



Specialty Non Profit Package

Claim Examples

- ▶ **Non Profit Directors & Officers:** The trustees of a trade association decided to expand their activities into areas that were not explicitly envisioned by the founders. Their state's attorney general brought an action against them alleging misuse of funds and property for operating outside their charter, even though no third party had raised a complaint.

A local chamber of commerce published a quarterly newsletter. The newsletter included a tourism section, promoting places of interest, attractions, restaurants, etc. A new restaurant had recently approached the chamber with a request to advertise in the upcoming issue. The chamber agreed and accepted a minimal advertising fee from the restaurant. Upon release of the next issue, it was discovered that the Executive Director never expedited the restaurant request and actually kept the money. The restaurant in turn sued the chamber for breach of fiduciary duty, breach of contract and interference with economic interests.

A donor made a large contribution to a foundation to aid students in need of tuition. The board instead voted to expand their headquarters and commit a portion of the donation to the building fund. The donor filed suit, alleging misappropriation of funds. Damages included return of the full contribution plus interest. As some of the money was already spent, the foundation was financially unable to return the entire donation.

- ▶ **Employment Practices Liability:** A chamber of commerce advertised an open position for a secretary. The organization received seven applications. Only one applicant was a male, who was 57. He was not interviewed. He alleged he was not interviewed because of his age and filed suit against the organization for age discrimination.
- ▶ **Professional Liability:** The insured is a Family and Crisis Counseling operation. A family was directed by the court to seek family counseling at this facility. There was an abusive father in the family. The mother was trying to get a restraining order regarding child visitation rights for the father as a result of past mistreatment. The counselor at the facility was asked to make a recommendation. The counselor disagreed with the mother's opinion and recommended to the court that the father be allowed to continue unsupervised visitation. The father physically abused one of the children causing bodily injury. The mother sued the facility based on counselor's recommendation.

The parents of a troubled teenager took their child to a counseling facility for help with depression. After talking at length with the teenager, the Counselor shrugged this off as "typical teenage behavior." He sent the teenager home and scheduled a follow-up visit. Unfortunately, the child committed suicide later that week. The parents filed a suit against the counselor alleging this would not have happened had the counselor recognized the signs and referred their child to the proper facility.

A drug addict revealed to his counselor that he was HIV positive. The counselor referred his client to a clinic to address his medical condition. The clinic requested a copy of the client's file. The counseling facility released the information without obtaining a signed release form. The client sued the facility for breach of the "privacy act."

- ▶ **Abuse & Molestation:** A 14-year-old girl went to a counseling agency and did not like her counselor. To avoid future visits, the girl stated the counselor improperly touched her. The parents sued the facility.
- ▶ **Special Events:** A guest at a beer garden event sponsored by the chamber of commerce was struck on the head with a beer can thrown by a bartender. The guest filed a claim due to bodily injury.

A tent at a designated fundraiser was not anchored properly. The tent blew over and damaged multiple parked cars. The car owner sued for repairs.