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## Director Liability Coverage

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### 1. Exclusion of Liability

Under the CLAA, Directors are protected against actions for damages in respect of any act or failure to act in the course of their duties, excepting acts of bad faith.

Section 21 of the CLAA provides:

**21** (1) Subject to subsections (2) and (3), no action for damages lies or may be brought against a director or the chief executive officer or any other officer or employee of the authority because of anything done or omitted to be done:

- a) in the exercise or intended exercise of any power under this Act; or
- b) in the performance or intended performance of any function or duty under this Act.

(2) Subsection (1) does not apply to a person referred to in that subsection in relation to anything done or omitted by that person in bad faith.

(3) Subsection (1) does not absolve the authority from vicarious liability arising out of an act or omission by a person referred to in that subsection for which the authority would be vicariously liable if this section were not in force.

### 2. Liability Coverage

Notwithstanding the broad statutory immunity outlined above, CLBC has arranged insurance coverage for its Directors.