

[Date]

[Director/Officer Name]

[Title]

[Non-Profit Organization Name]

[Address]

[City, State, Zip Code]

Subject: Explanation of Coverage Exclusions - Directors and Officers (D&O) Liability Insurance

Dear [Name],

This letter serves to outline specific exclusions contained within our current Directors and Officers (D&O) Liability Insurance policy. While this policy provides essential protection for the leadership of [Organization Name], it is important to understand the limitations of the coverage.

The following categories of claims are generally excluded from coverage under our policy:

- **Fraudulent or Dishonest Acts:** Coverage does not apply to any claims resulting from deliberate fraud, dishonesty, or criminal acts committed by an insured individual.
- **Personal Profit:** Claims involving an insured individual gaining any personal profit or advantage to which they were not legally entitled are excluded.
- **Bodily Injury and Property Damage:** These risks are typically covered under General Liability insurance and are excluded from the D&O policy.
- **Prior Acts/Knowledge:** Any claims arising from wrongful acts committed prior to the policy's inception date of which the insured had prior knowledge are not covered.
- **Insured vs. Insured:** This excludes lawsuits brought by the non-profit organization against its own directors or officers, or lawsuits between insured individuals within the same organization.
- **Pending and Prior Litigation:** Claims arising from litigation that was already in progress or reported before the current policy period began.
- **ERISA Violations:** Claims related to the administration of employee benefit plans, which generally require separate Fiduciary Liability insurance.

Please note that this letter is a summary for informational purposes only and does not supersede the actual language found in the insurance policy contract. We encourage you to review the full policy document for comprehensive details on terms, conditions, and definitions.

If you have any questions regarding these exclusions or our overall coverage, please contact [Contact Person Name] at [Phone Number/Email].

Sincerely,

[Your Name]

[Your Title]

[Organization Name]