

INSURANCE CHECKLIST FOR NARHA CENTERS

Cornerstone of Protection – Commercial General Liability Insurance

Commercial General Liability insurance protects your entity against third party lawsuits alleging Bodily Injury and/or Property Damage occurred because of your operation. Per Occurrence limits of at least \$1,000,000. are normally recommended. General Liability policies should pay investigation and legal fees 'outside the limits'. This means that the policy pays to defend your entity without reducing the amount available to settle claims. There is never a deductible on a good General Liability policy.

Protecting Your Professional Exposure - Professional Liability for Therapists

General Liability insurance (discussed above) is triggered if suit is brought alleging Bodily Injury or Property Damage was caused by the center's operation. If a suit alleges that a therapist used an incorrect course of treatment or did not use proper professional judgement, Professional Liability insurance could be triggered. It is possible that a single suit could trigger both Professional and General Liability coverages. Every therapist should provide their own Professional Liability insurance in accordance with their state credentialing requirements.

Protecting Your Center Against Law Suits Brought By Injured Volunteers

General Liability insurance (discussed above) is designed to protect your entity, its employees and its volunteers against third party law suits. It is not designed to protect the center against law suits brought by employees or volunteers injured while performing duties on behalf of the center. Workers Compensation (discussed below) is intended to be the sole remedy for injured employees. Until recently there has been no General Liability coverage available to protect centers against law suits from injured volunteers. Market General Liability policies may now be endorsed to provide this additional protection.

Avoiding Minor Lawsuits - Excess Accident Medical Insurance

An Excess Accident Medical policy provides insured classes of individuals (normally riders and volunteers) reimbursement for medical expenses if injury occurs at the center. The injured person does not bring suit to obtain benefits under this coverage. Excess means the injured person's own medical coverage is accessed first. If the injured individual has no medical coverage, then this policy functions as primary coverage. The Excess Accident Medical policy is meant to deter liability lawsuits by providing funds for minor medical expenses.

If You Own Your Facility - Property Insurance

If you own your own facility, Property insurance is normally purchased. If an owned structure is damaged, Property insurance pays to clean up and rebuild. Property insurance can also provide coverage for owned tack, tools and other equipment if these items are scheduled on the policy. There is normally a deductible on Property policies, and the deductible is applied to each loss.

If You Have Employees - Workers Compensation Insurance

If the entity has employees, Workers Compensation insurance is normally required. Workers Compensation laws, rates for various classes of employment and penalties for non-compliance vary by state. It is important for every center to investigate their individual Workers Compensation needs.

If You Use an Automobile in Your Business - Commercial Auto Insurance

If the entity owns vehicles, and particularly if the entity provides transportation, Commercial Auto insurance is required. A personal auto policy is not designed to cover the commercial exposures of a business entity. A personal auto policy may not respond if employees use personally owned vehicles for center business. Non-Owned/Hired vehicle coverage provided by a Commercial Auto policy is also important.

If Higher Liability Limits Are Desired - Commercial Umbrella Liability Insurance

Some centers are not comfortable with only \$1,000,000. Per Occurrence General Liability coverage. If higher limits are desired, Umbrella Liability insurance is purchased. Remember that an individual's personal umbrella will respond only to suits arising out of personal activities. If the center desires liability limits in excess of its primary Commercial General Liability coverage, a Commercial Umbrella is needed.

Protecting Board Members – Directors & Officers Liability Insurance

Directors & Officers insurance protects directors and board members if it is alleged they did not properly perform their duties as officers of the entity. All Directors & Officers policies exclude coverage for Bodily Injury law suits. Board members are protected against Bodily Injury law suits by the entity's General Liability policy. Directors & Officers policies protect against Employment Practices lawsuits, allegations of misuse of funds and other fiduciary-type claims.

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