

Pull out your current policy and check the box next to any coverage you can confirm is already in place — anything unchecked is worth a quick conversation with your advisor. Coverage checklist for nonprofit credit counseling, debt management, housing counseling, and financial literacy organizations. Priorities reflect typical exposure for this class; confirm against your actual services.

CORE **PREVALENT** **SITUATIONAL** — Core: almost always needed · Prevalent: commonly carried by businesses in this class · Situational: depends on specific exposure

COVERAGE	WHY THIS BUSINESS NEEDS IT	PRIORITY
☐ Crime / Client Funds (Third-Party Theft)	Covers theft of DMP trust funds by employees or outsiders — the largest exposure for DMP providers.	CORE
☐ Professional Liability (E&O)	Covers claims that counseling or a debt plan was handled wrong — missed creditor payments, bad advice.	CORE
☐ Cyber / Privacy Liability	Covers breaches of Social Security numbers, bank accounts, and credit reports.	CORE
☐ Directors & Officers	Covers board decisions and regulatory actions against leaders.	CORE
☐ State License / Surety Bonds	Required in many states to offer debt management — confirm each state's bond is current.	CORE
☐ Social Engineering / Funds Transfer Fraud	Covers payments diverted by fake creditor or vendor instructions — often a small sublimit.	PREVALENT
☐ Employment Practices Liability	Covers claims by counselors and staff.	PREVALENT
☐ Commercial General Liability	Covers injuries to clients and visitors at offices and classes.	PREVALENT
☐ Workers' Compensation	Required once you have employees.	PREVALENT
☐ Regulatory Defense Coverage	Covers defense costs in state, CFPB, or FTC investigations — often limited.	SITUATIONAL
☐ Fiduciary Liability	Needed if the organization sponsors an employee retirement plan.	SITUATIONAL

COMMON COVERAGE GAP FOR THIS CLASS

The gap most often missed by credit counseling agencies is client money. A debt management plan provider holds clients' payments in trust, and standard crime policies cover only the organization's own money unless client property coverage is added — one Utah agency closed after its trust account went into deficit and client payments bounced. Professional liability is the second gap if creditor payments are missed. Confirm crime coverage includes client funds, add social engineering, and reconcile the trust account often.

IMPORTANT — PLEASE READ

This checklist is a free educational tool from Cory Washington & Co. to help you review your own coverage and have a more informed conversation with a licensed insurance professional. It is general information only — not insurance, legal, or financial advice, and not a recommendation to buy, change, or cancel any policy. The Core / Prevalent / Situational labels describe general patterns observed for this class of business — what is commonly carried, not a personalized recommendation or needs analysis for your specific operations. Coverage terms, availability, limits, and requirements vary by policy, carrier, and state, and only the language in your actual policy governs what is and isn't covered. Checking or leaving blank any item above does not indicate that you are adequately insured or under-insured. Using this checklist does not create a client, agency, or fiduciary relationship. Always consult a licensed professional about your specific situation.