

Section O

**REQUIREMENTS FOR LIABILITY COVERAGE FOR DIRECTORS AND
OFFICERS AND FOR EMPLOYMENT PRACTICES**
Amended April 9, 2020

Directors and Officers and Employment Practices Liability Coverage may be provided to Members, subject to the terms and conditions of this policy.

POLICY BACKGROUND MHAPCI'S Board of Directors is desirous of establishing programs and increasing the availability of information to assist and engage Members to be effective risk managers.

The Board believes that training and awareness can significantly reduce the potential for costly lawsuits. Consequently, compliance with ethics and employer liability prevention training requirements shall be prerequisite to eligibility for placement, renewal and continuation of MHAPCI's D&O and EPL claims made coverage.

AT WILL EMPLOYMENT REQUIREMENTS AND CERTIFICATIONS WILL BE EFFECTIVE WITH AND FOR 2022 AND SUBSEQUENT RENEWALS AND INITIAL PLACEMENT OF D&O COVERAGE AND OF EPL COVERAGE

D&O COVERAGE-

ETHICS PREREQUISITES

To be eligible for placement, renewal or continued D&O coverage, the Board of Commissioners must adopt and review the MHAPCI pamphlet entitled "Fiduciary Duties and Ethics for Public Housing Authority Officials."

Disclosures and assurances also apply. Certification of Member compliance must be provided to MHAPCI prior to renewal or placement of such coverage together with a listing of the names and contact information for each current Commissioner on the Member's Board.

D&O CERTIFICATION OF COMPLIANCE

Prior to D&O placement or renewal, the Chairperson and Executive Director of the Member shall jointly certify and acknowledge on the form to be provided by MHAPCI, that:

- i. the Executive Director and Board of Commissioners have reviewed MHAPCI's Board Policy entitled "**REQUIREMENTS FOR LIABILITY COVERAGE FOR DIRECTORS AND OFFICERS AND FOR EMPLOYMENT PRACTICES**" and the "Fiduciary Duties and Ethics for Public Housing Authority Officials" pamphlet, and
- ii. each employee and Commissioner (i) has been provided with a current copy of the Authority's Code of Ethics policy; (ii) has signed the form; and (iii) a current copy of the executed forms are on file with the Authority

EPL COVERAGE-

Existing law makes certain employment practices unlawful, including discrimination against or harassment of an employee directly by the employer or indirectly by agents of the employer with the employer's knowledge. Existing law requires employers to ensure a workplace free of harassment and discrimination.

EPL TRAINING PREREQUISITES

To be eligible for placement, renewal or continued EPL coverage, certain minimum training requirements, disclosures and assurances apply. Certification of Member compliance must be provided to MHAPCI prior to renewal or placement of such coverage together with a listing of the names and contact information for each Commissioner on the Member's Board.

The Executive Director and all supervisors of the Member shall complete at least one MHAPCI-approved training course per year in any one of the following employment-related topics, consisting of at least 60 minutes of training on

compliance with any one or more of the following laws/regulations/practices:

- Discrimination
- Anti-harassment
- Disciplinary action and procedures
- ADA
- Family and Medical Leave Act

Online training materials will be provided.

AT WILL EMPLOYMENT AND PERSONNEL POLICIES

Members must adopt and maintain personnel policies, practices and procedures, and ensure that such policies do not alter Missouri's "at will" employment status. Members may exempt the Executive Director and other high-level staff from such requirement.

Members are encouraged to update and review their policies and procedures with their legal counsel, and to review personnel policies and procedures with their employees prior to the date of hire, and regularly thereafter.

As a condition for 2022 renewal of EPLI coverage and thereafter, Members shall be required to certify that the Authority is an "at will" place of employment. Any exceptions to this requirement, such as an Employment Contract with the Authority's Executive Director, shall be noted.

EPL CERTIFICATION OF COMPLIANCE For those Members desiring to also place or renew EPL coverage, the following additional certifications of compliance is required:

- i. each employee of the Member has been provided with a current copy of the Member's Personnel Policy, and a signed and dated form acknowledging receipt of the Policy is on file in each employee's personnel file
- ii. the Authority's policies provide for employment at will, except as to Employment Contracts with designated staff, such as the Executive Director

- iii. the Member provides equal employment opportunities to all employees and applicants for employment without regard to race, color, religion, sexual orientation, sex, gender, gender identity, national origin, age, veteran status, disability, or any other protected class in accordance with applicable federal, state, and local laws
- iv. the Member has a written Non-Harassment Policy in place that has been reviewed with all employees
- v. all complaints of discrimination or harassment are and will be handled confidentially to the maximum extent possible, and the Member will promptly investigate all complaints and take appropriate corrective action, if warranted
- vi. retaliation for making a complaint of discrimination, harassment or filing of a Worker's Compensation claim is strictly prohibited by the Member

PRE-TERMINATION BENEFIT FOR MEMBERS WITH EPL COVERAGE

To encourage Members to contact MHAPCI prior to taking an adverse employment action, MHAPCI offers a Member benefit that will assist in reviewing personnel policies and practices in light of applicable law. To take advantage of this benefit, a Member must contact MHAPCI for eligibility. Should MHAPCI determine that it is necessary or advisable for legal counsel to be retained to review a proposed action, a conflict check will be run by MHAPCI-selected defense counsel, and pre-termination or other employment action advice will be provided to such EPL-covered Member at MHAPCI's cost, not to exceed \$2,000, per year, per Member, and subject to annual budget limits. Without this Member benefit, the Member would be required to pay the cost of this advice up to the amount of the Member's deductible.

Guidance on personnel policy changes and other legal advice is not covered, and such questions should be directed to the Authority's legal counsel.