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Celedinas Insurance Group

Ray Celedinas, CIC, President, CEO

“How do I tell if my directors and officers insurance coverage protects me?”

By Ray Celedinas

Many affluent individuals spend a significant amount of time serving on nonprofit boards.

But, while admirable, such work is not without risk: Specifically, a common misconception exists that you cannot be held personally responsible for liability arising from lawsuits against these organizations.

Unfortunately, this notion is false. Unique exposures can occur when you are a director or officer of a nonprofit organization. Scandals, financial restatements and bankruptcies are fueling an unprecedented level of liability and legal pursuit. And in many of these cases, the resulting financial losses exceed the limitations of standard liability insurance, which traditionally offers an aggregate limit shared by all directors and officers. Your professional insurance advisor should therefore review your exposures, advise you of coverage deficiencies and identify potential personal asset exposures beyond coverage provided by the organization's insurance program.

HOW YOU CAN PROTECT YOURSELF

We recommend personal directors and officers liability (D&O), which not only provides customized coverage when certain losses are not indemnified by a policy, it also may provide other strategic benefits.


Coverages provided by a D&O policy can include defense costs, with the right to choose defense council, as well as breach of contract coverage and monetary damages. The latter include claims brought by or on behalf of an employee, former employee or applicant for employment with a scheduled nonprofit organization, and allegations of a wrongful employment act. Additionally, losses arising from discrimination, sexual harassment or molestation and property damage may also be covered.

SOCIAL MEDIA ARE PLAYING AN IMPORTANT ROLE

Social media have increased the speed of getting news out to the public, and successful charities often use these channels as a

source of networking with potential donors. Because of this, lawsuits claiming libel, slander, invasion of privacy, plagiarism and trademark or copyright infringement are becoming more frequent. With this type of lawsuit, board members will be targeted along with the organization.

Your personal insurance advisor may recommend purchasing umbrella liability coverage that matches your personal net worth and your future income stream. Nonprofit D&O coverage and umbrella coverage are affordable, and rates may even decline as the amount of coverage increases.

Today's environment has evolved into a legal minefield for directors and officers of nonprofits. Board members may be personally exposed to claims from a range of sources. It is vital that you assess your exposures in order to protect your family, your business and your lifestyle. Make sure your insurance advisor has the expertise and access to blue-chip carriers that offer nonprofit D&O liability coverage. 

“Today’s environment has evolved into a legal minefield for directors and officers of nonprofits.”

—Ray Celedinas

How to reach Ray Celedinas

Celedinas Insurance Group is licensed nationally. Please call 800.940.7744 to contact any one of our offices. Ray Celedinas can be reached personally at ext. 5605 or by email at rceledinas@celedinas.com.



WHAT MAKES A GREAT HIGH NET WORTH INSURANCE BROKER...

Expertise in the affluent marketplace and direct relationships with specialized luxury insurance carriers, which allow the broker/advisor to remain completely objective

WHAT MAKES A GREAT CLIENT...

Great clients are committed to a comprehensive personal risk-management program that protects their assets and current lifestyle.

WHAT SURPRISES ME MOST ABOUT AFFLUENT PROSPECTIVE CLIENTS...

They have the best in legal, tax and financial advice, but are often poorly counseled about their property and personal liability exposures; they incorrectly assume their assets are adequately protected against physical losses and lawsuits, while their insurance programs often have material deficiencies that expose their assets to catastrophic loss.

About Celedinas Insurance Group

Celedinas Insurance Group is one of the oldest and largest privately held insurance brokerage firms in America focused on the complex needs of an affluent clientele. With a profound understanding of the challenges unique to high net worth clients who have assets located in catastrophe-prone areas, the company offers an array of options along with objective and unbiased advice. Celedinas is one of the few insurance firms in America with direct access to all five luxury insurance companies, including ACE Private Risk, AIG, Chubb, Fireman’s Fund and PURE High Net Worth. These relationships, coupled with exhaustive analysis of policy terms and conditions, enable Celedinas to consistently exceed its clients’ expectations. Areas of specialization include luxury homes and automobiles, personal excess liability, private collections, yachts, aircraft and advanced life insurance planning.

Number of Employees **129**

Year of Establishment **1959**

Insurance Services Experience
53 years

Largest Client Net Worth
\$500 million+

Licensing
Licensed to transact business nationally

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