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Claims Examples

Directors & Officers Non-Profit Organizations

1. Successful Wrongful Dismissal Suit Is Appealed

The Insured association terminated a senior executive after receiving complaints from other employees with respect to the executive's behaviour which included sexual misconduct and harassment of other employees. The executive sued the Insured association for wrongful dismissal and the directors for interference with contractual relations. The Plaintiff was successful at trial. The decision of the trial judge was appealed and the appeal was successful. The Plaintiff sought leave to appeal to the Supreme Court of Canada, but leave was denied. The total cost of defending the claim was \$254,000.

Defence Costs: \$254,000

2. Suspension of Membership

The Plaintiffs were members of an athletic club who were suspended for inappropriate conduct. They brought a claim against the association and its president for an injunction barring the suspension and for damages alleging that their memberships were suspended without just cause. Damages were paid to the Plaintiffs and they were subsequently reinstated as members of the club.

Defence Costs: \$35,000
Settlement: \$16,000

3. Employment Practices (Canada)

The Plaintiff, an executive director of a large non-profit association, was dismissed after 17 years of employment following a re-organisation of operations and responsibilities. While the Plaintiff was dismissed with cause, the association issued a slanderous letter about him to various third parties. The Plaintiff brought an action claiming damages for pay in lieu of notice, defamation, vacation pay, loss of benefits and punitive damages.

Defence Costs: \$55,000
Settlement: \$110,000

4. Misrepresentation, Breach of Fiduciary Duty

A foundation was established for the purpose of organising and managing an international event. The foundation received a grant from the federal government to help finance the event. Subsequent to the event, it was discovered that the foundation had incurred expenses well in excess of revenues. The government investigated and concluded that the grant monies had been used for purposes other than which had been initially represented. The government brought a claim against the directors and officers for damages arising as result of the misrepresentations made regarding the use of the funds and for breach of fiduciary duty.

Defence Costs: \$35,000
Settlement: \$120,000

5. Breach of Fiduciary Duty, Defamation and Interference with Economic Interests

The Plaintiff, a member of a professional association, decided to establish his own practice. The association advised the Plaintiff that he was not qualified to practice on his own and that he would be required to write an exam in order to improve his qualifications. The Plaintiff brought an action against the association and several of its directors and officers claiming damages for breach of fiduciary duty, defamation and interference with economic interests.

Defence Costs: \$110,000

Settlement: \$25,000

These Claims Examples are for illustrative purposes only. Please remember that only the insurance policy can give actual terms, coverage, amounts, conditions, and exclusions.