



DIRECTORS & OFFICERS LIABILITY INSURANCE

CLUB INCORPORATION

Club incorporation remains a challenge. It is recommended that every club incorporate as it provides a measure of financial protection for the members of the Board of Directors and individual members alike. Clubs should consult a lawyer to complete this process.

For the purposes of insurance a Lions Club is considered a "Non-Profit" organization. In recent years the nature of the responsibility of Directors & Officers has greatly increased. There are two certainties. First, Boards of Directors will be faced with increased frequency of legal actions taken against them following similar experiences in the United States. Secondly, the law is likely to be more strictly interpreted in that Directors will be judged by standards far higher than those expected of the ordinary individual. Lions Clubs board members are not exempt.

Directors in the performance of their duties stand in a position of trust, and are required to act honestly, in good faith and in the best interests of the corporation (club). Like any other fiduciary or trustee a director must not place himself (herself) in a position where the duties to the corporation (club) conflict in any way with his or her personal financial interest.

DUTY OF CARE, DILIGENCE AND SKILL

In the interpretation of the duty of honesty and good faith, the courts are relatively strict. This insurance protects the personal assets of the members of the board and those of the organization through affordable and flexible insurance protection.

Included in the coverage are allegations such as employment practices, defamation, misrepresentation, non-disclosure, breach of duty of care, fiduciary mismanagement and bankruptcy related claims.

Detailed information of this type of insurance is available through any Insurance broker throughout the Province of Ontario or through the current Directors and Officers Insurance program available to all clubs in Multiple District "A".

For further information, please contact our office at (800)387-1627, (705)742-4245, or lions@darlinginsurance.net.