

Mercy Hands for Humanitarian Aid

Insurance Policy

Introduction

Mercy Hands is a not-for-profit organization that usually operates in disaster affected – sometimes dangerous – areas, which entails exposing the organization and its personnel to a lot of risks. Therefore, risk management and avoiding loss is an important objective for Mercy Hands. Insurance gives Mercy Hands financial protection from losses that can occur during normal business operations.

This document describes the scope and principles of Mercy Hands insurance strategy.

Responsibility

The Logistics and Security Department, represented by the Director of Logistics and Security is primarily responsible for the implementation of this policy. The department is specifically responsible for:

- Obtaining offers for insurance, in accordance with the Procurement Policy.
- Filing and archiving all insurance documents in the department.
- Following on all insurance plans renewal.
- Developing and updating insurance standard operating procedures and forms.
- Initiating insurance claims and/ or acting as a focal point for the claimants – in coordination with the other involved stakeholders.

The Legal Division in Mercy Hands is responsible for following up on insurance claims with the insurance companies.

Types of Insurance

General Liability

When possible, Mercy Hands shall purchase general liability insurance. It covers against claims made by third parties for bodily injury and property damage that occurs during Mercy Hands' operations.

Directors and Officers (D&O) Insurance

This policy protects the managerial team, employees, interns and volunteers of the company from wrongful accusations and malpractice. As well, if any employee or volunteer decision leads to monetary loss for the organization, D&O insurance should cover. D&O insurance may also include a publisher's liability clause which will cover libel and copyright infringement.

Property Insurance

Mercy Hands will strive to insure the structure and content of every property it occupies, whether rented or owned, against damage, theft, or fire.

At minimum, Mercy Hands shall insure the headquarters against fire.

Cash Insurance

In accordance with Mercy Hands' financial policy there should be no more than 5000 USD or equivalent in local currency in the safe at any time.

Mercy Hands insures the cash in the safe, whether it is located at the Headquarters or any other office, against robbery or theft.

The safe must be placed in a secured room and monitored 24/7 with camera.

Auto Insurance

Mercy Hands shall buy auto insurance for all vehicles owned by the organization.

Auto insurance is optional for employees who use their autos for Mercy Hands business. However, to encourage those employees to insure their autos, Mercy Hands shall offer to cover 50% of their auto insurance and be responsible for purchasing auto insurance plan for them. The

remaining 50% shall be deducted from the employee's salary. A proof of auto shall be shared with the employee.

For employees who use their autos for Mercy Hands business and the decide to opt out of Mercy Hands auto insurance, they shall be responsible for any damage incurred to their vehicles during work.

Volunteers who use their own vehicles for Mercy Hands work are responsible for purchasing auto insurance for their vehicles.

Health Insurance

Mercy Hands adopts the Self-insured health insurance model. Employees' health insurance premiums are deducted from their salaries, while Mercy Hands uses its own money to cover its employees' claims.

Mercy Hands established an independent company, called Dhamani (www.dhamani-iq.com) for insurance plan administration; however, the actual claims costs are covered by Mercy Hands funds.

Guidelines

- Because insurance is basically a threat deterring and money saving strategy, Mercy Hands will strive to insure as much as possible of its property, personnel, and operation. However, given the limited financial resources, while considering which assets and operations to insure, Mercy Hands management will factor in the cost as well as the risk level of the asset or the operation.
- Not all insurance types are available in Iraq. To have a better understanding of what is available and for documentation purposes, on yearly bases Mercy Hands shall shop around for all types of insurance stated in this policy.
- The program staff responsible for project budget design shall always strive to add a budget line for insurance (property, cash, auto, health, general liability, etc.). Also, to encourage donors to fund Mercy Hands, proposal writers shall mention in the proposal that Mercy Hands has secure money management systems in check. Mercy Hands'

proposals will hold more value if we show that Mercy Hands is insured and its employees are secure.

- Once Mercy Hands buys or rents a property the Director of Logistics and Security informs the Executive Director and discusses with him whether the property can be insured or not and scope of coverage.
- The Director of Logistics and Security shall discuss with every newly hired driver the options for auto insurance and inform the HR Department with the outcome of the discussion. If the driver decides to let Mercy Hands insure their car then the Director of Logistics and Security will add them to Mercy Hands auto insurance plan and the HR Department will coordinate with the Finance Department for the deduction of insurance premium from the driver's salary.
- Health insurance is mandatory on all Mercy Hands full time employees. Exceptions can only be approved by the Executive Director, and it must be justified.
- The HR Department shall inform and regularly update the employees on Mercy Hands' insurance plans. Employees perform better knowing all their concerns will be duly addressed.

Procedure for Purchasing Insurance Plans

- In December of every year, the Executive Director will issue a Procurement Request and Request for Quotations- in accordance with the Procurement Policy for purchases less than 10,000 USD – for insurance plans, detailing the different insurance types and plans required by Mercy Hands.
- Accordingly, the Director of Logistics and Security will shop around for new insurance plans (property, cash, auto, health, general liability, etc.), create a quotations comparison form, and submit it to the quotations analysis committee for decision.
- The quotations analysis committee, which consists of the Executive Director, a senior finance officer, and the Director of Procurement, will review the submitted quotations

and also compare them to the current insurance plans then decide on either keeping the current plans or replacing them.



Khaldoon Al-Moosawi

Executive Director

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