

CONSERVATION AUTHORITY

Directors and Officers Liability Insurance Synopsis

Who is Insured?

- Conservation Authorities, Source Protection Authorities, Source Protection Committees, Conservation Foundations, and Conservation Ontario.
- All past, present and future directors, officers, trustees, managers, in-house general counsel, employees, volunteer or any member of any duly constituted committee of the above noted entities.

Purpose of D&O Insurance

- To protect and defend the personal assets of directors and officers by paying on behalf of directors and officers for claims that are not indemnifiable by Authority.
- To protect the entity's financial holdings by paying on behalf of the Authority for claims brought against the directors and officers that are indemnifiable.
- To protect the entity by paying on behalf of the Authority for claims brought against the Authority including for Employment Practices Liability such as wrongful dismissal.

Duties and Obligations

- All directors and officers are expected to act in the best interests of the entity and not in their own interests.
- All directors and officers shall act honestly and in good faith with a view to the best interests of the entity
- All directors and officers shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances

What is covered?

- Covers directors and officers against liability arising from any alleged wrongful act in directing the business affairs of the Authority, Source Protection Authority, Source Protection Committee, Foundation or while acting on the Board of an associated Non-profit organization
- This is a "Claims Made" policy, claims must be reported during the policy period

Definitions;

- **Wrongful Act:** any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted, or allegedly committed or attempted by an Organization or by an Insured Person, individually or otherwise, in his or her Insured Capacity, or any matter claimed against such Insured Person solely by reason of serving in such Insured Capacity.
- **Claim:** means one of the following against an Insured for a Wrongful Act:
 - written demand for monetary or non-monetary damages
 - civil proceeding commenced by the service of a statement of claim, a complaint or similar pleading
 - criminal proceeding commenced by a laying of an information, the return of an indictment or similar document
 - formal administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document; or
 - an arbitration or mediation proceeding commenced by a receipt of a demand for arbitration, demand for mediation or other similar document.

Limits of Liability:

- Each Loss(wrongful act): \$3,000,000
- Annual Aggregate per Authority: \$5,000,000
means the insurer will not pay out more than the aggregate limit in any one year, including defence costs and expenses

Deductibles;

- NIL for non-indemnifiable claims against Insured Persons
- \$15,000 for Employment Practices Liability
- \$5,000 for all other claims

This summary represents a synopsis of current coverage subject to renewal on April 1, 2023 and is provided as a reference only. The actual policy, including endorsements, determines coverage. The policy contains exclusions, limitations and other provisions not referenced (or only briefly summarized) here and the policy should be consulted for full coverage terms conditions and requirements.

Please be aware that this policy is Claims-Made. This means that in order to trigger coverage, a claim must first be made against the insured(s) and reported during the policy period. Failure to report may cause the Insurer to deny coverage.