



Claim Examples

Trustee and Committee Members Liability Insurance For Not for Profit Clubs & Associations

against Trustees and Committee Members...

- The offices of a Charity were damaged following a leak. The trustee who was responsible for maintaining the Charities insurances did not keep their insurance companies up to date with the values insured which resulted in a shortfall between the cost of remedial works required and the indemnity insurers paid. The Charity was unable to pay for the full extent of the work and the other Trustees took legal action against the Trustee responsible for this error to make up the difference.
- An Organisation appoints one of its Trustees to be responsible for ensuring that Health and Safety requirements are met. However, following the injury of one of their employees the Health and Safety Executive bring an action against the Organisation for not complying with Health and Safety requirements and for failing to remedy problems that had been identified in a previous inspection. The Organisation is not financially able to support the Trustee in defending this claim and the Trustee is burdened with defending the claim on his own.
- A committee member breached his authority in appointing a company belonging to one of his associates to undertake work on behalf of the committee. The member was sued for non-payment of fees following cancellation of the contract.
- A Charity faced an investigation by the Charity Commission after a whistle-blower informed them the Charity's activities were being adversely affected because some Trustees were acting independently to the exclusion of other Trustees. The investigation lasted for 6 months, resulted the Chairpersons resignation and the Commission using its powers to appoint two new independent Trustees. The former Chairperson is now facing potential personal liability from a breach of duty claim from the Charity members.
- A former Trustee claims the organisation has released misleading statements about him on their website which tarnishes his reputation. The continuing Trustees individually receive letters of complaint from the former Trustee's solicitor which threatens legal action if this is not resolved, demands an apology and a substantial financial settlement.

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