

NAR Insurance Program QUARTERLY RISK REPORT

Q1 2022

The Quarterly Insurance Trend Report is now the Quarterly Risk Report, highlighting issues that pose risk to associations and providing resources to help associations build knowledge, incorporate best practices, and avoid claims.

IN THE SPOTLIGHT: Addressing Workplace Issues and Managing Employees

In Q1 2022, employment issues topped the list of claims filed on the NAR insurance policy, with allegations of sexual harassment, discrimination, wrongful termination and hostile work environment in the mix.

Sharpening your skills as a people leader will help you manage your association to effectively address common employment issues, as well as prevent and handle employment-related complaints. Maintaining a diverse and inclusive workplace can not only help associations gain a competitive edge and create a positive workplace culture, but it can also decrease the chance of workplace harassment and discrimination. According to the [Equal Employment Opportunity Commission](#) a lack of workplace diversity increases the likelihood for harassment to occur in the workplace. Focusing efforts on creating a diverse and inclusive workplace is one important way to help reduce harassment and related issues in the workplace.

The NAR professional liability policy provides coverage for Employment Practice Liability (EPL) claims, with a \$500,000 claim limit.

Check out these curated eBook collections available through NAR's Library and intended to help association executives expand people management skills and knowledge of diversity, equity and inclusion.

Q1 CLAIMS REPORTED: 16

(9 active demands/lawsuits and 7 potential claims)

- 6 Employment
- 4 Professional Standards
- 2 Association Governance
- 2 Other
- 1 Copyright
- 1 Crime Loss

PEOPLE MANAGEMENT COLLECTION



DEI IN THE WORKPLACE COLLECTION



EPL TIP:

Create job postings that attract a more diverse set of candidates to your applicant pool

1. Review the job posting with a DEI lens before posting. Avoid using gender-specific pronouns and aim for more inclusive wording.
2. Highlight the association's inclusive culture; consider making a commitment to contributing to an inclusive working environment a job requirement.
3. Don't create job descriptions based on an "ideal" candidate the association employed in the past.

This employment practices tip, and dozens more, are available to you on the [EPL Assist website](#). Be sure to take advantage of this [valuable benefit](#), which provides best practices, risk management resources, and advice and counsel on common employment law issues facing associations.

To access these eBooks and the entire NAR library collection, log in to NAR's [eBooks site](#) using your NAR Member ID. Be sure to select "National Association of REALTORS®" as your primary library in the drop-down menu on the sign-in page.

MORE DEI RESOURCES

- Take the [DEI Self-Study Module](#) to increase awareness and understanding, and earn 1 hour of professional development towards Core Standards!
- Use this [DEI roadmap](#) to identify specific actions to build and engage a diverse membership.
- Check out NAR's [DEI resources](#).

ANTITRUST FOR ASSOCIATIONS

Ensuring association staff and leaders are familiar with antitrust law and its applicability to the activities of REALTOR® associations is a key way to avoid antitrust claims.

Antitrust coverage has a \$1,000,000 claim limit and is “defense cost only”, meaning coverage is limited to legal defense costs and does not cover monetary settlements or judgments.

ISSUE

U.S. antitrust laws prohibit an agreement, understanding or conspiracy among competitors that unreasonably restrains trade. Price fixing agreements and group boycotts are prohibited under the antitrust laws. For example, associations and MLSs should never come together to agree on fees charged to consumers or to collectively agree not to work with a particular business. Any comments or discussions about pricing or excluding a particular competitor or refusing to work with a particular vendor or supplier made during a meeting should be immediately stopped.

BEST PRACTICES

- Adopt an [antitrust policy](#) and read it at the beginning of meetings, and include the policy in meeting materials.
- Train staff to identify antitrust issues and empower them to stop conversations during meetings or events that raise concern.
- Set and follow an agenda for all meetings, take accurate minutes and consider asking counsel to review before finalizing.
- Monitor social media pages, and remove comments and discussions that are inconsistent with the association’s antitrust policy and present antitrust concerns.

ANTITRUST RESOURCES

[Competition.realtor](#)

A collection of resources and shareable content focused on competition in the real estate industry. Here you'll find infographics, FAQs and articles to help REALTORS® engage with consumers and interested third parties about the pro-consumer local broker marketplaces, or MLSs, and the value REALTORS® bring to the transaction.

[Window to the Law: Antitrust for Real Estate Professionals](#)

[Antitrust Pocket Guide for Association and Board Leadership](#)

[Antitrust Pocket Guide for REALTORS®](#)

[Antitrust 101 for Real Estate Professionals](#)

[Antitrust e-book collection](#)

COVERAGE CORNER

ADDRESSING COMMON POLICY QUESTIONS

Q: Are charitable foundations covered by the NAR policy?

A: Yes.

Coverage is provided for foundations incorporated or operated as a charitable trust and whose purpose qualifies as an exempt purpose under section 501(c)(3) of the IRS Code.

Have coverage questions? Check out these Professional Liability Policy [FAQs](#).

RISK MANAGEMENT WEBINAR REPLAY

ADA Website Accessibility: What Associations Need to Know

If you missed this powerful hour of insight and practical tips, watch it [here](#). Be sure access our library of [past webinars](#), on topics like:

- Good Sense Governance
- Defending Professional Standards
- Employment Issues
- Copyright Best Practices