



Your Region/Chapter has Directors & Officers Liability Insurance



What is the coverage?

Protection for suits alleging **wrongful acts** on the part of Directors, Officers or Board Members. The coverage includes the expense of attorney fees.

DEFINITION OF WRONGFUL ACT: “any actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty by the Directors, Officers or Trustees in the discharge of their duties, individually or collectively, or any matter claimed against them solely by reason of their being Directors, Officers or Trustees of the organization”.

What are wrongful acts?

- Mismanagement
- Misrepresentation
- Misuse of funds
- Improper allocation of resources
- Failure to comply with club by-laws or articles of incorporation
- Discrimination in membership criteria
- Failure to comply with the Americans Disabilities Act

Who is covered?

- The club entity itself
- Directors
- Officers
- Trustees
- Volunteers
- Committee members

Potential Claim Scenarios

MISMANAGEMENT

Failure to properly arrange for location of an event or for full participation by all proposed participants; resulting in lost revenue or loss of reputation.

MISREPRESENTATION

Allegations of erroneously describing benefits, activities, etc.

MISUSE OF FUNDS

Allegations of improper use of club revenues for personal gain of an Officer or Director.

IMPROPER ALLOCATION OF RESOURCES

Allegations that club resources were used in a fashion that has no apparent benefit to the club.

DISCRIMINATION IN MEMBERSHIP CRITERIA

Allegations of improper exclusion of participation based on race, creed, nation of origin, auto marquee, age of vehicle, condition of vehicle or geographic location of the prospective member, etc.

FAILURE TO COMPLY WITH THE ADA

Allegations by the physically handicapped that an event or activity was not made accessible to them.