



A guide to help new emergency services board members better understand the insurance and benefits needs of emergency service organizations.



First and foremost,

we'd like to extend our heartfelt congratulations to you on your new board position for your local emergency service organization (ESO). You now have even more power to make meaningful change within that organization and your community—and we're honored to be a small part of your journey and to see what's next for you and the ESO.

While this is undoubtedly an exciting time for you, you may also be a bit nervous and apprehensive about all that you need to tackle and learn—but we're here to help. This packet is designed to help equip you with some much-needed administrative and finance background knowledge to help you set the organization up for success.

First, you'll find a quick checklist with some to-dos to help you hit the ground running. Next, you can take a deep-dive into more nuanced topics, including what you should know about insuring an ESO and managing their Length of Service Awards Program (LOSAP). Through it all, please know that we believe in you and are here to support you and the organization in any way that we can—both now and in the future. You've got this!

"Volunteers do not necessarily have the time; they just have the heart." – Elizabeth Andrew

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Your First 45 Days in Office

Financial + Administrative Awareness Checklist

This to-do list is designed to help officers and board members gain awareness of their ESO's financial and administrative status, notify stakeholders of changes in leadership and continue the work of those before you. All of these steps are important, so please consider completing them at the start of your tenure, and on at least an annual basis after that, and complete them thoroughly, accurately and without assumptions.

- Publish change of officers and board members on all platforms and resources, including your website.
- Verify each key position has a job description.
- Complete a conflict of interest statement for every board member and officer on at least an annual basis, and during changes in outside employment.
- Conduct additional background checks for all individuals involved in the organization's finances. Specifically, complete a credit report for each individual prior to the elections if not already done.
 - Note: This should be on an annual basis regardless of whether it was completed previously for any individual.
 - It is important to know who is going to review/verify the credit reports and approve conflict of interest statements. Decisions should be made as objectively as possible. The recommendation would be a compliance officer.
- Review and verify that foundational documents such as incorporation paperwork, bylaws and other governance docs are up-to-date.
- Make changes to signature cards at your financial institution(s) only after credit reports have been reviewed and a compliance officer has approved.
- Put a process in place to change access to email for each officer role.
- Notify the Department of State changes in officers (filing fee may be required).
- Review prior end-of-year (EOY) financial reports, especially the balance sheet and budget.
- Review the list of assets, including technology items such as website domain names and logos.
- Review schedules of loans, investments, contracts and grants.
- Change contacts for state and federal grants.
- Notify insurance carrier(s) of any change in officers and designate primary and secondary points of contact.
- Update your organization roster to account for changes in junior members and active or inactive firefighters.
- Review insurance coverage, including your management liability coverage, exclusions and limits with your agent or broker.
- Review your members' benefits, including your Length of Service Awards Program (LOSAP), with your benefits provider(s).
- Notify attorney of changes.
- Notify accountant of changes.
- Review and verify [990 IRS](#) filing for submission to avoid your tax-exempt status lapsing.
- Notify fire and/or EMS billing provider of changes, as applicable.
- Make changes to previously-issued bank cards and issue new ones as needed.
- Review schedule of any current or potential litigation against the ESO.
- Ensure compliance with filing requirements in your state if you fundraise.
- Review payroll tax filings for compliance, as required.
- Verify sales tax exemption for compliance.

Insurance Products & Benefits 101

First responders serve a vital role—and they deserve insurance to help protect their resources and promote the health and interests of their members. Here’s an overview of some of the types of [specialized insurance coverages and benefits](#) that ESOs should consider to help ensure you have thorough protection and support during the moments that matter most.

- **Property & Casualty (P&C)** – helps protect the various types of property the ESO owns, including their facilities and grounds, items within facilities, department vehicles and portable equipment, as well as provide financial protections for the organization and members for potential liability risks related to their operations (i.e., if legal action is pursued against the ESO).
- **Liability** – there are various types of additional liability coverages that you should consider, including coverage for instances where legal action is being pursued against the ESO, members or board members related to your employment practices and decisions.
- **Additional Board Member Protections** – beyond liability, there are other coverages to consider for board members and others who work on behalf of the ESO but are not actual members, including Accident & Travel policies, which provide financial benefits should they suffer an injury or death while traveling for ESO-related duties.
- **Cyber** – provides financial protections should your organization be the victim of a cybercrime, like extortion, and can be included in P&C coverage or purchased as a standalone policy.
- **Workers’ Compensation** – provides financial benefits for members who are injured or experience an illness while performing the normal duties of your organization.
- **Accident & Sickness (A&S)** – designed specifically for first responders, this coverage fills in gaps of traditional Workers’ Comp policies and provides additional financial benefits for members who are injured or experience an illness while performing the normal duties of the organization.
- **Cancer & Critical Illness** – designed specifically for first responders, this coverage fills in gaps of traditional Workers’ Comp policies and provides a lump sum living benefit when a participant is diagnosed with cancer or suffers a heart attack, stroke or kidney disease.
- **Cancer Coverage** – designed specifically for the looming risk of cancer in the fire service, this coverage provides cancer-specific coverages and is mandated in some states.
- **Group Term Life** – provides life insurance benefits for volunteer and career fire service personnel.
- **Length of Service Awards Program (LOSAP)** – similar to a retirement plan, LOSAPs are intended to assist emergency service organizations with recruiting, retaining and rewarding volunteer members by offering financial rewards based on the longevity of their service. (Learn more on page 6.)

What to do if the ESO needs to file a claim:

1. First, mitigate the risks. Start by assisting any injured parties and taking measures to help protect their property from further damage.
2. Contact your insurance agent or broker ASAP. Your local insurance agent will help gather all of the important information we need to file your claim like the date, time and location of the occurrence.
3. Stay in touch with your insurance broker or agent about your claim—and only them. For example, in the event that a lawsuit is filed—let your broker know immediately and provide copies of the suit papers. But, outside of them, your assigned claims handler and any authorized representatives, we encourage you to not share any information regarding claims with others.



Understanding your Length of Service Awards Program (LOSAP)

According to the [National Fire Department Registry](#), about half of all active fire personnel are currently volunteers. However, the declining and aging volunteer base is a major concern for many fire departments and community leaders—especially in more rural areas and among smaller departments that mostly, or solely, rely on volunteers to serve their communities.

That's why VFIS is proud to be the industry leader in Length of Service Awards Programs (LOSAPs) for emergency service organizations nationwide—and that these programs allow us to provide a cost-effective option to help ESOs recruit, retain and reward volunteer first responders in their communities. Here's some information to help board members and officers manage their LOSAP—and please know that you can reach out to us at any time for assistance.

What's a LOSAP?

VFIS LOSAPs are carefully designed to provide supplemental retirement income to volunteers, with added protections for family members through customizable death and disability benefit provisions.

They can be tailored to your organization's needs and budgetary considerations—and many plan specifications are customizable, including the benefit level, entitlement age and vesting requirement.

Get to know your LOSAP design

VFIS offers two types of LOSAPs, Defined Benefit Plans and Defined Contribution Plans, and the ESO selects which plan design best meets its objectives while accommodating budgetary constraints upon creating the program. We've indicated your organization's structure below via check mark.

Defined Benefit

- ESO predefines the monetary reward per year of service that the volunteer will receive monthly at entitlement age.
- Fluctuation in contribution is assumed by the ESO to ensure adequate funds are accumulated to pay benefits.

- Here's an example of how a Defined Benefit Plan may work—but please talk to your LOSAP administrator about the specifications of your plan:

Your ESO decides that each year of service is rewarded with a \$10 per month benefit for volunteers when they reach a pre-determined entitlement age of 65. For example, a member would receive \$50 per month for 5 years of volunteer service or \$100 per month for 10 years of volunteer service—up to an established plan maximum.

To help ensure the plan is funded properly, the VFIS Actuarial Team provides a recommended minimum funding projection each year that's based on the plan's roster and updated accruals. Additionally, annual valuations are completed to formally assess assets and liabilities as the plan evolves over time.

Defined Contribution

- ESO predefines the monetary contribution to the volunteer's account per year of service. At entitlement age, the account balance is awarded to the volunteer as a lump sum.
- Fluctuation in reward is assumed by the volunteer depending on investment results.
- Here's an example of how a Defined Contribution plan may work—but please talk to your LOSAP administrator about the specifications of your plan:

Your ESO decides to contribute \$1,000 annually to each volunteer who provides a year of service—and your members are eligible to receive a lump-sum payment when they have volunteered for at least five years and reach a pre-determined entitlement age of 55.

A member's lump sum payment at entitlement would be equal to the sum of all \$1,000 annual contributions (for example, a member who served 10 years would receive \$10,000), plus the accumulated interest over time.

- *Please note that LOSAP rewards from both Defined Benefit and Defined Contribution Plans are subject to federal, state, and local tax.



How to manage your LOSAP with VFIS

Your dedicated LOSAP administrator:

Upon opening your LOSAP, your plan is assigned to a dedicated administrator who serves as your single point of contact with VFIS. They can help you answer any questions, assist with annual paperwork and more.

Name: _____

Email: _____

Phone: _____

Board member responsibilities:

Board members, including the appointed LOSAP Plan Administrator from your ESO, as well as ESO officers are responsible for working together to help ensure your LOSAP details are in-order, including making annual contributions, completing annual censuses and submitting member benefit paperwork, as well as complying with all related federal and state regulations.

Annual contributions:

- Annual contributions are made by the plan sponsor, the governing body who has established the LOSAP, and who acts as the sole fiduciary of the plan.

Annual paperwork:

- Annual censuses
- New entitlement paperwork for members who reach entitlement age during the year
- Auditor requests if applicable

Other considerations:

- Similar to other types of retirement accounts, there are federal regulations regarding LOSAPs and some states, like New York, have additional involvement and regulations that ESOs must adhere to. Please check in with your dedicated LOSAP administrator to learn more about your state's unique needs.





Additional Resources

VFIS clients get more than just an insurance policy. We're also here to serve as a helpful partner and training arm to ESOs by providing a variety of industry-specialized resources, educational programs and training classes that are designed to help first responders educate, train and retain personnel, develop comprehensive risk management programs and, ultimately, stay better protected while they serve and protect others.

Here's an overview of our online and in-person learning opportunities, the majority of which are completely free for VFIS clients, that you can recommend to your ESO and fellow board members to help them address everyday risks, overcome unique challenges and expand their skillsets.

RESOURCE LIBRARIES

- [VFIS.com](https://www.vfis.com) has 300+ online tools, self-assessments and shareable resources covering best practices for general operations, vehicle operations, personnel management, property management, wellness, cybersecurity and more.
- [ResponderHelp.com](https://www.responderhelp.com), developed and administered by VFIS, houses 5,000+ resources (including free SOGs) that have been developed by a variety of industry specialists, including the USFA, NVFC, NFFF and more, to help first responders tackle their top concerns.
- [The Don't Risk It! Podcast series](https://www.vfis.com/podcast), available on all major podcast platforms and at [vfis.com/podcast](https://www.vfis.com/podcast), shares 100+ meaningful and helpful conversations about emergency services industry trends, best practices and risk management.

VFIS UNIVERSITY

Our distance learning platform, available at [vfisu.com](https://www.vfis.com), gives clients 24/7, 365 access to quality online training courses (many of which are recognized as meeting industry standards) that ESO trainers and leaders can assign to team members and students will receive certificates upon completion. Some course topics include annual refresher training, behavioral health, wellness, vehicle operations, administration and more.

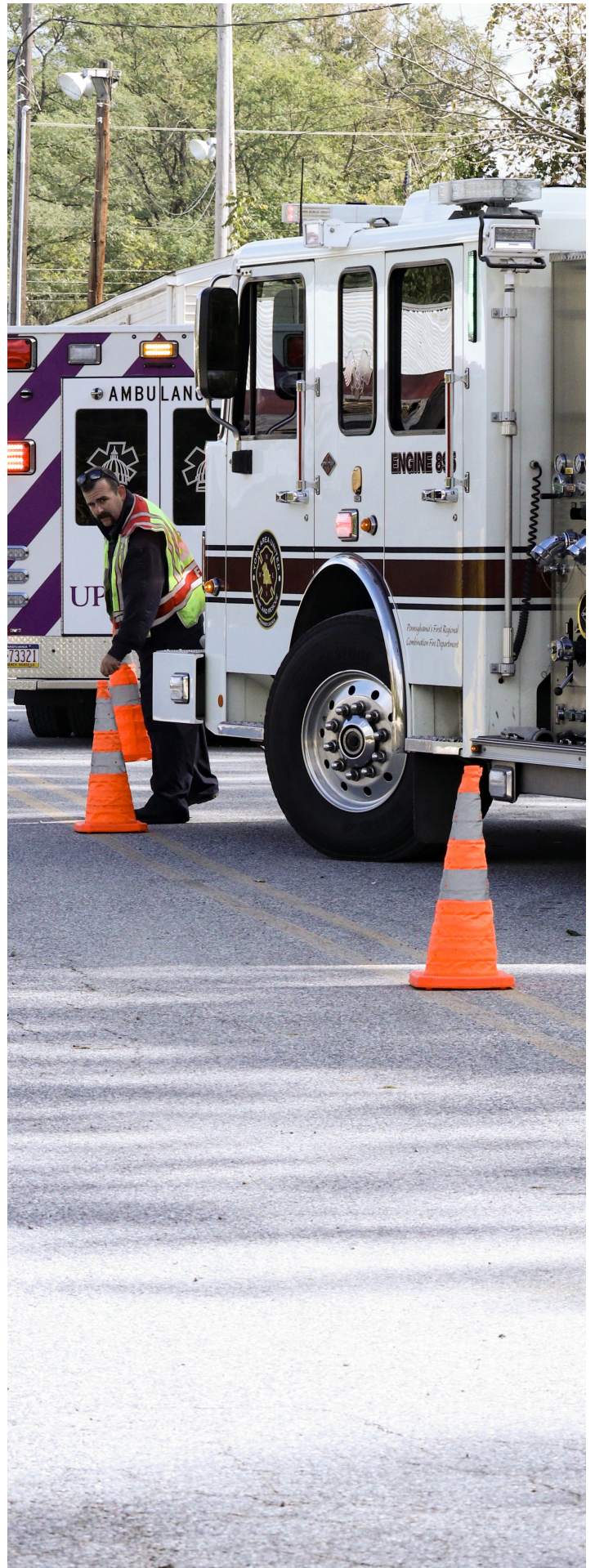
We also have a **Board Member Essentials Course** which covers must-ask questions for the Chief Officer or Executive, some of the most common liability issues associated with being on a nonprofit board and case studies that focus on mitigating board liability.

EDUCATIONAL PROGRAMS

Browse our educational USBs, videos and products at shop.vfis.com—all of which are designed to help ESOs host trainings and increase awareness about important risks at their own station, including patient handling, vehicle operations and abuse prevention.

FIELD TRAINING CLASSES

We conduct a variety of in-person training classes on a regional basis throughout the year, many of which are offered at instructor (“train the trainer”) and participant (“student”) levels, including Emergency Vehicle Driver Training (EVDT), Trailer Operations and Safety, UTV/ATV Safety, Traffic Incident Management and more. Visit [vfis.com](https://www.vfis.com) to check out a live calendar of upcoming trainings + see if we're coming to a city near you!



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