



DIRECTORS & OFFICERS ERRORS & OMISSIONS LIABILITY

This form of coverage insures the entity's directors and officers against claims usually brought by other members alleging loss or damage arising from mis-management of the entity, or other wrongful acts. These incidents are typically excluded from the Comprehensive General Liability as they do not involve a bodily injury or property damage incident. You do not have to be "wrong" to be exposed; the merits of the case may not matter, and the defense costs can be massive. You do not have to be sued for a specific dollar amount to be defended.

Wrongful Acts: Defined in the policy as any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted or allegedly committed or attempted by an insured person in his insured capacity or any matter claimed against him solely by reason of his serving in such insured capacity.

A board has a completely separate identity from the entity it administrates. It doesn't matter what the by-laws say about the indemnification of Directors or Officers. If the entity is on a tight budget, and there is no insurance, those provisions are unfunded, and Directors have to bear the cost of any liability on their own. This is a risk to the personal assets of the Directors, not the entity. Directors and Officers are increasingly concerned that judgments will reach into their personal assets or even those of their spouse. The results of a lawsuit can be devastating, affecting the personal lives of those named in the suit as well as the financial viability of the organization.

Examples of allegations of Wrongful Acts:

- Failure to stop actions resulting in damage to the entity
- Unwarranted salaries or compensations
- Failure to attend meetings of Directors & Officers
- Misuse of entity funds
- Exceeding authority granted by charter or by-laws
- Fraudulent conduct, reports, financial statements or certificates
- Violation of statute
- Improper self-dealing including Conflict of Interest
- Acquiescence in conduct of fellow directors engaged in improper self-dealing
- Transactions with companies in which officers or directors are personally interested
- Allegation of financial mismanagement
- Inefficient administration resulting in losses
- Sale of assets for unreasonably low prices
- Wasting of assets
- Extension of credit where not warranted
- Permitting organization to make improper guarantees
- Allegation of mistakes or errors in judgment or negligence
- Disclosure of material facts
- Dissemination of false or misleading information
- Failure to examine reports or documents prior to signing
- Failure to detect and stop embezzlement of organizational funds
- Failure to file annual report
- Failure to supervise the activities of others in a proper manner

Premium Schedule:

Operating Budget		\$1,000,000 Limit	\$2,000,000 Limit	\$5,000,000 Limit
		Annual Premium	Annual Premium	Annual Premium
\$ -	\$100,000	\$250	\$400	\$650
\$100,001	\$250,000	\$350	\$500	\$800
\$250,001	\$500,000	\$500	\$600	\$1,000
\$500,001	\$999,999	\$600	\$750	\$1,250
\$1,000,000	\$2,000,000	\$1,000	\$1,250	\$1,750
over	\$2,000,000	refer	refer	refer
Operating Budget = Revenue + Cash				

Application forms can be found at www.oasisinsurance.ca
 Clubs must be incorporated to apply for this policy.