

# NATIONAL COALITION FOR VOLUNTEER PROTECTION

## SUMMARY OF A JANUARY, 1988 GALLUP STUDY ON VOLUNTARISM AND THE LIABILITY CRISIS

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The attached survey was prepared by the Gallup Organization, conducted for the Foundation of the American Society of Association Executives and funded by the Gannett Foundation. The study is based on a broad sample of non-profit organizations and their volunteers.

One of the primary objectives of the survey was to gather quantitative data on the incidence of volunteers withholding their services as a result of the fear of liability risk. The following findings illustrate the degree to which volunteer participation in the United States has been damaged due to increased concern over liability exposure.

\*\* Approximately one in ten non-profit organizations (8%) report that volunteers have resigned over liability concerns.

\*\* One in six (16%) volunteers report withholding their services due to fear of liability.

\*\* Almost one-half (49%) of all volunteers surveyed report seeing fewer volunteers willing to serve in leadership positions.

These findings indicate that a serious problem exists with volunteers withholding their services due to liability concerns. Volunteer participation in the United States has declined significantly as a result of the fear of increased personal risk.

The National Coalition for Volunteer Protection will continue to work to coordinate and generate support for a balanced and comprehensive solution to the volunteer liability crisis.

**THE LIABILITY CRISIS AND THE USE  
OF VOLUNTEERS BY NON-PROFIT ASSOCIATIONS**

**A Survey Conducted for:**

**The Foundation of the American  
Society of Association Executives**

**Prepared by:**

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*— The Gallup Organization, Inc. —*

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## INTRODUCTION

This report has been prepared by The Gallup Organization, Inc. for the Foundation of the ASAE. The report summarizes the findings of a survey of non-profit organization executives and volunteer board members concerning liability risk. The survey covered the following areas:

### Survey of association executives:

1. Incidence of carrying director and officers liability insurance coverage.
2. Change in cost of liability coverage since 1984.
3. Changes resulting from concern for exposure to liability risk.
4. Practices used by non-profit organizations to minimize liability risks
5. Incidence of suits over liability issues.
6. Effect of liability coverage on relations with association chapters.
7. Indemnification of directors or volunteers.
8. Perceived effect of liability exposure on volunteers.

### Survey of board members:

1. Effect of liability crisis on participation in not-for-profit organizations.
2. Extent to which volunteers inquire into liability coverage and issues prior to accepting board membership.
3. Perceived effect of liability crisis on volunteers.
4. Incidence of refusing to serve due to fear of liability.
5. Experience with lawsuits.
6. Extent of insurance coverage.

## SAMPLE DESIGN

The samples for this survey were drawn from two separate databases, one consisting of associations represented by ASAE members, and the other of associations represented by ASAE prospects (6,581 and 12,426 records respectively). Each organization record contained the name of an executive officer. A proportionate stratified random sample was drawn from each database, and proportionate interviewing quotas for executive officers were set for member and prospect organizations, in order that the survey results could be used to represent the opinions of executive officers in the total combined population of members and prospects.

In addition to the sample of executive officers, a sample of board members was interviewed. Since the names of board members were not available in the databases used as a sampling frame for the executive officer component of this study, interviewers took advantage of their executive officer contacts to generate a sample for the board member component.

Specifically, at the end of the interview, interviewers requested the names and telephone numbers of (1) the board chairperson, and (2) the most recently admitted board member. The rationale behind this purposive selection method was that it would provide a full range of opinion on the liability issues upon which the questionnaire focused, by representing the endpoints of the continuum of ingrained self-identification with the interests of the organization. This procedure possessed the additional advantage of not requiring the executive officers to provide a full (and sometimes extensive) list of board members. As with the executive officer component of the study, proportionate interviewing quotas were set for board members among ASAE member and prospect organizations.

Each prospective respondent was sent a letter of notification in advance of the telephone interview. All interviews were conducted by Gallup's own staff of interviewers in Princeton, NJ. A total of 265 executives and 359 volunteer board members were interviewed during the period from October 26 through November 24, 1987.

## SUMMARY OF FINDINGS

Given the concern for liability it is somewhat surprising that only about two-thirds of the organizations report carrying director and officer liability insurance. However, it may be noted that seven in ten board members report they are insured either by their company or by a personal liability policy. Volunteer board members are also likely to report the biggest effect of the liability situation is a concern for insurance coverage.

Most voluntary organizations report the cost of liability insurance has increased. In fact, the average reported increase in the past three years is 155%, and one in eight organizations report an increase of over 300%, roughly the equivalent of a 100% increase over 1984 rates per year.

The risk of being sued or being held liable has lead organizations, in some instances, to make changes. About one in twenty report changing the structure of their board of directors, and as many eliminated committees due to the potential exposure to liability risk. A larger proportion (14%) have eliminated programs they believed would expose the organization to risk.

From the volunteer board member's perspective the fear of exposure to liability is seen as resulting in fewer individuals willing to serve as volunteers. About half of the active board members report a decline in volunteers in the past few years. In fact, 16% of the board members report they have withheld their services to an organization out of fear of liability. More common, seven in ten report volunteers are more careful in what they do or say as board members. Related to the greater caution expressed by board members, organizations report establishing policies concerning volunteer activities. Eight in ten organizations have a policy regarding who may speak for the organization and nine in ten give their committees and boards specific charges and authorization and monitor compliance.

While there is a great deal of concern for the risk of liability, only one in twenty organizations report being sued on a directors and officers liability questions in the past five years. However, the

response says nothing about the organizations which may have adopted more cautious policies to avoid such situations nor does it indicate the extent to which potential suits may have been averted before filing with the courts. It is of note that almost as many board members as organizations report being sued. It may also be noted that while only about 5% were sued within the past five years, one in four organizations have been sued at some time in the past.

Thus, while the number of organizations reporting problems with liability risk is not great, concern for liability is common. Organizations have taken steps to alter their operations or activities to minimize liability in the face of ever increasing insurance rates and potential risk. Volunteer board members approach the request to serve on an organization's board with caution, investigating the organization's history of lawsuits and its' potential for liability risk. Finally, volunteers are more likely than organization executives to express concern and see a problem affecting the number and quality of volunteers resulting from the liability crisis.

The following pages summarize the findings  
of interviews with association executives.



Carrying of Director and Officer Liability Insurance

The Questions: To begin, does your organization currently carry director and officer liability insurance coverage?

Does your coverage include exclusions for any of the following?

- Ethics committee
- Standards committee
- Peer review
- Employee discrimination

When were these exclusions added?

Approximately two-thirds (64%) of all associations surveyed report carrying D & O liability insurance coverage. Among those with liability coverage one in eight (13%) report their insurance has exclusions for ethics or standards committee, peer review or employee discrimination. Typically such exclusions appear to have been imposed on the association's coverage since 1985.

All Executives  
%

Carry D & O Liability Insurance Coverage

Yes	64
No	35
No answer	<u>1</u>
Total	100
Number of Interviews	(265)

All with D & O Insurance  
%

Exclusions

Coverage has exclusions (Net) 13

Peer review	10
Standards committee	6
Ethnic committee	6
Employee discrimination	4
None of the above	<u>87</u>
Total	100

Number of Interviews (171)

Extent to Which Costs for Liability Coverage Have Increased

The Question: Compared with the cost of liability coverage in 1984, by what percentage, if any, have your premiums gone up?

Most associations with D & O coverage report an increase in their premium since 1984. On average, the reported increase is 155%, and the median increase is 54%. Among associations carrying D & O liability insurance about one in four (26%) report their premiums have increased by 100% or more since 1984. Another one in four (23%) have seen their premiums rise by twenty to eighty percent in the past three years. Only one in seven (14%) report no increase. A large percentage of executives could not estimate the extent of change in the cost of their insurance premiums.

All with D & O Insurance  
%

Percent increase on  
premiums since 1984

Over 300%	12
Over 200 to 300%	5
Over 100 to 200%	5
100%	4
80-99%	0
70-79%	2
60-69%	4
50-59%	7
40-49%	2
30-39%	4
20-29%	4
10-19%	6
1-9%	4
No increase	14
Can't say	<u>27</u>
Total	100
Number of Interviews	(171)
Median	54%
Mean	155%

Changes Resulting From Concern with Liability Risk

The Questions: Has concern for problems with liability caused your organization to make changes in the structure of your board of directors?

Has your organization eliminated any programs due to potential exposure to liability risks?

Has your organization eliminated any committees due to potential exposure to liability risk?

Relatively few associations (5%) report making changes in the structure of their board of directors as a result of concern for problems of liability. However, a larger proportion (14%) have eliminated programs due to potential exposure to liability risk. The elimination of committees is less common, only 5% report potential exposure to liability risk has lead to the elimination of committees.

While the number of executives reporting liability issues have affected the organization's leadership is relatively small it is noteworthy that such organizations are more likely than others to report changes in board structure or elimination of programs or committees.

	<u>All Executives</u>	<u>Liability effected Leadership</u>	
		<u>Yes*</u>	<u>No</u>
	<u>%</u>	<u>%</u>	<u>%</u>
<u>Made changes on structure of board</u>			
Yes	5	17	2
No	<u>95</u>	<u>83</u>	<u>98</u>
Total	100	100	100
Number of Interviews	(265)	( 52)	(213)

	<u>All Executives</u>	<u>Liability effected Leadership</u>	
		<u>Yes</u>	<u>No</u>
	<u>%</u>	<u>%</u>	<u>%</u>
<u>Eliminated programs</u>			
Yes	14	25	11
No	<u>86</u>	<u>75</u>	<u>89</u>
Total	100	100	100
Number of Interviews	(265)	( 52)	(213)

	<u>All Executives</u>	<u>Liability effected Leadership</u>	
		<u>Yes</u>	<u>No</u>
	<u>%</u>	<u>%</u>	<u>%</u>
<u>Eliminated committees</u>			
Yes	5	17	2
No	<u>95</u>	<u>83</u>	<u>98</u>
Total	100	100	100
Number of Interviews	(265)	( 52)	(213)

\*Executives who answered "yes" to at least one of the following questions are categorized as yes to this item.

Have any potential volunteer leaders withheld their services to your organization due to concern over liability exposure?

Have any volunteer leaders resigned due to concern over the liability situation?

Has the number of volunteers actively participating in the leadership of your organization declined as a result of the liability situation in the past three years?

Review of Organization Documents

The Question: Are the governing documents of your organization periodically reviewed to make them current and consistent with present interpretation of association law?

Almost all (88%) association executives report they periodically review the organization's governing documents to keep them current with interpretation of association law.

<u>Governing documents reviewed</u>	<u>All Executives</u> %
Yes	88
No	11
No answer	<u>1</u>
Total	100
Number of Interviews	(265)

### Policies Concerning Volunteers

The Questions: Is there an established policy as to who among the volunteers and staff is specifically authorized to communicate outside, the association's views, comments and positions?

Are volunteers prohibited from using association letterhead except when authorized for a specific task, project or purpose?

Do committees and boards have specific charges and authorizations and are they monitored to insure compliance?

A large majority of organizations (80%) have policies concerning communication of the association's views outside the organization. The same proportions report prohibitions on the use of official letterhead except for authorized use.

Nine in ten association executives (90%) also report committees and boards have specific charges and authorizations and are monitored for compliance.

<u>Established policy regarding communication</u>	<u>All Executives</u> %
Yes	80
No	19
No answer	<u>1</u>
Total	100
Number of Interviews	(265)

<u>Prohibitions against using letterhead</u>	<u>All Executives</u> %
Yes	80
No	18
No answer	<u>2</u>
Total	100
Number of Interviews	(265)

<u>Committees/Boards have specific charges/authorization</u>	<u>All Executives</u> %
Yes	90
No	8
No answer	<u>2</u>
Total	100
Number of Interviews	(265)

### Experience with Law Suits

The Questions: Has your association been sued on a directors and officers liability question in the past five years?

How many times?

When was the last time your organization was sued?

How many suits, if any, have you settled out court within the past five years?

How many suits, if any, have you successfully defended in the past 5 years?

How seriously has your liability coverage been affected by these suits?

Approximately one association in twenty (5%) has been sued, within the past five years, on a directors and officers liability question. The majority of organizations have been sued once, but one in four have experienced multiple suits. In addition, it may be noted that about one in four organizations have been sued for some reason at some point in time, including 6% who were sued within the past five years for some reason other than D & O liability.

The numbers reporting any involvement in suits is too small to base definite conclusions upon; however, it would appear that about half the suits are settled out of court and most are successfully defended.

<u>Sued on D &amp; O Question</u>	<u>All Executives</u> %	<u>Carries D &amp; O Insurance</u>	
		<u>Yes</u> %	<u>No</u> %
Yes	5	6	1
Once	3	4	1
Twice	1	1	0
Five or more	1	1	0
No	95	93	99
No answer	*	1	0
Total	100	100	100
Number of Interviews	(265)	(171)	( 92)

\*Less than one-half of one percent.



<u>Last time organization was sued</u>	<u>All Executives</u> %	<u>Carried D &amp; O Insurance</u>	
		<u>Yes</u> %	<u>No</u> %
Within past year	4	5	2
1-2 years ago	3	5	0
3-4 years ago	3	5	1
5 years ago	*	0	1
More than 5 years ago	12	14	8
Never	74	67	87
No answer	4	4	1
Total	<u>100</u>	<u>100</u>	<u>100</u>
Number of Interviews	(265)	(171)	( 92)

Of those sued for any reason in the past five years 18% report their liability coverage has been very or fairly serious affected by these suits.

	<u>Organization sued in past five years</u> %
Liability coverage affected. ...	
Very seriously	11
Fairly seriously	7
Not too seriously	50
Not at all seriously	50
Don't know	<u>11</u>
Total	<u>100</u>
Number of Interviews	( 28)

\*Less than one-half of one percent.

Bias on Underwriters

The Question: Have you incurred a bias on underwriters due in part to the technical nature of your profession?

About one in four association executives report having incurred a bias on underwriters due to the technical nature of their profession. Those who report the liability situation has had an effect on leadership are more likely than the norm to report incurring an underwriters bias.

<u>Incurred bias on underwriters</u>	<u>All Executives</u> %	<u>Liability effected leadership</u>	
		<u>Yes</u> %	<u>No</u> %
Yes	23	46	18
No	69	50	73
Don't know	8	4	9
Total	<u>100</u>	<u>100</u>	<u>100</u>
Number of Interviews	(265)	( 52)	(213)

Effect of Liability on Relations with Chapters

The Question: Have changes in liability coverage changed relations with chapters of your association?

If yes, in what ways?

Are you able to secure coverage for your chapters?

One in ten (10%) report that changes in liability coverage have changed relations with association chapters. While the number is small it may be of value to look at the changes reported. A third report initiating programs or monitoring to reduce the risk of liability. Others report discontinuing chapters, requiring chapters to pay for their own insurance or increased financial management.

<u>Changed relations with chapters</u>	<u>All Executives</u> %	<u>Liability effected Leadership</u>	
		<u>Yes</u> %	<u>No</u> %
Yes	10	19	7
<u>Programs to reduce risks</u>	3	6	3
Have gotten much more conscientious watching all levels of chapter activities; started a risk management program; Made chapters more sensitive to liability			
<u>Provide liability insurance</u>	2	4	1
Incorporated liability insurance for chapters under national policy; Got them liability insurance; Are required to cover chapters, independent D&O coverage in effect			
<u>No longer part of national insurance</u>	2	6	•
Had to distance from the chapters because of this; Cut them loose and they are on their own; Are not part of us anymore, they had to establish a new structure			
<u>Increased financial management</u>	2	0	2
Are starting to write guidelines for them concerning financial matters; Increased financial management; Greater audit and fiscal control			

continued.

<u>Changed relations with chapters</u>	<u>All Executives</u> %	<u>Liability effected Leadership</u>	
		<u>Yes</u> %	<u>No</u> %
<u>Chapters pay own insurance</u>	1	2	*
Require they carry their own liability coverage when conducting an activity using the organizations name or under our umbrella; They have had to pay more of their share of directors and officers insurance			
<u>Strengthen relationship</u>	1	0	1
Because of group plan have had strengthening of relationship; Have strengthened affiliation agreement			
<u>Strained relationship</u>	1	2	*
Strained relationship by raising concern at the chapter level which is very difficult; Caused some hard feelings			
<u>Tax laws</u>	1	2	*
Had to change membership requirements for the tax laws; Has to do with tax laws			
No	70	62	72
Don't know	<u>20</u>	<u>19</u>	<u>21</u>
Total	100	100	100
Number of Interviews	(265)	( 52)	(213)

Less than half (36%) of the association executives report they are able to secure coverage for their chapters; however, a large proportion (46%) could not answer the question.

<u>Able to secure coverage for chapters</u>	<u>All Executives</u> %
Yes	36
No	18
No answer	<u>46</u>
Total	100
Number of Interviews	(265)

Indemnification of Directors and Volunteers

The Question: Do you indemnify your Board of Directors in the Bylaws?

Do you indemnify your volunteers as well?

A majority of associations (58%) indemnify their board of directors. However, less than half (32%) indemnify volunteers. Organizations with D&O insurance are more likely than others to indemnify board members and volunteers. Those reporting the liability crisis has affected leadership also are more likely to indemnify board members.

<u>Indemnify Board of Directors</u>	<u>All Executives</u> %	<u>Carries D&amp;O Insurance</u>		<u>Liability effected Leadership</u>	
		<u>Yes</u> %	<u>No</u> %	<u>Yes</u> %	<u>No</u> %
Yes	58	64	48	65	56
No	35	29	43	25	37
No answer	7	7	9	10	7
Total	100	100	100	100	100
Number of Interviews	(265)	(171)	(92)	(52)	(213)

<u>Indemnify Volunteers</u>	<u>All Executives</u> %	<u>Carries D&amp;O Insurance</u>		<u>Liability effected Leadership</u>	
		<u>Yes</u> %	<u>No</u> %	<u>Yes</u> %	<u>No</u> %
Yes	32	37	25	35	32
No	59	54	66	59	58
No answer	9	9	9	6	10
Total	100	100	100	100	100
Number of Interviews	(265)	(171)	(92)	(52)	(213)

Effect of Liability Exposure on Volunteer Leaders

The Question: Have any potential volunteer leaders withheld their services to your organization due to concern over liability exposure?

Have any volunteer leaders resigned due to concern over the liability situation?

Has the number of volunteers actively participating in the leadership of your organization declined as a result of the liability situation in the past three years?

Association executives were asked a series of questions concerning the possible effects of the liability crisis on volunteer leaders. About one in five executives (20%) perceive some change as a result of the potential exposure to liability. The most common effect is the withholding of services to the association. Eighteen percent report that, due to concern over liability exposure, potential leaders withheld their services to the organization. A little less than one in ten (8%) report resignations as a result of concern over liability issues. Related to the reported resignation six percent have seen a decline in the number of volunteers in the past three years related to the liability situation. Finally, seven percent believe the quality of volunteers in their organization has suffered due to liability questions.

	<u>All Executives</u>
	%
Potential volunteer leaders have . . .	
Withheld services	18
Resigned	8
Declined in number	6
None of the above	80
Number of Interviews	(265)



Effect of Liability Exposure in Other Volunteers

The Questions: Has the number of individuals volunteering time for service roles in your organization declined as a result of the liability situation in the past three years?

Has the quality of volunteer leaders in your organization suffered due to liability questions?

As one might anticipate, organizations reporting the liability crisis has effected leadership are more likely than others to report a decline in volunteers and relatedly, a decline in the quality of volunteer workers.

<u>Individual Volunteers declined</u>	<u>All Executives</u> %	<u>Carries D&amp;O Insurance</u>		<u>Liability Effected Leadership</u>	
		<u>Yes</u> %	<u>No</u> %	<u>Yes</u> %	<u>No</u> %
Yes	6	4	10	29	*
No	91	93	87	67	97
Can't say	3	3	3	4	3
Total	100	100	100	100	100
Number of Interviews	(265)	(171)	( 92)	( 52)	(213)

\*One-half of one percent.

<u>Quality suffered</u>	<u>All Executives</u> %	<u>Carries D&amp;O Insurance</u>		<u>Liability Effected Leadership</u>	
		<u>Yes</u> %	<u>No</u> %	<u>Yes</u> %	<u>No</u> %
Yes	7	5	10	31	1
No	91	93	88	65	98
Can't say	2	2	2	4	1
Total	100	100	100	100	100
Number of Interviews	(265)	(171)	( 92)	( 52)	(213)

**Summary of findings based on interviews  
with volunteer board members.**

Affect of Liability Crisis

The Question: Overall, how would you say the liability crisis has affected your participation in not-for-profit organizations?

One in five board members (21%) report the liability situation facing voluntary organizations has made them more concerned about serving on boards of directors. One in ten (10%) either carry insurance or verify that the organization carries liability insurance. A small proportion (3%) have become more selective in their participation and 2% have resigned or refused to serve on a board as a consequence of their concern. However, seven in ten (69%) report no negative effect.

Liability Crisis Affect

	%
More concerned (net)	21
Cause for concern/more cautious (have to be more cautious; has not stopped volunteering; has not affected actions, but has generated a sense of concern)	18
Hesitancy in joining (reluctant to join new boards; tougher to get people to work for non-profit organizations; leery of volunteering)	3
Fear being sued (concerned for individual suits; look into risk liability; felt personal exposure)	2
References to insurance (net)	10
Must have insurance coverage (refusal to serve if proper insurance not available; will serve on boards that have coverage; make sure directors are covered)	5
Increased cost of insurance (costing more money for insurance; premiums have escalated; created financial problems)	3
Carry insurance	3
More selective (net)	3
Seek legal counsel (go to an attorney before making statements; talk with attorney before serving)	6
Check on organization/board member (check before joining; check every-thing out; find out how they operate; ask about policies before joining)	3
Resigned/will not participate	2
Other	3
No negative affect	69
Can't say	2
Number of Interviews	(359)

Inquiries Concerning Liability Coverage

The Questions: When asked to volunteer as a board member, do you inquire into the organization's liability coverage before making a decision to serve?  
Do you research the organization's history of lawsuits before volunteering?

Nearly half (48%) the board members question the organization's liability coverage before making a decision to sit on a board. Perhaps because of their greater experience, or greater potential exposure to suits, those who have been board members for a long period of time or have membership on more than one board are more likely to raise questions about liability before accepting a seat on the board.

Approximately one in four directors (23%) report researching the organization's history of lawsuits prior to volunteering. Again, it is the volunteer with more years of experience or multiple board membership who is most likely to look into the organization's past history.

Inquiries Concerning Liability Coverage

	<u>Length of Board Membership</u>				<u>Number of Organizations*</u>		
	<u>Total %</u>	<u>2 years or less %</u>	<u>3-6 Years %</u>	<u>7+ Years %</u>	<u>Only 1 %</u>	<u>2-3 %</u>	<u>4+ %</u>
<u>Inquire into Liability Coverage</u>							
Yes	48	42	47	56	34	53	54
No	51	57	53	41	65	46	43
Don't know	<u>1</u>	<u>1</u>	<u>-</u>	<u>3</u>	<u>1</u>	<u>1</u>	<u>3</u>
Total	100	100	100	100	100	100	100
Number of Interviews	(359)	(131)	(107)	(121)	(108)	(151)	(100)

Researching Organization's History of Lawsuits

	<u>Length of Board Membership</u>				<u>Number of Organizations</u>		
	<u>Total %</u>	<u>2 years or less %</u>	<u>3-6 Years %</u>	<u>7+ Years %</u>	<u>Only 1 %</u>	<u>2-3 %</u>	<u>4+ %</u>
<u>Research Organization's History of Lawsuits</u>							
Yes	23	17	26	26	17	26	23
No	76	83	71	74	81	73	77
Don't know	<u>1</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>2</u>	<u>1</u>	<u>-</u>
Total	100	100	100	100	100	100	100
Number of Interviews	(359)	(131)	(107)	(121)	(108)	(151)	(100)

\*Number of organizations for which respondent is a board member.

Criteria Used in Research of Organization's History

The Question: What criteria do you use in your research of an organization's history?

Among those who look into the organization's history the most common approach, taken by about one in four, is to consult with other board members. Almost as many consider the stability of the organization (22%). Slightly less than one in five (17%) consider the quality of the current board members and as many consider the organization's current insurance coverage. The full distribution of factors considered are shown in the table below.

Criteria Used in Research of Organization's History

<u>Criteria Used</u>	<u>Total %</u>
Consultation with members (e.g., check with administration staff)	27
Stability of organization (e.g., how long established; the organization itself)	22
Quality of board member (e.g., quality of people on board now & in the past; knowing about the leaders of the organization)	17
Insurance coverage (e.g., whether or not they are insured; if they carry liability; consult insurance representative)	16
General reputation/word of mouth (e.g., asking around in community; word of mouth; ask community leaders)	11
Type of service/activity provided (e.g., if they do good work; look at what they have to offer; primary purpose)	9
Organization records (e.g., go to records; minutes of meetings)	7

Criteria Used to Research Organization's History

<u>Criteria Used</u>	<u>Total</u> %
Legal counsel (e.g., check with legal counsel; our lawyers follow through the liability clause; state courts)	7
Financial background (e.g., ask to look at financials for 3 years; financial status; auditors reports)	6
Media (e.g., check newspaper stories)	3
Other involvement (e.g., usually on a committee so I can research well)	1
Potential for lawsuits (e.g., area of risks; probability of exposure of liability)	— 6
Number of Interviews	(81)



Perceived Changes in Volunteer Board Members

The Questions: In the past few years have you noticed any of the following regarding volunteer board members...  
fewer willing to volunteer or serve?  
volunteers are more cautious about what they do or say?

About half the volunteer board members(49%) report that they see fewer willing to volunteer to serve on boards of directors. A much larger proportion (72%) report volunteers are more cautious in what they do or say.

Fewer Willing to Volunteer or Serve

	<u>Total</u>	<u>Length of Board Membership</u>			<u>Number of Organizations</u>		
		<u>2 years or less</u>	<u>3-6 Years</u>	<u>7+ Years</u>	<u>1</u>	<u>2-3</u>	<u>4+</u>
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
Yes	49	47	48	52	49	47	53
No	49	50	51	46	47	52	46
Don't know	2	3	1	2	4	1	1
Total	100	100	100	100	100	100	100
Number of Interviews	(359)	(131)	(107)	(121)	(108)	(151)	(100)

Volunteers More Cautious About What They Say or Do

	<u>Total</u>	<u>Length of Board Membership</u>			<u>Number of Organizations</u>		
		<u>2 years or less</u>	<u>3-6 Years</u>	<u>7+ Years</u>	<u>1</u>	<u>2-3</u>	<u>4+</u>
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
Yes	72	69	74	74	67	77	70
No	27	28	26	26	31	22	29
Don't know	1	3	-	-	2	1	1
Total	100	100	100	100	100	100	100
Number of Interviews	(359)	(131)	(107)	(121)	(108)	(151)	(100)

Withholding of Volunteer Services

The Question: Have you ever withheld your volunteer services due to fear of liability?

One in six board members (16%) report withholding their services due to fear of liability. Those who serve on several boards, as one might expect, are more likely to report such an experience. It should also be noted that since the survey is of currently active board members there is no measure of the proportion of board members who have completely withdrawn from volunteer activity due to concern for liability.

Withholding of Volunteer Services

	<u>Total</u>	<u>Length of Board Membership</u>			<u>Number of Organizations</u>		
		<u>2 years or less</u>	<u>3-6 Years</u>	<u>7+ Years</u>	<u>Only 1</u>	<u>2-3</u>	<u>4+</u>
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
Yes	16	16	13	20	14	17	19
No	<u>84</u>	<u>84</u>	<u>87</u>	<u>80</u>	<u>86</u>	<u>83</u>	<u>81</u>
Total	100	100	100	100	100	100	100
Number of Interviews	(359)	(131)	(107)	(121)	(108)	(151)	(100)

Experience with Lawsuits

The Question: Have you ever been sued as a volunteer of a not-for-profit organization?

Relatively few board members (2%) report having been sued as a volunteer for a not-for-profit organization. As one might anticipate, board members who have served a long time or who serve on several boards are more likely than the less experienced to report being sued.

Experience with Lawsuits

	<u>Total</u> %	<u>Length of Board Membership</u>			<u>Number of Organizations</u>		
		<u>2 years or less</u> %	<u>3-6 Years</u> %	<u>7+ Years</u> %	<u>Only 1</u> %	<u>2-3</u> %	<u>4+</u> %
<u>Ever Been Sued</u>							
Yes	2	1	1	4	0	2	4
No	<u>98</u>	<u>99</u>	<u>99</u>	<u>96</u>	<u>100</u>	<u>98</u>	<u>96</u>
Total	100	100	100	100	100	100	100
Number of Interviews	(359)	(131)	(107)	(121)	(108)	(151)	(100)

Current Liability Coverage

The Question: Does your employer provide liability coverage for your volunteer service?  
Do you carry personal coverage for liability?

Seven in ten board members (72%) carry some type of liability coverage. Slightly more than one in four volunteer board members (27%) report their employer provides liability coverage for their volunteer service. This is particularly true of volunteers who serve on several boards or who have served for a long period of time.

Many more volunteers (62%) report carrying personal liability coverage.

Current Liability Coverage

	<u>Total</u> %	<u>Length of Board Membership</u>			<u>Number of Organizations</u>		
		<u>2 years or less</u> %	<u>3-6 Years</u> %	<u>7+ Years</u> %	<u>Only 1</u> %	<u>2-3</u> %	<u>4+</u> %
Net liability coverage	72	62	78	76	63	73	79
Personal Coverage	62	51		72	66	54	65
Employer provides coverage	27	20		30	33	23	22
None	<u>28</u>	<u>38</u>	<u>22</u>	<u>24</u>	<u>37</u>	<u>27</u>	<u>21</u>
Total	100	100	100	100	100	100	100
Number of Interviews	(359)	(131)	(107)	(121)	(108)	(151)	(100)

### SAMPLING TOLERANCES

In interpreting survey results, it should be borne in mind that all sample surveys are subject to sampling error, that is, the extent to which the results may differ from what would be obtained if the whole population had been interviewed. The size of such sampling errors depends largely on the number of interviews.

The following tables may be used in estimating the sampling error of any percentage in this report. The computed allowances have taken into account the effect of the sample design upon sampling error. They may be interpreted as indicating the range (plus or minus the figure shown) within which the results of repeated samplings in the same time period could be expected to vary, 95 percent of the time, assuming the same sampling procedures, the same interviewers, and the same questionnaire.

The first table shows how much allowance should be made for the sampling error of a percentage:

#### Recommended Allowance for Sampling Error of a Percentage

		In Percentage Points (at 95 in 100 confidence level)*						
		<u>Sample Size</u>						
		<u>350</u>	<u>250</u>	<u>125</u>	<u>100</u>	<u>75</u>	<u>50</u>	<u>25</u>
Percentages Near	10	3	4	5	6	7	8	12
Percentages Near	20	4	5	7	8	9	11	16
Percentages Near	30	5	6	8	9	10	13	18
Percentages Near	40	5	6	9	10	11	14	19
Percentages Near	50	5	6	9	10	11	14	20
Percentages Near	60	5	6	9	10	11	14	19
Percentages Near	70	5	6	8	9	10	13	18
Percentages Near	80	4	5	7	8	9	11	16
Percentages Near	90	3	4	5	6	7	8	12

\*The chances are 95 in 100 that the sampling error is not larger than the figures shown.

The table would be used in the following manner: Let us say a reported percentage is 33 for a group which includes 350 respondents. Then we go to row "percentages near 30" in the table and go across to the column headed "350". The number at this point is 5, which means that the 33 percent obtained in the sample is subject to a sampling error of plus or minus 5 points. Another way of saying it is that very probably (95 chances of 100) the true figure would be somewhere between 28 and 38, with the most likely figure the 33 obtained.

In comparing survey results in two samples, such as, for example, men and women, the question arises as to how large a difference between them must be before one can be reasonably sure that it reflects a real difference. In the tables below, the number of points which must be allowed for in such comparisons is indicated.

Two tables are provided. One is for percentages near 20 or 80; the other for percentages near 50. For percentages in between, the error to be allowed for is between those shown in the two tables.

Recommended Allowance for Sampling  
Error of the Difference  
In Percentage Points  
(at 95 in 100 confidence level)\*

TABLE A

<u>Size of Sample</u>	<u>Percentages near 20 or 80</u>					
	<u>175</u>	<u>125</u>	<u>100</u>	<u>75</u>	<u>50</u>	<u>25</u>
175	8					
125	9	10				
100	10	11	11			
75	11	11	12	13		
50	12	13	14	14	16	
25	17	17	18	18	19	22

TABLE B

<u>Size of Sample</u>	<u>Percentages near 50</u>					
	<u>175</u>	<u>125</u>	<u>100</u>	<u>75</u>	<u>50</u>	<u>25</u>
175	10					
125	11	12				
100	12	13	14			
75	14	14	15	16		
50	16	16	17	18	20	
25	21	21	22	23	24	28

\*The chances are 95 in 100 that the sampling error is not larger than the figures shown.

Here is an example of how the tables would be used: Let us say that 55 percent of men responded a certain way and 40 percent of women respond that way also, for a difference of 15 percentage points between them. Can we say with any assurance that the 10-point difference reflects a real difference between men and women on the question? Let us consider a sample which contains approximately 125 men and 125 women.

Since the percentages are near 50, we consult Table B, and since the two samples are 125 persons each, we look for the number 12 here. This means that the allowance for error should be 12 points, and that in concluding that the percentage among men is somewhere between 3 and 27 points higher than the percentage among women we should be wrong only about 5 percent of the time. In other words, we can conclude with considerable confidence that a difference exists in the direction observed and that it amounts to at least 3 percentage points.

If, in another case, men's responses amount to 22 percent, say, and women's 24 percent, we consult Table A because these percentages are near 20. We look for the number in the column headed "125" which is also in the row designated "125" and see that the number is 10. Obviously, then, the two-point difference is inconclusive.