



<b>Policy Title:</b>	<b>Board Member Indemnity</b>
<b>Policy Type:</b>	<b>Board</b>
<b>Policy #:</b>	<b>BD 006-01</b>
<b>Policy Authority:</b>	<b>Board</b>
<b>Effective Date:</b>	<b>March 2017</b>

## **PURPOSE**

The purpose of this policy is to ensure that Library Board members are adequately protected from risks of personal liability while acting within the lawful scope of their Board responsibilities.

## **DEFINITIONS**

**“Indemnification”**: Compensation to, or on behalf of a Board member for damages, costs and legal expenses incurred by them, in respect of civil, criminal or administrative actions or proceedings to which they are made a party as a result of the duties performed by the Board member in good faith and within the lawful scope of their responsibilities with the Clarington Public Library.

## **POLICY**

1. Providing that the criteria in Item #2 are met, a Board member shall be indemnified for legal costs if a Board member has been:
  - a. charged with a criminal or regulatory offence;
  - b. named as a defendant in a civil proceeding; or
  - c. named as a respondent or made a party to an administrative proceeding; as a result of actions taken or not taken while performing his or her employment duties for the Library.
2. The three (3) criteria that must be met for Board members to be eligible for coverage include:
  - a. Actions or omissions must have been within the scope of the Board member’s employment;
  - b. Board member must have been acting in good faith;
  - c. Board member must have reasonably believed that his/her conduct was lawful.
3. Indemnity shall not apply to any matter in which:
  - a. The Library has made a demand, claim or has brought action against a Board member claiming indemnity;
  - b. A Board member has made a demand, claim or has brought action against the Library;
  - c. A Board member claiming indemnity has, in the opinion of legal counsel chosen by the Library, breached a statutory or other duty to the Library or has engaged in a conflict of interest.

4. The Municipality of Clarington carries appropriate coverage for municipal liability, excess liability, and errors and omissions through the Durham Municipal Insurance Pool. This policy provides for 100% reimbursement of legal fees, including disbursements, incurred by any insured in defense of charges laid for an alleged offence under any provincial statute regardless of outcome. This policy covers eligible Clarington Public Library Board members. This policy allows Board members to submit invoices as they are paid instead of waiting for the conclusion of the case.
5. This Board member indemnity policy is not restricted by the limitations of the insurance policy mentioned in Item #4.
6. Under this Board member indemnity policy, eligible Board members shall not have to 'front end' legal costs.
7. Any fines and/or penalties assessed against Board members to whom indemnity is granted pursuant to this policy shall be fully borne by the Library provided that the affected Board member was acting within the scope of his/her duties, was acting in good faith, and was not willfully or negligently at fault while performing his/her duties.
8. Any decision to indemnify does not mean that a Board member shall not be subject to disciplinary actions if appropriate.
9. The Library shall retain counsel on the Board member's behalf and shall have conduct of any proceedings for which legal assistance has been provided under this policy.
10. Board members may choose to obtain outside legal counsel at their own discretion and at their own expense. If a Board member wishes to decline representation by the Library, a written confirmation must be submitted by the Board member, and all costs associated with the action or proceeding will be the responsibility of the Board member.
11. The Library reserves the right to recover any indemnification or other costs by way of subrogation or other avenues.
12. A Board member must submit to Library Administration a copy of any summons, complaint, process, notice, and demand immediately after s/he has been served with such documentation.

The submission should include the following:

- a. Details of any actual charges or accusations;
  - b. A description of the relevant event and any related circumstances;
  - c. A list of persons directly involved and /or potential witnesses with respective contact information;
  - d. Any steps taken to correct the situation.
13. A Board member must request, in writing, to be represented and indemnified by the Library and include in that request the reasons why s/he believes s/he is eligible for such representation and indemnification under this policy.
  14. Library Administration shall notify the Municipal Director of Finance and Municipal Solicitor of the situation and provide all relevant documentation, as requested.