

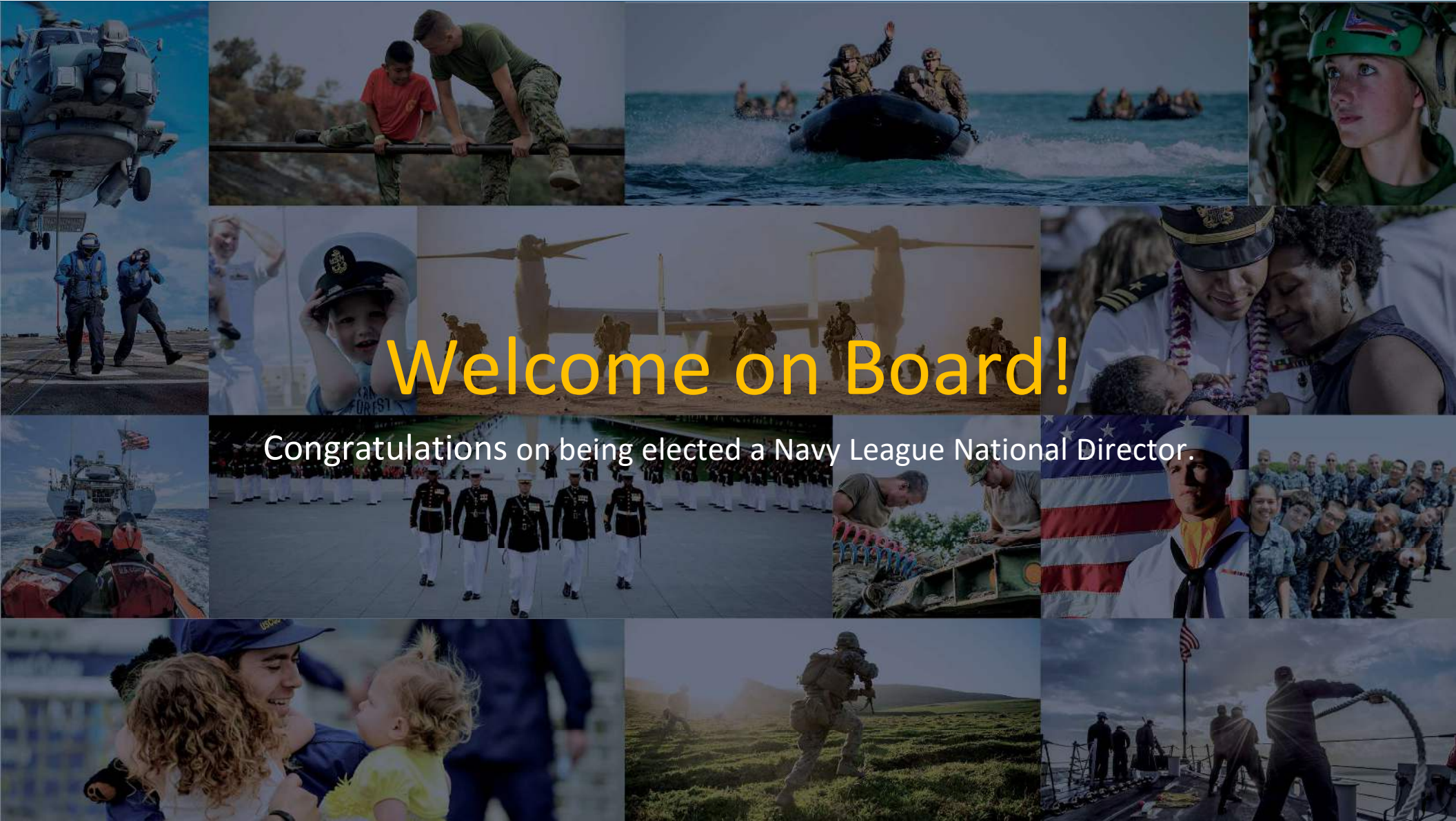


NAVY LEAGUE OF THE UNITED STATES

Citizens in Support of Sea Services

2024 New Board of Director Training
Ryan Donaldson, Esq.

June 8, 2024



Welcome on Board!

Congratulations on being elected a Navy League National Director.



What does Navy League Insurance Cover?

General Liability Coverage

- Insurance Limits:
- Each occurrence - \$1 million
- General Aggregate - \$2 million
- Products-Completed Operations \$2 million
- Personal & Advertising Injury - \$1 million
- Damages to Premises – (Ask Caroline (GA210))
- Medical Expense – (Ask Caroline (GA210))



Insurance limits cap how much money will be paid for a particular incident.

The Insurance company's right to defend ends when they have used up the applicable limit of insurance.

The right to defend is the insurer's ability to pursue a defense under the policy if it believes it can reduce its exposure by providing the defense.

The right to defend is NOT an obligation to defend.



General Liability Coverage

- Insurance company will pay claims which coverage is legally obligated to have paid as damages after fulfilment of the deductible.
- These damages include those for “bodily injury” or “property coverage”, if the insurance applies.
- Insurance company has the discretion to investigate any “occurrence” and settle any claims that may arise.



Bodily Injury or Property Damage

- Injury must take place in the coverage territory:
- USA, territories and possessions, PR and Canada;
- International waters or airspace in the course of travel to the countries listed;
- Activities of a person whose home is in covered territory but is away for a short period of time on Navy League business;
- Personal and advertising injury offense that takes place through the internet or similar electronic means.



Personal and Advertising Injury

Injury, including any consequential bodily injury, arising from one or more of the following:

- False arrest, detention or imprisonment;
- Malicious prosecution;
- Wrongful eviction, wrongful entry, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owners, landlord, or lessor;
- Oral or written publication that violates a person's right of privacy;
- The use of another's advertising idea in your "advertisement"; or
- Infringing upon another's copyright, trade dress or slogan in your advertisement.



Medical Payments

The payment of expenses for bodily injury caused by an accident on premises owned or rented by an insured; on perimeters, next to the premises; or because of insured's operation.

Only if the accident takes place while covered by the policy.

Accidents reported within three years of the event and the injured person submits to an examination.

Payments are made regardless of fault, not to exceed the dollar limits, for first aid at the time of the accident; necessary medical services including prosthetic devices; ambulance, hospital, professional nursing and funeral services



Medical Payments

Exclusions:

No bodily injury to any insured, except:

“Volunteer workers”;

Hired persons

Injured person on the property owned by the insured that is normally occupied by the insured;

No employees of the insured that should be paid under disability or workmans' comp;

No person injured in exercises, games, sports, or athletic contests.



Who is an Insured?

Individual, spouse but only to conduct the business for which you are the sole owner;

Partnership/joint venture – its members, partners, and their spouses are also insured, but only with respect to the conduct of its business;

An LLC – its members and managers but only with respect to their duties in the conduct of the LLC's business;

Organization other than the above – its executive officers and directors, but only with respect to their duties as they relate to the business;

A trust – the trustees are also insureds, but only with respect to their duties as trustees.



The Fiduciary Duties of the Board of Directors

- The core fiduciary duties of the board of directors are:
 - The duty of care.
 - The duty of loyalty.
- Other duties like the duty of good faith, duty of disclosure and duty of oversight stem from the core fiduciary duties.



To Whom Are Fiduciary Duties Owned?

- Directors owe their fiduciary duties to:
 - The nonprofit corporation.
 - The constituents of the nonprofit.
 - The nonprofit's donors, when funds are earmarked for specific activities.
- Directors **DO NOT** owe their fiduciary duties to:
 - The members.



Duty of Care

- The duty of care requires that directors be informed of all material information reasonably available to them when making decisions for the nonprofit corporation.
- N-PCL § 717 allows directors to rely on information, opinions, reports, or statements (including financial data), prepared by:
 - One or more officers or employees, who the director believes is reliable and competent in the matters presented.
 - Counsel, public accountants or others whom the directors believe to be within the person's professional or expert competence.
 - A committee of the board upon which they do not serve, duly designated in the bylaws or articles of incorporation.



Duty of Loyalty

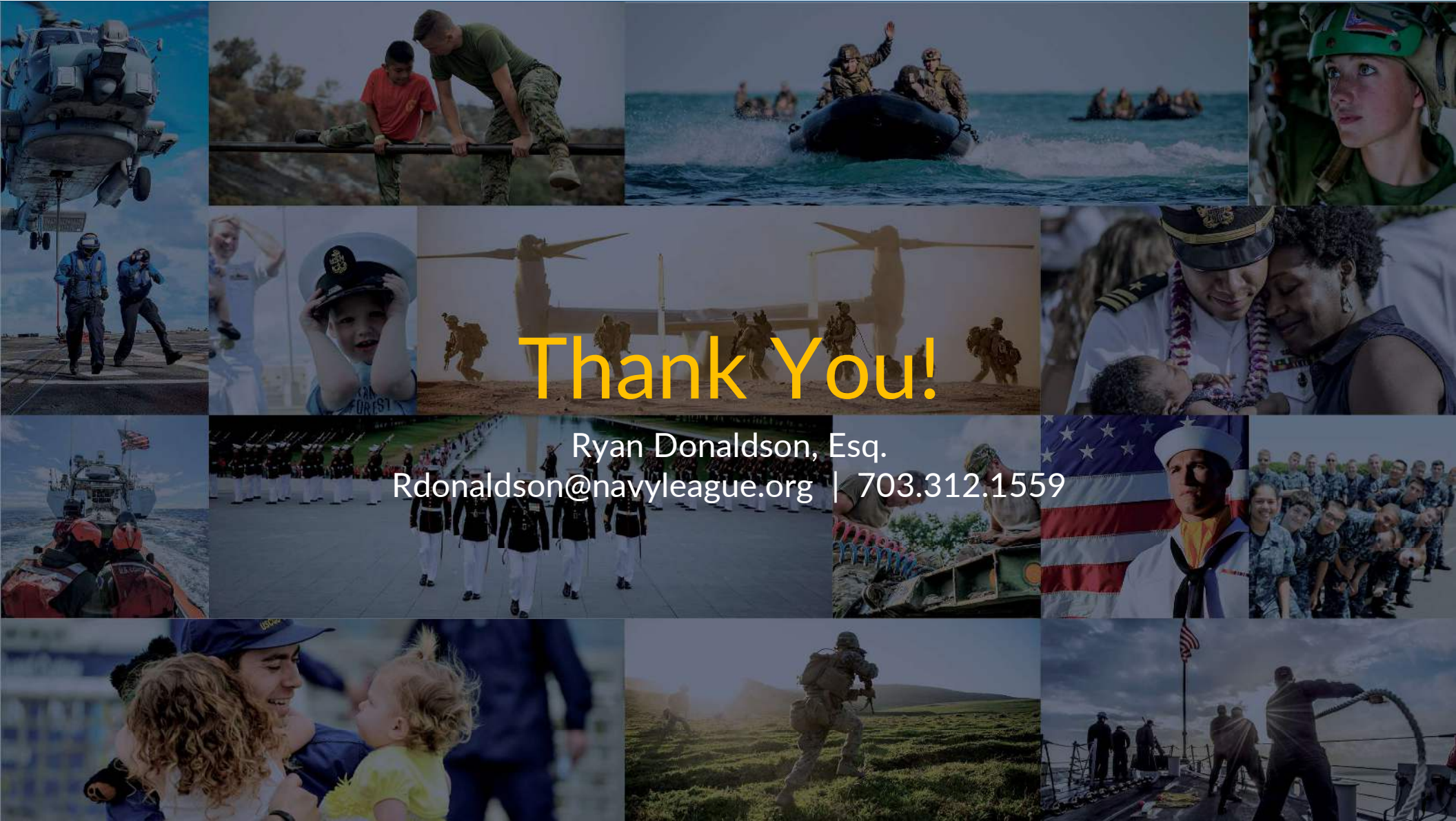
- A director's obligation not to engage in self-dealing or otherwise use their position to further their personal interests rather than those of the beneficiary.
- "As fiduciaries , board members ... 'may not profit improperly at the expense of their corporation.'" *Levy v. Young Adult Institute, Inc.*, 103 F. Supp.3d 426, 448 (2015), citing *S.H. & Helen R. Scheuer Family Found., Inc., By & Through Scheuer v. 61 Associates*, 179 A.D.2d 65, 582 N.Y.S.2d 662, 664-65 (1st Dep't 1992).

SDO



SDO National Director's Handbook, What is Governance?,
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Thank You!

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