

## Are your boards and committees insured?

It has become apparent following discussions with various urban municipalities that there is a common misconception the municipality's liability insurance automatically extends to cover all boards and committees operating within the municipality. In actuality, your liability policy will *only* respond to defend the following insured:

***“A public entity (the municipality), its elected and appointed officials, directors or executive officers, or members of any of your agencies, boards or commissions are also insureds, but only for the conduct of their duties as your elected or appointed officials, directors, or executive officers”.***

## What constitutes a board or committee?

In order for the municipality's liability insurance to respond in the event of a claim, ***these boards and committees must be formalized as a committee of council via a town bylaw.*** This bylaw would have to establish some type of reporting to, or representation from, the municipality the organization serves. Failure to meet these requirements *would* result in a denial of coverage from your insurer for the boards and committees *and* their individual members. ***If the committee or board is not a duly established municipal entity, they are not covered under the municipality's insurance policy.*** Put simply, if you cannot “connect the dots” from the municipality to the committee or board, then coverage under the municipality's liability insurance policy does not exist for these boards, committees or their members.

We therefore recommend that the municipality advise these committees of their present insurance situation and that they have the option to formalize as a committee of council or, if these committees do not desire the oversight or representation from council, that these groups purchase their own separate insurance policy. We also recommend that these organizations provide proof of said insurance to the municipality. Municipalities may also want to caution these committees and boards that failure to do one of the above would, in the event of a claim, potentially expose the assets of their organization and/or their own personal assets at risk of being used to defend a claim against them.

**If you have any questions regarding this subject, please contact your SUMAssure representatives:**

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