



Claim Examples

Trustee Indemnity & Organisational Liability Insurance For Not for Profit Organisations

against Trustees, Committee Members, Not for Profit Organisations, Charities and Committees...

- 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.



against the Organisation...

- During a weekend event a volunteer is involved in a fatal accident, the Health and Safety Executive and the volunteer's heirs bring legal actions against the Charity and the Trustees for breach of their duty in failing to provide adequate training and supervision for volunteers whilst helping the organisation.
- The Organisation arranged for volunteer engineers and other specialists to spend time assisting developing countries. After a series of failures of specialist equipment recommended as suitable by one of the volunteers the Organisation faced a demand to replace the equipment and make good the damage the equipment caused because of this recommendation.
- The club makes some derogatory remarks about one of its rivals. As a result it receives some damaging publicity and the club is sued for defamation.
- A charity arranged for meals to be delivered to the elderly and was later prosecuted by the Crown Prosecution Service following an accident involving a vehicle operated by the charity which was not roadworthy.
- An Organisation faced a claim for discrimination after it was alleged they had breached their statutory duty by not making their website accessible for blind people.
- A volunteer is involved in a fatal accident. The Health and Safety Executive and the heirs to the volunteer's estate bring legal action against the Organisation and the Trustees personally for compensatory damages.
- Following a routine Health and Safety Executive visit, the Organisation is asked to produce its health and safety accident book for inspection. The records are found to be incomplete, and personal employee data has not been kept confidential. The Organisation is prosecuted under the Health and Safety at Work Act 1975 and the Data Protection Act 1998.
- Unbeknown to the Organisation, its underground heating pipes attached to its oil fired boilers fracture allowing polluting oil to escape and eventually seep into a nearby lake. The Organisation is prosecuted and found guilty of breaching the Water Resources Act 1991.
- After an audit it was determined that a grant had mistakenly been given to a business which was actually ineligible. All the funds received had either been earmarked or already distributed and the beneficiary had since gone out of business. The Organisation and the Trustees faced a claim for breach of duty from the government body for the return of the funds.

against the Employment Practices extension...

- Following the completion of a project several part time employees are informed their services are no longer required by the Organisation, however one of the employees who was retired felt they had been selected because of their age and contacted a solicitor who decided to bring a claim against the Organisation and the Trustees under the Disability Discrimination Act.
- A Trustee of an Organisation is personally named in an unfair dismissal claim from a former employee alleging dismissal for whistle blowing on concerns about the Organisations accounting practices.
- A club committee takes disciplinary action against one of their sportsmen resulting in his exclusion from the club. The sportsman believes he has been mistreated and later makes a claim against the club for discrimination.
- The club receives a complaint from a solicitor of a former employee claiming unfair dismissal. One of the Directors receives a further letter alleging that he subjected the employee to humiliating treatment. The solicitor alleges breaches of the Sex Discrimination Act 1975.

These examples represent a brief overview and do not represent a comprehensive explanation. Whilst care has been taken to ensure the accuracy of the information provided, Angel Risk Management Limited part of AXA SA does not guarantee such accuracy and accepts no liability for loss or damage resulting from reliance on this information. Coverage may not be available in all circumstances and Angel Risk Management Limited recommends that the appropriate professional advice be sought before purchasing any insurance product.