



Travelers Wrap+ Colleges and Universities Directors and Officers and Educators Errors and Omissions Liability Checklist

Critical protection covers court costs; attracts qualified board members, administrators

In the wake of controversy surrounding several high profile non-profits, the management of non-profit organizations - including colleges and universities - is under increasing scrutiny. Statutes do not provide adequate protection for directors, officers or administrators, and traditional general liability insurance will not respond to claims against directors and officers for wrongful acts.

Even if claims are ultimately proven false, the cost of defending a lawsuit can be devastating. Non-profit colleges and universities often have limited resources to respond to expensive litigation, settlements or damage awards. Where full indemnification is not available, the personal assets of the educational organization and its employees are at risk. So, what's the answer?

Travelers Wrap+. It protects non-profit educational institutions from these exposures, and because of that, can help to attract and retain qualified board members and administrators. Travelers Wrap+ offers a broad range of coverage not always found in other directors and officers and educational errors and omissions liability policies. Use the checklist below to compare and see the Travelers difference.

	Wrap+ and End't NDO-7006	Their Policy		Wrap+ and End't NDO-7006	Their Policy
Broad definition of insured Includes the insured organization as well as past, present or future directors, officers, trustees, members of board of managers, members of board of regents, members of board of governors, or functional equivalent, employees, volunteers and committee members, chancellors, deans, university counsel, members of the faculty, student teachers and teaching assistants	✓		Broad definition of claim includes:		
			• Written demand for monetary or non-monetary relief	✓	
			• Civil proceeding	✓	
			• Criminal proceeding	✓	
			• Formal administrative or regulatory proceeding	✓	
			• Arbitration or mediation or similar alternative dispute resolution proceeding	✓	
			• Written request to toll or waive statute of limitations	✓	
Entity coverage Includes the non-profit organization and its more than 50 percent owned subsidiaries	✓		Broad definition of wrongful acts includes:		
Spousal and domestic partner liability coverage	✓		• Educational malpractice or failure to educate	✓	
Acquisitions Automatic coverage for majority owned subsidiaries formed or acquired during the policy period with assets that do not exceed 25 percent of the total assets of the insured organization	✓		• Negligent instruction	✓	
Worldwide coverage Applies to claims made and wrongful acts occurring anywhere in the world	✓		• Inadequate or negligent academic guidance or counseling	✓	
Foreign parent corporation coverage extension	✓		• Improper or inappropriate academic placement or discipline	✓	
			• Failure to grant due process	✓	
			Loss includes:		
			• Multiplied damages and punitive damages where insurable by law	✓	
			• Most favorable venue wording	✓	
			• Excess benefit transaction tax (\$10,000)	✓	

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No exclusions for:					
• Failure to maintain insurance	✓				
• Anti-trust	✓				
• Insured person vs. insured person claims	✓				
• Discrimination	✓				
• Securities laws violations	✓				
Defense coverage:					
• For allegations against the insured for gaining a profit that the insured is not legally entitled to, until proven by judgment	✓				
• For allegations of dishonesty/fraud until proven by judgment	✓				
• For non-monetary claims (covers 75 percent of defense expenses)	✓				
• For breach of contract claims by students for educational services (coverage extended to insured persons and the entity)	✓				
• For breach of all other contracts (coverage limited to insured persons)	✓				
• For allegations of violations of ADA (covers 75 percent of defense expenses)	✓				
• For tax related claims	✓				
• For return grant claims (limited - see end't NDO 7006 for details)	✓				
Other coverage features:					
• Full prior acts	✓				
• Coverage for personal injury	✓				
• Order of payments – protecting personal assets first	✓				
• Non-entity employment practices liability	✓				
• All exclusions are severable with respect to insured persons	✓				
Outside directorship liability coverage Includes coverage for insured persons who serve as director, officer, trustee, etc. for a Section 501 (c)(3) organization at the request of the insured organization	✓				
			Extended reporting period:		
			• Bi-lateral extended reporting period option available if insurer or named insured cancels or fails to renew	✓	
			• Run-off extended reporting period option available for a pre-determined premium upon change of control of named insured	✓	
			• Ability to report potential claims during extended reporting period or run off extended reporting period	✓	
			Non-cancelable by insurer except for non-payment of premium	✓	
			Retentions -Only one retention must be satisfied when one claim triggers coverage under two or more liability coverages	✓	
			Representations Only knowledge and representations of signer of application are imputed to the insured organization	✓	
			Duties in the event of claim are only triggered by knowledge of an executive officer	✓	
			Also available:		
			• For-profit subsidiaries can be added by endorsement	✓	
			• Sub-limit for excess benefit claims of \$100,000 can be added by endorsement	✓	

Travelers Wrap+
Help your clients get the protection
they need, today and tomorrow



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