

Introduction:

The following is a document that summarizes information from conversations with 2 corporate lawyers and 1 insurance representative. In addition, a list of positive and negative points with respect to the necessity of incorporation for the CSCA has been attempted.

The committee (Frank Armstrong, Bruce Densmore, Randy Olson, and Britta Spiring) has reviewed and discussed at length.

At this time, we suggest that the CSCA is not at a point where incorporation is necessary and there is no perceived benefit to incorporation at this time. By establishing a constitution or set of governing rules, we may move forward as an association with involvement by all representatives. Incorporation may be something to be considered at a later date but at this time it seems like an onerous, complicated and unnecessary task.

Purpose: To explore the positives and negatives of pursuing incorporation of the CSCA.

Summary of research:

Legal:

Conversations with 2 solicitors with respect to incorporation:

If CSCA is to pursue incorporation,

- It probably makes sense to incorporate under the Federal Act. If this is pursued, the name is reserved federally and the organization may register or operate in each province. If incorporation is pursued in an individual province, the name may not be reservable in other provinces.
- The Bylaws of the corporation would normally include an indemnity of the officers and directors.
- Once incorporated, financial returns have to be filed annually. There are not necessarily penalties for not filing but notice would be given and the corporation could be dissolved. In this event, there would be revival fees.
- Incorporation does not automatically absolve officers and directors. This is why Officers and Directors Insurance is often added.
- In absence of incorporation (providing indemnification for officers and directors) and insurance, all participants in an event could be required to sign a **Waiver**. A Waiver may reduce (you can never eliminate) risk of liability but it is better to obtain a waiver than not. It demonstrates that a participant in an event does so willingly and is knowledgeable of potential risks.
- If you do not incorporate, you do not have a “board” with officers and directors, you just have individual representatives.

Insurance:

Telephone meeting with a representative for a national insurance provider.

- a) If the CSCA stays small and unincorporated, with minimal budget, no employees and simply operates one event per year, it was suggested that we inquire as to insurance **coverage by our host curling club** or governing body. A contract and/or memorandum of understanding with the host club would enable the CSCA to be covered under the club's existing insurance coverage for the event.

An example is provided of the national Masters Curling (which is not incorporated and not a member of Curling Canada): the liability of their annual national championship bonspiel is supported by the host curling club.

We could also look at a **"single event liability" policy** for which coverage cost could be less than \$500.

This would minimize the CSCA's cost and exposure.

- b) If we are incorporated, have a larger budget, are exposed through more events as we grow and are concerned about minimizing potential risks for officers and directors due to potential liability or slander, a policy premium could be in the range of \$500 - \$1000 (or more) and he suggested budgeting \$1000 as the minimum costs of insurance are increasing. He also indicated that most insurers are becoming more restrictive in contracts. Considerations for coverage would be number of officers, number of employees, number of events, who is on the board, and number of claims.

Officers and Directors insurance is not available to an unincorporated association.

Positives

- Indemnification of officers from personal liability. This would mitigate the risk from liability to personal assets of officers of the CSCA.
- CSCA could register as a charitable organization and fundraise to cover miscellaneous expenses (eg. costs of maintaining a website, maintenance of event trophy and cresting, annual costs related to incorporation, etc). An incorporated association with annual filings may be more appealing to potential sponsors.

Negatives

- Direct cost
 - Registration fees federally and in each province/territory
 - Legal, consultant costs if required
 - Officers and Directors insurance
- Administrative cost
 - Time to draft adequate by-laws

- Time to administer in the future. Annual financial filings are required. The CSCA has representatives who are committed to the organization at this time but we cannot guarantee future commitment.
- Complicated for the present and ongoing
 - Bank account would be required to manage potential revenues and expenses. Logistics surrounding signing authorities from diverse locations could be challenging.
 - If the sole expense of the CSCA is the administration of the website, this could be supported by sharing the costs among each provincial association. At this time, we ensure the minimal expenses of the CSCA are incorporated into the expenses of the CSCA annual championship.
- Divisive

Conclusion/Recommendation:

The mission of the CSCA is to promote stick curling in Canada and encourage participation in the sport we all enjoy.

Due in large part to the continued promotion of the game by representatives in founding provinces, participation in club and regional stick curling has been growing in each province and territory. One of the benefits of this sport is the community, near and far.

Our primary function historically has been to draft and maintain rules of play, promote the game and encourage league play and to support a Canadian competition where we benefit from diverse competition and social activity. This competition has not been a direct expense of the CSCA as the host club/territory benefits from revenue and is responsible for expenses related to the event itself and minimal annual expenses of the CSCA; in particular trophies, cresting and the website. The CSCA provides support as required to the host.

Historical purpose does not mean that change cannot or should not happen but it should be measured and manageable. Full participation from all representatives is also encouraged.

The committee therefore recommends that the CSCA does not proceed with incorporation at this time. A constitution has been drafted for consideration and includes but is not limited to the following:

- representation from each member region (province and territory)
- Chair (with defined term limit), vice chair (for succession planning), recorder (although this could be filled on a rotation from general representatives), event coordinator(s):
 - the annual meeting and record minutes
 - manage the website
 - update rules as required
 - ensure hosting guides are updated.
 - Assign the rotation to the next host sites (ideally this should be 3 years in advance)
 - ensure the host draw for the event is consistent from year to year.
 - Annual report with respect to CSCA and Host Club (Annual Championship) revenues/expenses
- Voting structure with definition of proxy to allow for voting if a representative is not able to join an annual meeting.