

Directors and Officers Liability Insurance for Child Care Centres



Why Directors & Officers Insurance?

Board members may be personally sued for wrongful acts. Your MCCA Commercial Liability Policy does not cover these wrongful acts. Directors & Officers Liability Insurance provides coverage for defence, and possible compensatory awards to a claimant, if a suit for a wrongful act is filed against your board members, centre, or employees.

**MCCA IS WORKING
FOR YOU!**

Child care centres must be members of the Manitoba Child Care Association to enroll in the Directors & Officers Liability Insurance Plan.

Coverage

Directors and Officers Liability provides coverage for legal defence when a claim is made against them for wrongful acts. Wrongful acts are usually defined as meaning any breach of duty, neglect, error, misstatement, misleading statement, omissions or other wrongful acts. Such claims are ruled on by a court of law.

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

Breach of Duty

- Negligence in ensuring acceptable criteria is followed when hiring employees
- Negligence in the manner 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



In common law, a board member is always required to act in the best interest of the corporation. Board members of non-profit corporations have duties of honesty, loyalty, care, diligence, prudence, and skill.

Deductible and Coverage

The policy has a deductible of \$1,000. Information about coverage limits and premiums can be obtained by contacting Morris Insurance Brokers at 204-885-7582 or daycare@morrisinsurance.ca. They will also provide you with an application form, which must be completed and returned to them in order to apply for coverage.

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:

- Libel and slander
- 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.

For more information contact:

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