

The American Society of Association Executives' Sponsored Directors' and Officers' Insurance Program Provided Exclusively by Aon Association Services and The Hartford

This ASAE-Sponsored D & O program provides the following innovative features designed to protect your association and its board of directors from mismanagement of funds.

Coverage for Excess Benefits Transaction Penalties:

The 1996 Tax Payers Bill of Rights II Act exposes nonprofit organizations to an excise tax equal to 10% of the excess benefit. An "excess benefits transaction" is one in which the nonprofit organization provides an economic benefit to the "disqualified person" in excess of the fair market value of the goods or services that the organization receives in return.*

Outside Directorship Coverage:

This automatic extension provides coverage for INSUREDS serving on other nonprofit boards as part of their duties.

Defense Outside the Limit of Liability: This important feature prevents defense costs from eroding the limit of liability. Note that, if your association's annual revenues are less than \$1,000,000, this coverage extension will automatically be added by endorsement at no additional premium. Those applicants with annual revenues greater than \$1,000,000, can purchase this option, subject to underwriting approval, for an additional premium equal to 10% of the annual D&O premium.

Spousal Extension:

Expands traditional Estates and Legal Representatives coverage to include coverage for a lawful spouse under certain conditions.

\$100,000 Fiduciary Liability (ERISA) Sublimit Defense Costs Coverage Extension:

Most of our competitors' D&O policies exclude this coverage. The ASAE sponsored D&O program provides this defense cost provision automatically and free of charge. We encourage all associations to consider purchasing a stand alone Fiduciary Liability (ERISA) policy as well. Please ask us for more details.*

Entity Coverage:

D&O-related lawsuits nearly always name the association itself as a defendant. There are D&O policies that do not provide coverage for liability incurred by the organization. The ASAE sponsored D&O program makes sure your association is covered.

Duty-to-Defend Coverage:

A Duty-to-Defend policy requires The Hartford to front CLAIMS EXPENSES in the event of a CLAIM - even if the allegations are groundless or false - rather than reimbursing after the CLAIM is closed. Aon Association Services is also required to assign experienced, defense counsel.

Antitrust Allegation Protection: The threat of antitrust-related allegations is a big exposure for trade and professional associations. Rather than remaining silent on this important coverage issue, we chose to include it in the definition of a wrongful act.

Employment Practices Liability Coverage:

Coverage for *Employment-related claims* (i.e. discrimination, wrongful dismissal, sexual harassment, retaliation, employment related mental anguish and emotional distress, EEOC proceedings) is included as well as any alleged violations of the following statutes:

- a) Title VII of the Civil Rights Act of 1964
- b) The Americans with Disabilities Act of 1990
- c) The Age Discrimination Act of 1967
- d) The Equal Pay Act of 1963
- e) Sections 503 and 504 of the Rehabilitation Act of 1974

Broad Coverage:

The policy specifies any past, present or future director, officer, trustee, employee, volunteer or committee member as an INSURED.

Personal Injury and Publisher's Liability Protection:

CLAIMS alleging libel, slander, copyright or trademark infringements are covered.

*These features are not available for New York insureds.

Call or have your agent call 1-800-432-7465 or Visit us Online at www.asae-aon.com

Sponsored by:



Underwritten by:

AON

Administered by:



Coverage is written with The Hartford which is rated A+ (Superior) by A.M. Best.

Please note that the precise coverage afforded is subject to the terms, conditions and exclusions of the policy as issued.