prices, including a basic program that consists of general liability insurance, non-owned and hired auto liability, and property coverage. Additionally, the company offers optional insurance, including umbrella coverage that provides an added layer of protection against liability. Other coverage includes worker's compensation/employer's liability and volunteer workers accident coverage. Alliant Insurance Services, Inc. also offers another one of the more important coverages for a nonprofit organization, Directors' and Officers'/Association Liability. This coverage affords protection against claims arising from "wrongful acts" and poor business decisions made by a Director, Officer, Employee, Volunteer or the Organization itself. The policies are underwritten by The Chubb Group of Insurance Companies, a multi-billion dollar insurance organization that has earned high industry ratings for financial stability and operating performance.

For more information visit www.alliant.com or call 800-298-7373; or directly contact Megan Mullee at mmullee@alliant.com or 703-547-6292.

The Nonprofits Insurance Alliance Group

A nonprofit insurance group offers a wide variety of insurance coverage generally for non-profit organizations of all types and purposes. The Nonprofits Insurance Alliance Group is a group of 501(c)(3) nonprofit insurance organizations that provide a broad range of reasonably priced liability insurance coverage to other 501(c)(3) nonprofit organizations. The key charitable risk pools in the group include Alliance of Nonprofits for Insurance--Risk Retention Group (ANI), and Nonprofits' Insurance Alliance of California (NIAC). Their intent is to provide comprehensive insurance to nonprofit organizations at a fair price. ANI insures many land trusts.

NIAC insures 15,000 nonprofits across the country. NIAC has generally maintained insurance premium rates constant and has paid dividends to its nonprofit members totaling \$12.1 million dollars over the past three years when they don't have claims. NIAC offers a full range of insurance, and work through insurance brokers paying a competitive commission rate.

For more information about NIAC and the many insurance and management services they provide, check out www.insurancefornonprofits.org or call 800 359-6422.

First Nonprofit Insurance Company

First Nonprofit Insurance (recently acquired by AmTrust Financial Company) has been one of the strongest and most committed liability, property and casualty insurers serving the nonprofit community. It insures more than 1500 nonprofit groups and government entities. For over 35 years, First Nonprofit has followed a program of consistently fair pricing which has resulted in a high renewal rate and financial stability. First Nonprofit Insurance was created in 1978 by leaders in the nonprofit community as an alternative to commercial insurance companies. These leaders knew that when the insurance industry experiences a "hard cycle", nonprofit organizations are the first to feel the effects of bad times. By establishing an alternative insurance program, they helped guarantee that affordable coverage would always be available to protect their agencies and other nonprofit organizations. Because it was created by leaders in the nonprofit community, First Nonprofit was willing to assume risks other insurers have refused and to design new programs as organizations request them. Its additional services include educational seminars and loss control counseling services that help reduce risks and insurance costs. Specially-designed programs such as the unemployment tax savings products can further reduce costs.

For information see the website at <http://www.firstnonprofit.com> or www.amtrustgroup.com/small-business-insurance .

(June 2016)

THIS ADDITIONAL INFORMATION MAY BE HELPFUL TO YOU, AND IS RELEVANT TO ALL KINDS OF NONPROFITS ENGAGED IN LAND AND OTHER ENVIRONMENTAL RESOURCE CONSERVATION



INSURANCE FOR LAND TRUSTS

by **Leslie Ratley-Beach, national conservation defense program director**

None of us knows exactly what tomorrow will bring. From experience, most of us — including most managers of nonprofit organizations — have good reasons to expect that tomorrow will be much like today. However, many events that we cannot now fully foresee may, occasionally and with little warning, make a nonprofit's tomorrow much different — much worse or much better — than it is today. Thus, unpredictable events involving each of the four fundamental values within a nonprofit — its people, its property, its income and, perhaps most importantly, its reputation — may bring near disaster or great good fortune to a nonprofit depending on whether the threats or the opportunities outweigh the other.

All these events happen unexpectedly, and usually very suddenly. These events all arise from risk — that is, from a *measure of the possibility that the future may be surprisingly different from what we expect*. These surprises may bring good or bad results, generating threats of losses or presenting opportunities for gains. Each of these events holds within it threats of loss and opportunities for gain, which should be weighed before deciding whether or not to undertake the activity, program or event.

For a nonprofit organization to fulfill its public service mission, its executives, other employees and volunteers must manage these risks effectively by countering or withstanding the *threats of loss* and recognizing and capitalizing on the *opportunities for gain* that are inherent in a less than fully predictable, and therefore risky, world. A correctly tailored insurance portfolio is part of effective management.

1. General Liability. With liability awards these days being very high, most experts recommend a bare minimum of at least 1 million in general liability, although 2 million is more sensible for a small group and maybe more depending on your exposure. You might find a local insurance agent to advise you on what the prevailing conditions are in your area. Frankly, even in rural areas you can be influenced by urban prices and you are not likely to experience savings in legal costs or lower claim or award rates especially for negligence suits.

2. Director & Officers. Every expert I talk with is adamant that every nonprofit regardless of size or location must have directors and officers coverage. Land trust boards make all sorts of judgment calls all the time and the potential for personal liability of all types not covered by the general liability form is huge. For example, landowners involved with a violation dispute with

the land trust have sued *individual* board members, not just the land trust. D&O coverage protects board members in these all too common actions. Get at least the basic coverage.

3. **Volunteer coverage.** Consider a rider for volunteer coverage especially if you have volunteers monitoring properties, conducting special events, or dealing with the public.

4. **Terrafirma.** Conservation Defense Insurance program offered to member land trusts through the Land Trust Alliance: <http://www.landtrustalliance.org/topics/conservation-defense>

5. **Title.** The other type of insurance to consider is title insurance, certainly for any land owned in fee and also on conservation easements if you can manage them.

Risk Management Consultant

If you cannot find a local insurance agent to advise you then consider spending the time and money to get an insurance coverage evaluation from the Non-Profit Risk Management Center. See <http://www.nonprofitrisk.org/consulting/insurance-reviews.shtml>