NAR Insurance Program OVERVIEW AND RESOURCES

Hawaii CCIM Chapter January 25, 2023

DEANNE RYMAROWICZNAR ASSOCIATE COUNSEL





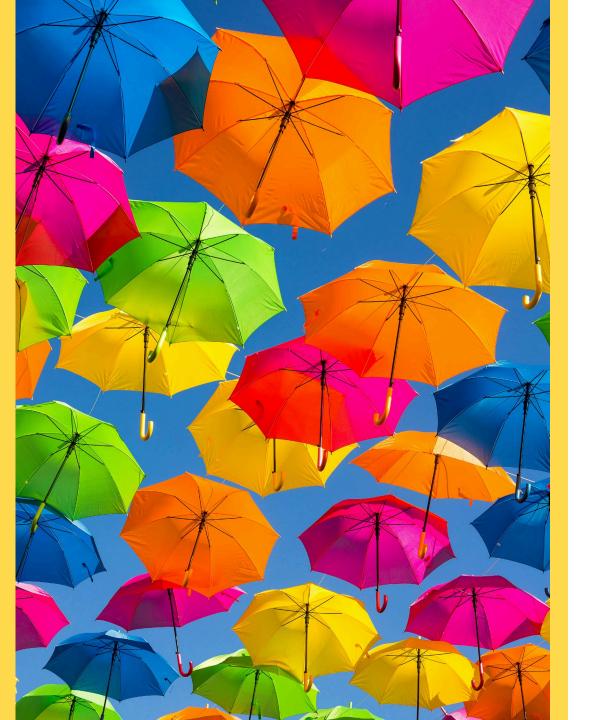


DISCLAIMER

This is a summary of the policy and features offered through the NAR Insurance Program.

All coverage determinations are made by the insurer at the time a claim is made.





COVERAGE



NAR Institutes, Societies & Councils

- State chapters
- Local chapters
- Subsidiaries

State/Local REALTOR® Associations

Association wholly-owned:

- MLSs
- Charitable Foundations
- Political Committees
- Educational endeavors





Coverage only applies if the insured entity:

Maintains their governing documents in full compliance with the Constitution, Bylaws, and Policies of NAR and ...



Adheres to and follows in their day-to-day activities the procedures and requirements of their governing documents (and NAR policies



Directors & Officers

Committee Members

Employees

While acting within the scope of their duties on behalf of the insured entity.



WHAT COVERAGE IS INCLUDED?



Professional Liability



Cyber Liability + Response



Patent Infringement

Separate policy issued by RPX
Covers Associations/MLSs



Crime Loss



WHAT CLAIMS ARE COVERED?



Professional Liability

- Governance issues (D&O) and (E&O)
- Breach of fiduciary duty
- Employment practices
 - Includes EEOC
- Sexual harassment
- Discrimination

- Trademark infringement
- Copyright infringement
- Antitrust
- Breach of contract



WHAT CLAIMS ARE COVERED?



Crime Loss

- Theft of money or property by an employee
- Fake invoices
- Social engineering
- Forgery



WHAT CLAIMS ARE COVERED?



Cyber Liability + Response

- Computer system breach
- Digital data breach
- Extortion expenses
- Includes expenses for forensics, credit monitoring, legal expenses, PR firm and more



WHAT ISN'T COVERED?

- Fraud or dishonest acts
- Slip and fall, personal injury
- Disease and infection (COVID)
- Property damage
- Event cancellation or liability
- Claims for wages, salaries, or benefits
- Worker compensation or OSHA claims

See the policy for a complete list of exclusions.



WHAT ARE POLICY LIMITS?

\$1,000,000 per claim for most claims

\$500,000 per claim for employment matters \$10,000 per claim for theft or embezzlement \$50,000 per claim for patent infringement

Defense costs only for antitrust, breach of contract, or operation of lockbox, dispute resolution system, and legal hotline

\$10,000,000 annual aggregate for most claims

\$250,000 annual aggregate for theft or embezzlement claims \$2,000,000 annual aggregate for patent claims

WHAT ARE POLICY LIMITS?



You can increase your limits by purchasing "excess coverage" between January 1 and April 1.

Details are in the annual mailing packet.



WHAT'S THE DEDUCTIBLE?

10,000+ members

- For most claims: \$15,000
- > Antitrust: \$15,000
- Crime loss: \$3,000

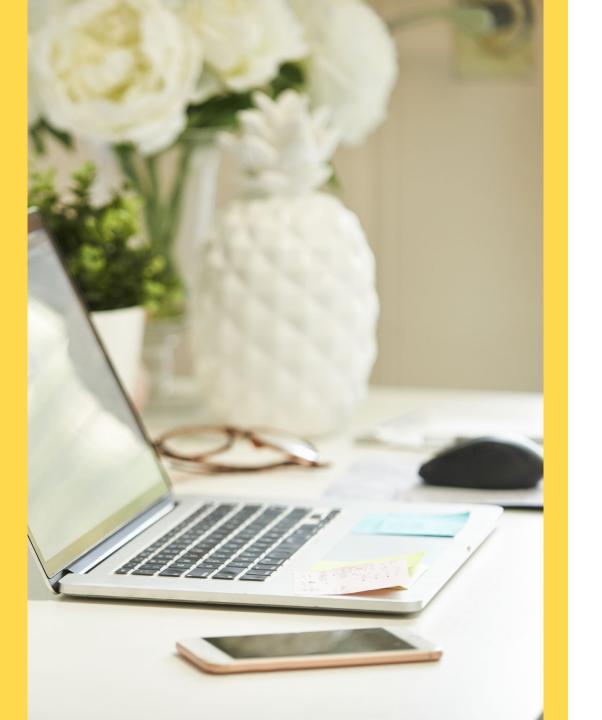
3,001 to 10,000 members

- > For most claims: \$10,000
- > Antitrust: \$7,500
- Crime loss: \$3,000

Less than 3,000 members

- For most claims: \$5,000
- Antitrust: \$3,000
- Crime loss: \$3,000



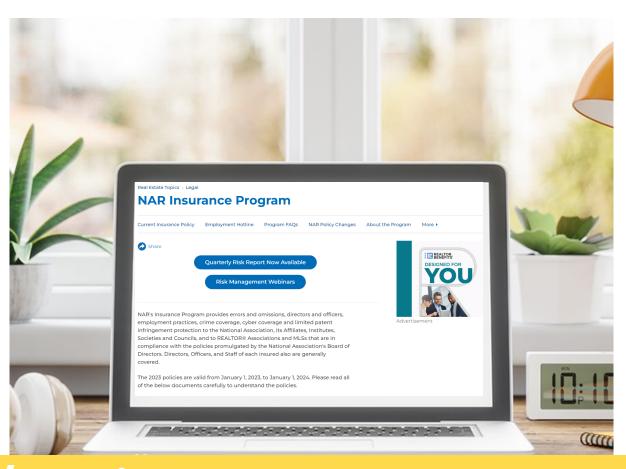


RESOURCES



INSURANCE RESOURCES

- Policy documents
- Excess insurance rates
- > FAQs
- > How to file a claim



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INSURANCE RESOURCES

Quarterly Risk Report

Risk Management Webinar Series

Cyber Resources

NAR INSURANCE PROGRAM **QUARTERLY RISK REPORT**

IN THE SPOTLIGHT:

WORKPLACE SAFETY

A safe workplace is sound business. By keeping staff safe, associations and MLSs can reduce the risk of worker compensation claims and foster a positive and safe work

Employers have a legal responsibility to provide a workplace that is safe and free from serious, recognized hazards that are likely to cause serious physical harm. Workplaces must comply with the standards, rules and regulations issued by $\underline{\text{OSHA}}$ and applicable state agencies.

To ensure OSHA compliance, a good first step is engaging in a <u>risk assessment</u> to identify any known or serious hazards in the workplace. Working with a local expert can help identify hazards, and provide vulnerability assessments and risk mitigation strategies. Humancaused hazards like crime and workplace violence can be

The National Institute for Occupational Safety and Health (NIOSH) defines workplace violence as the act or threat of violence, ranging from verbal abuse to physical assaults, directed toward people at work or on duty.

In 2017, OSHA concluded that failure to recognize workplace violence hazards could violate the general duty clause. Therefore, in addition to the physical safety of the conditions an employee works in, associations should also think about what measures they can take to be proactive about the potential for other threats to employees' safety, including workplace violence.

CLAIMS REPORTED: 8

7 active demands/lawsuits and 1 potential claims)

- 3 Employment
- 1 Professional Standards 1 Antitrust

- 1 Defamation 1 Crime Loss

OSHA has determined that threats of workplace violence arise from crime; individuals served by the business, such as members; current and former employees; and individuals connected with employees.

Additionally, according to OSHA quidance, these employment situations may pose higher risks of

- Duties that involve the exchange of money.
- Working alone or in small numbers.
- Working late at night or during early morning Working in high-crime areas.
- Working in a location with uncontrolled public

By being proactive, employers can mitigate the risk of workplace violence. Some states even require employers to create a workplace violence prevention plan, and to train their employees on the plan.

The NAR Insurance Program provides professional liability and limited patent coverage to all eligible associations, affiliates, and MLSs.





THANK YOU.









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