

For more information contact:

**COX MORRIS INSURANCE BROKERS**

5250 Roblin Boulevard  
Winnipeg, Manitoba  
R3R 0H1  
PH: 1-204-885-7582  
FAX: 1-204-896-0421  
email: [info@coxmorris.com](mailto:info@coxmorris.com)  
Louise Dahle  
Dave Morris  
Nancy Morris



*and*



**MANITOBA CHILD CARE ASSOCIATION**

2nd Floor, 2350 McPhillips Street  
Winnipeg, Manitoba  
R2V 4J6  
PH: 1-204-586-8587  
Toll Free: 1-888-323-4676 (MB ONLY)  
FAX: 1-204-589-5613  
Email: [info@mccahouse.org](mailto:info@mccahouse.org)

# Directors and Officers Liability Insurance

Manitoba Child Care Association  
2nd Floor, 2350 McPhillips Street  
Winnipeg, Manitoba

January 2008

## Why Directors & Officers Insurance?

Board members may be personally sued for wrongful acts.

Your MCCA Centre General Liability insurance does not cover wrongful acts. Directors & Officers Insurance provides a legal defense and possible compensatory awards to a claimant if a suit for a wrongful act is filed against your board members, centre or employees.

### Coverage

Directors & Officers insurance coverage agrees to reimburse the Board of Directors, the centre, or the employees for amounts they are legally obligated to pay for claims made against them for wrongful acts, including the costs of defending any such claim. Wrongful acts are usually defined as meaning any breach of duty, neglect, error, misstatement, misleading statement, omissions or other wrongful acts. Such claims may be ruled by a court of law if proven that a person(s) suffered damage or settled "out of court" on the defendants behalf by the insurance company. (If a centre is ever served with a legal suit, please contact Cox Morris Insurance Brokers immediately so we can inform the Insurance Company.)

Like all insurance policies this policy does not cover every possible risk.

Some of the principal exclusions contained in the Directors and Officers Insurance Policy are

as follows:

- Libel and slander (hence the need for this coverage in Centre Liability Plan)
- Failure to effect and maintain adequate insurance coverage
- Dishonest, fraudulent or criminal acts of the insured and personal profit or advantage to which they were not entitled

The following examples could be considered forms of negligence, errors, omissions;

#### Breach of Duty

- Negligence in ensuring acceptable criteria is followed in the selection/approval of employees
- Negligence by which an employee is dismissed (wrongful dismissal)

#### Discrimination

- Any person is barred from participating in the centre due to race, age, religion, or sex

#### Conspiracy: failure to disclose material facts

- A board member has family members employed in the centre even though there might be better qualified people
- The board may be aware of unhealthy conditions in the centre and does not take adequate preventative steps to prevent possible injury to children

At common law, a director (of a Board) is always required to act in the best interest of the corporation. Directors on boards of non profit corporations have duties of honesty, loyalty, care, diligence, prudence, and skill.

Lapse of the policy will result in total cancellation of coverage for possible claims, which may have occurred prior to the policy cancellation. In the case the insured (the Board, the centre and the employees) may be responsible for damages awarded, in addition to their defense costs.

### DEDUCTIBLE AND COVERAGE

The policy has a deductible of \$1,000. The Limit of Liability is dependent upon the limit of coverage purchased.

The plan covers legal fees if you are served with a legal suit for a wrongful act. In the event, you must contact us immediately and we notify the Insurance Company who will assign an adjuster to handle any possible claim and a lawyer if it develops into a scenario that will go to court.

You can obtain a premium quote and a proposal form from Cox Morris Insurance Brokers. Return it to the broker for approval, who will send you the Certificate of Insurance.