Welcome to:
Nonprofit Insurance Boot Camp

Presented by:
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About CalNonprofits
California Association of Nonprofits (CalNonprofits) is a statewide membership organization that brings nonprofits together to advocate for the communities we serve.

About CalNonprofits Insurance Services (CIS)
CIS is a wholly-owned insurance subsidiary operating since 1984, providing risk management and insurance coverages to thousands of California nonprofits.
Agenda

• Risk Management
• Insurance Coverages
  ✔️ for your agency
  ✔️ for your employees
• How to Shop for Insurance
Risk Management: Not a Spectator Sport

What is it?
- Sources of Risk
- Ways to Manage Risk
- Developing a Plan

New Trends
- Data Theft
- Self-insurance and Partial Self-insurance Through High Deductibles
- Workers’ Compensation Management Training
Most Common Risks

- Damage to property
- Employment practices
- Fraud
- Legal requirements
- Injuries to clients, employees, volunteers and the public
Organization Culture

Sharing the Responsibility

1. Employees
2. Management
3. Board of Directors
4. Professional Advisor / Insurance Agent
Insurance Coverages

What coverages do you really need?

• Commercial General Liability
• Directors & Officers Liability
• Property
• Commercial Auto Liability
• Non-Owned / Hired Auto
Insurance Coverages (continued)

• Social Service Professional Liability / E & O

• Improper Sexual Conduct Liability

• Fidelity / Crime (Employee Dishonesty)

• Fiduciary Liability

• Umbrella / Excess Liability

• Workers’ Compensation
Employer Health Insurance Under the New ACA

Is Employer Health Insurance Mandatory?

Less than 50 employees – NO Requirement

50 or more employees – Play or PAY (penalties for employers with 50 - 99 employees won’t begin until 2016)
Employer Mandate Penalty

Unless you offer qualifying/affordable coverage to ALL full-time employees and their children, if even one employee goes to the Exchange and receives a subsidy for coverage you will face a penalty.

Which penalty you’ll pay is subject to a number of factors including whether you offer coverage at all, what % of your full-time employees and their dependents you offer it to, whether it’s qualifying coverage, and whether it’s affordable.

**PENALTY 1**

$2000 per every full-time employee
(2015: minus first 80 employees)
(2016: minus first 30 employees)

**PENALTY 2**

$3000 for each full-time employee getting a subsidy

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Employer vs. Individual Plans

Benefits of offering employer-sponsored health insurance include:

• Recruiting and retention tool

• Employer plans still have better coverage for less cost

• Tax-free benefits for employees

NOTE

Employers are not allowed to give their employees tax-advantaged money to purchase individual insurance policies.
Employer-Sponsored Plans

You Decided to Provide Health Insurance, Now What?

• You must follow ERISA, state laws, and ACA laws
• New employee waiting period restrictions
• Tax-free benefits for employees
• COBRA (Cal or Federal)
• Submit carrier paperwork within the required timeframe
• Track enrollments/terminations on your monthly carrier invoice
• Premium Only Plans (POP)
Buying Tips

• Work with a trusted and knowledgeable insurance agent
• Compare plans from different carriers
• Don’t be afraid to ask questions
• Know your budget
• Is SHOP a good option for your organization?
• What is important in a plan offering to you?
Workers’ Compensation

• It’s the LAW!
• State Fund vs. other carriers
• Are volunteers covered?
• Are 1099’s covered?
• What are classifications and x-mods?
• Save money through ‘first aid claims’
Workers’ Comp Claims

• Prevention
• Claims management and getting people back to work
• Finding the right partners

• Fall CalNonprofits’ webinar on workers’ compensation
• Watch CIS’ on-demand workers’ comp webinars to learn how to develop a proactive risk management program as well as manage claims!
How to Shop For Insurance And Get the Best Deal

• Find an insurance agent that knows nonprofits
• Don’t shop insurance agents, have your insurance agent shop different carriers
• Not all insurance policies are created equal: review your policy with your agent
• Consider high-deductibles to save money
• Determine your “essential” and “optional” insurance coverages (with the help of your insurance agent):
  - ✓ Workers’ Compensation
  - ✓ General Liability
  - ✓ Director’s & Officers
• Don’t underestimate the importance of good risk management!
Resources

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And check out our on-demand webinars at www.calnonprofitsinsurance.org for more information and tools to introduce a loss control program in your organization!