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WHAT CONSTITUTES A COMMITTEE OF COUNCIL

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COWAN NEWS*

'BONA FIDE' COMMITTEES OF COUNCIL

Does your committee meet the criteria for a bona fide Committee of Council?

Cowan News of December 1994, carried an article on the *Liability of Volunteer Organizations Using Municipal Facilities*. It identified those who qualified as Volunteers under the Municipal Liability Policy.

The Municipal Liability Policy also provides coverage of Committees of Council under the definition of Insured. This extension of coverage often brings with it misconceptions by our clients who attempt to provide protection for certain groups by having Council pass a Resolution

making the group a Committee of Council. For Committees to qualify as an Insured under the Municipal Liability Policy, it is not enough for Council to pass a Resolution. In a claim, the Insurers will assess whether the group in question was indeed a *bona fide* Committee of Council.


A dictionary definition of *bona fide* is "done or made in good faith." Therefore, a Committee of Council is one that is formed by Council in good faith. A simple test is to check if it meets these criteria:

- **Council passes a Resolution stating that a group of individuals will be acting as a Committee of Council;**
- **The Committee is accountable to Council for all their actions and activities;**
- **All finances are directed by Council, or at least approved by Council;**

- **Typically, one or two Council Members are appointed to sit on the Committee.**

Where the above conditions apply, the Municipal Liability Insurance protection for these committees is automatic and no endorsement to the policy is necessary. Volunteers to these Committees of Councils are also included under the definition of Insured.

It is not the intent of Insurers to extend the Municipal Liability coverage to any and all committees formed to provide a service or benefit to the community. Where a committee acts completely independent of the municipality, no coverage under the Municipal Liability Policy exists.

If you need further clarification, please call us. 

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