



One University. One World. Yours.

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To: Members of the University Board of Governors and Committees

Subject: Risk Management for Board and Committee Members

Saint Mary's University is fortunate to be the beneficiary of the talents and experience of a wide variety of individuals serving on the University's Board of Governors and its various committees. Saint Mary's is grateful for all your efforts on behalf of the University.

You may have wondered if your volunteer work on behalf of Saint Mary's may cause personal risk to you and whether the University covers such risk. At Saint Mary's you are protected by liability insurance and indemnification, as explained in this memo.

Errors and Omissions Liability Insurance

Saint Mary's University has liability insurance covering the actions and decisions of its Board and committee members. This coverage is part of the Errors and Omissions policy provided by CURIE, the Canadian Universities Reciprocal Insurance Exchange. The limit of liability under the Errors and Omissions policy is \$25,000,000. You are included under this coverage as an "Additional Insured" described as follows:

The words "Additional Insured" shall mean the following additional interests and any other interests added by endorsement:

- (a) *any officer, director, governor or member of the directing or governing body, employee, shareholder or volunteer while acting on behalf of the Named Insured [Saint Mary's University] or while acting as a director or officer of an entity other than the Named Insured at the direction of the Named Insured;*
- (b) *any former officer, director, governor or member of the directing or governing body, employee, shareholder or volunteer with respect to acts performed in that capacity on behalf of the Named Insured or while acting as a director or officer of an entity other than the Named Insured at the direction of the Named Insured. "Acts performed" shall include failure or omission to act;*

The complete CURIE Errors and Omissions policy is available in the Financial Services office if you wish to read the details.

Indemnification

As indicated above, the University has subscribed insurance for your benefit against personal liability incurred by you in your capacity as a member of the Board of Governors or Board Committee, subject to the terms, conditions and monetary limits of the insurance policy. The University acknowledges that you should not incur personal

liability for any decision, resolution or action that you may make, adopt or take or that you may omit to make, adopt or take by reason of, or in connection with, your office as a member of the Board of Governors or Board Committee, to the extent provided in the next paragraph.

Subject to you providing the University with your complete cooperation with respect to any claim, the University expressly agrees to save harmless and indemnify yourself, your heirs, assigns and legal representatives against all claims, actions or proceedings to which you are or are made a party by reason of you being or having been a member of the Board of Governors or Board Committee. The University also expressly agrees to indemnify yourself, your heirs, assigns and legal representatives against all expenses reasonably incurred by you by reason of or in connection with such claim, action or proceeding, provided you have acted honestly and in good faith and provided you have acted within the scope of your responsibilities as a member of the Board of Governors or Board Committee. This agreement excludes any claims brought by Saint Mary's University against any member of the Board of Governors or Board Committee for dishonesty or other intentional breach of the member's fiduciary duties. Whenever the University does defend a member of the Board of Governors or Board Committee pursuant to this paragraph, the University shall have the sole right and responsibility to retain and instruct counsel, to investigate, negotiate and settle any such claims and to direct the conduct of any civil action.

Responsibility of Members

The above commitments by the University provide insurance coverage and indemnification for effective risk management. Although your work as a member of the Board of Governors or Board Committee is covered under these provisions, you are still responsible for acting in a prudent and responsible manner. The expectation is a level of care, diligence and skill that a person of ordinary prudence would exercise in dealing with the property of another person.

I hope this information is helpful in explaining the risk management strategy of the University. If you have any questions, please contact Financial Services at 491-8658.

Yours truly,



Dr. J. Colin Dodds
President