

***Public Officials Liability  
Why is it needed for Fire Service Personnel?***

***By***

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Some Fire Service personnel may have misconceptions regarding how they are covered in their capacity as directors and/or officers. They may think it is covered under the department or district's liability policy or under a personal "Umbrella" policy they may have purchased individually. However, if they are not carrying specific coverage for Public Officials they may be underinsured. Most personal Umbrella policies are written by insurance companies which design coverage to exclude the decisions and/or acts made while acting as a Director or Officer of any organization, particularly a public entity. General Liability policies don't always address the "Errors and Omissions" exposure which is where specific coverage for individuals (including Directors and Officers) against claims arising out of any acts, errors or omissions can be found.

How can a Fire Department or Fire District protect itself? Why should it consider protection? The best and most common vehicle for this protection is Public Officials Liability coverage. Some reasons for considering this protection are outlined more specifically below.

A well-written Public Officials Liability policy will cover the Fire Department or District and its past, present and future Directors and Officers, Board Members, committee members and volunteers for acts, errors and omissions of many kinds (subject to the specific exclusions of the policy).

One of the primary purposes of this coverage is to provide legal defense against claims and suits alleging wrongdoing resulting in monetary damages (but not including bodily injury or property damage-which are covered by the General Liability policy). A good example would be a Fire District that was repeatedly hauled into court by a "claimant from hell" whose claims involving his "right" to use the District's property were groundless. While no judgment or settlement was ever made or offered, it cost plenty of money to defend.

Other areas we have seen trouble for Fire Departments and Districts is Sexual Harassment and Employee Practices, including wrongful termination. This would also include actions taken against volunteers. Make sure your policy does not specifically exclude these coverages. Recently we have seen a trend by many insurance companies to attempt to exclude these volatile areas.

There are, of course, areas where coverage is not going to be given. Claims involving pollution won't be covered (they may be picked up by a specific endorsement to the General Liability Policy). Claims involving fraud are not covered if fraud is proven, however the Fire Department or District and individuals innocent of alleged fraud will be protected. Claims demanding either a specific action or cessation of an action are not covered unless there is specific coverage for Injunctive Relief or Non-Monetary Damages. Check your policy for specific wording.

Costs for this coverage vary depending on the size and activities of the Fire Department or District. For a small department premiums may start as low as \$500. You may even find a company that will include the cost in the General Liability policy. The limits sold are usually with a \$1,000,000 per occurrence limit. Sometimes you can find a company with an unlimited aggregate, the most which will be paid during a single policy term, but most cap the aggregate at \$2-3 million.