



EQUINE ASSOCIATION CLUBS MANAGEMENT LIABILITY



INTERCITY®
INSURANCE
SERVICES

(BE A MEMBER & RENEW EARLY - INSURANCE EXPIRES JANUARY 1st EACH YEAR)

CapriCMW and Intercity Insurance are the official insurance broker's of most Equine Associations in Canada.

Questions about this Insurance Program must be directed to CapriCMW or Intercity.

- Coverage is available for Directors and Officers of member Clubs that are registered societies and members in good standing of their Provincial Equine Association.
- Management Liability is a special coverage available separately for member Clubs who qualify and apply using the attached application form.
- Management Liability protects directors and their personal assets from law suits brought against them for their actions as directors of a Club. Please review the information provided under "Frequently Asked Questions".
- Please complete and sign the attached Application Form and return it to CapriCMW or Intercity Insurance. Note that coverage is not effective until we receive the fully completed and signed Application form; the Application has been reviewed and accepted by underwriters; and the premium fully paid.

WESTERN PROVINCES & TERRITORIES:

CAPRICMW INSURANCE SERVICES LTD.
100 – 1500 HARDY STREET, KELOWNA, BC V1Y 8H2
Phone Toll Free 1-800-670-1877 Fax 1-888-822-6115
Website: www.capricmw.ca/horse
Email: agri@capricmw.ca

PROVINCES ONTARIO EASTWARD:

INTERCITY INSURANCE SERVICES INC.®
15221 YONGE STREET, AURORA, ON L4G 1L8
Phone Toll Free: 1-888-394-3330 Fax: 1-888-822-6115
Website: www.intercityinsurance.com
Email: forms@equicare.ca

PRIVACY DISCLOSURE AND CONSENT

The undersigned authorized officer of the Parent Corporation acknowledges that any personal information provided in connection with the insurance applied for, including but not limited to the information contained in this Application, has been collected in accordance with all applicable privacy legislation. The undersigned confirms that all necessary consents have been obtained for the collection, use, and disclosure of such information for the purposes of any investigation and inquiry in connection with this Application for insurance and, if applicable, investigating and settling claims, detecting and preventing fraud, and acting as required or authorized by law.

FALSE INFORMATION

Any person who, knowingly and with intent to defraud any insurance company or other person, files an Application for insurance containing any false information, or conceals information concerning any fact material thereto for the purpose of misleading any insurance company or other person, commits a fraudulent insurance act which is a crime.

DECLARATIONS AND SIGNATURE

The undersigned authorized officer of the Parent Corporation:

- (i) declares, after inquiry, that the statements and representations set forth in this Application, and all materials submitted to or requested by the Insurer in conjunction with this Application, are true;
- (ii) acknowledges that these statements, representations, and materials are relied on by the Insurer and that they shall be deemed material to the acceptance of the risk assumed by the Insurer under the insurance applied for, should the insurance be effected; and
- (iii) agrees that if the information supplied in connection with this Application changes between the date of this Application and the effective date of any insurance effected pursuant to this Application, the undersigned will immediately notify the Insurer of such changes, and the Insurer may withdraw or modify any outstanding indications, quotations and/or authorization or agreement to effect the insurance.

Signing of this Application does not obligate the Parent Corporation or the Insurer to effect the insurance, but it is agreed that all materials submitted to or requested by the Insurer in conjunction with this Application are hereby incorporated by reference into this Application and made a part hereof. Terms and conditions, including limits of coverage, offered by the Insurer may differ from those applied for by the Parent Corporation. It is further agreed that this Application and all materials submitted to or requested by the Insurer in conjunction with this Application are the basis of and are deemed attached to and incorporated into any policy effected pursuant to this Application.

PLEASE NOTE: COVERAGE CANNOT BE BOUND UNLESS THIS APPLICATION HAS BEEN FULLY COMPLETED AND DULY SIGNED AND DATED.

Parent Corporation	Date
Signature of duly authorized signing Officer	Title

MANAGEMENT LIABILITY PREMIUM CALCULATION

Coverage is **not** in effect until:

1. We receive the fully completed and signed Application; AND
2. The Application has been reviewed and accepted by underwriters; AND
3. We receive the full premium payment.

Cash + Annual Revenues	\$1,000,000	\$2,000,000	\$3,000,000	\$5,000,000
\$0 - \$25,000	\$150	\$300	\$400	\$500
\$25,001 - \$100,000	\$350	\$450	\$550	\$700
\$100,001 - \$500,000	\$500	\$650	\$775	\$900
\$500,001 - \$1,000,000	\$575	\$750	\$925	\$1,250
Over \$1,000,000	Refer	Refer	Refer	Refer

Limit Requested: \$1,000,000 \$2,000,000 \$3,000,000 \$5,000,000

Total Payable: \$_____ (NOTE: You must add PST where applicable)

- Q1 I have been told that liability insurance for clubs covers directors. Why then is Director's & Officer's coverage discussed so much and sold separately? What is this all about?
- A1 Commercial General Liability policies respond to law suits which result from a bodily injury or a property damage in which it is felt the club bears some responsibility. Your policy covers this and also covers directors and others associated with hosting club activities for these types of claims. However there are other things for which a director or officer may be sued which have nothing to do with a bodily injury or a property damage. Typically these law suits are the result of a wrongful act by a director and are filed by another director, club member or a financial institution. Director's and Officer's Liability coverage deals with these situations.
- Q2 What is a wrongful act?
- A2 It is an actual or alleged negligent act, error, omission, misstatement, misleading statement, neglect or breach of duty by the Directors and Officers, individually or collectively, in the discharge of their legal duties solely in their capacity as Directors and Officers of the society.
- Q3 Why buy D&O Liability insurance?
- A3 The purpose of a D&O liability insurance policy is to provide coverage for damages, judgments, costs and defense of legal actions, claims or proceedings. The coverage provides the following protection:
1. Protection of personal assets, as well as spouse's,
 2. Defense regardless of whether or not allegations are true
 3. Resources for defending the claim
 4. Reduction in reliance on the society:
- Bylaws contain indemnification provisions to protect the Directors & Officers. Despite these provisions, circumstances could exist where indemnification may not occur (the society is financially impaired, becomes insolvent or is not capable of providing funds for defense or resulting damages).
- Q4 What are my legal responsibilities under the law?
- A4 Under the law, Directors & Officers must (1) act in good faith and in the best interest of the society (2) act with a duty of care as a reasonably prudent person (3) perform duties in accordance with applicable statutes and your own charter.
- Q5 Under what statutes can a director or officer be liable under?
- A5 The following are Federal and Provincial Statutes a Director or Officer can be liable under:
1. Income Tax Act
 2. Employment Standards Act
 3. Bankruptcy Act
 4. Pension Benefits Act
 5. Competitions Act
 6. Unemployment Insurance Act
 7. Discrimination Act
 8. and more
- Q6 What are some examples of claims?
- A6
1. Negligence of account procedures and mishandling of funds;
 2. Personal benefit by a Director;
 3. Jeopardizing tax-exempt status;
 4. Interest that should have been collected and distributed;
 5. Failure to adopt and implement appropriate safety and operational procedures at a facility causing the facility to be shut down by regulators.
- Q7 Our club is interested in Directors & Officers Liability insurance to protect our directors. This coverage is an option on the insurance program and we are wondering about the need and the expense.
- A7 The protection provided to directors under most Society Acts has weakened over the past few years as cases are tested in the courts. We are able to arrange Director's & Officer's liability insurance for your club. Often directors are reluctant to vote for the expense of buying this coverage for the board because they feel it may be considered somewhat selfish. The members of a club on the other hand should support this purchase and protect the people who freely offer their time to the running of club affairs.