

To: All Current and Past Members of the Saint Mary's University Pension Committee

Subject: Pension Committee Member Insurance and Indemnification Policy

Saint Mary's University is fortunate to be the beneficiary of the talents and experience of a wide variety of individuals serving on the Pension Committee. Saint Mary's, as plan sponsor, is grateful for all your efforts on behalf of the pension plan members and the University.

You may have wondered if your work on behalf of the Pension Committee 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 the Pension Committee. 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 \$30,000,000. 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;*

To be absolutely sure that you are covered by this insurance the University obtained documentation from CURIE that states "coverage is extended to Pension Committee members who are currently employed by the University and are appointed to the Committee by the University or a duly appointed employee group such as the faculty or other union". As members of the Pension Committee these employees are acting on behalf of the University and fall within the definition of additional insured.

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

Indemnification

As a duly authorized officer of the University, I declare that you are holding the office of member of the Saint Mary's University Pension Committee. 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 Pension 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 Pension 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 Pension 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 Pension Committee. This agreement excludes any claims brought by Saint Mary's University against any member of the Pension Committee for dishonesty or other intentional breach of the member's fiduciary duties. Whenever the University does defend a member of the Pension 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 Committee Members

The above commitments by the University provide insurance coverage and indemnification for effective risk management. Although your work as a member of the Saint Mary's University Pension Committee is covered under these provisions, you are still responsible for acting in a prudent and responsible manner. The University and the Pension Committee have a positive duty to act responsibly in the interest of plan members. The Pension Benefits Act as well as common law set out standards of care for a fiduciary. These include honesty, use of specialists with expertise, avoidance of conflict of interest, even-handedness and impartiality in decisions. 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 420-5464.

Yours truly,



Robert Summerby-Murray, Ph.D.
President and Vice-Chancellor