



MJ INSURANCE
SORORITY DIVISION

Re: Coverage for an attorney serving as counsel for nonprofit organization

I have received several questions from our clients regarding coverage for an individual on staff serving as in-house counsel. I have approached this question from two different angles:

- Individual serving as an employee
- Individual serving as an independent contractor

The first issue to resolve is whether either status of “individual” is covered by the insurance policy. To that end, the following statements describe how individuals are covered under the General Liability, Umbrella and Excess Umbrella policies:

- Employees are covered, but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.
- Volunteers are covered, but if they are compensated in some way they do not qualify as insureds.
- Coverage applies to a “leased worker,” which is defined as a person leased to you by a labor leasing firm under an agreement.
- Coverage does not apply to an independent contractor.

Secondly, there is no exclusion for professional services under the Bodily Injury, Property Damage and Personal Injury provisions of the policies.

Thus, the current policies would provide coverage for liability allegations if the individual is an employee or leased worker of your organization.

We have to look separately at the Directors and Officers and Employment Practices Liability policies. These policies contain the following provisions:

- Employees are defined as insureds under the policy.
- There is no exclusion for professional services in the coverage language.

We are confident that any employee while acting within the scope of his/her duties would be covered under all of the insurance policies that are secured by the organization. Should the status of the individual be something other than an employee, that situation is less conclusive.

Let [me](#) know if any further questions remain and appreciate your thorough analysis of this subject.

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The **MJ Insurance Sorority Division** provides integrated insurance and risk management consulting to women's fraternities and sororities.

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