

Indemnification of Board of Directors, Appointees, Staff



BOD Y02-24-02-03 [Amended: BOD Y06-20-02-01 BOD Y03-92-19-58; BOD 11-78-26-73]
[Policy]

The American Physical Therapy Association shall indemnify and hold harmless its "Indemnified Party(ies)" (as defined below) for any and all "Claims or Losses" (as defined below), liabilities, and expenses (including all reasonable fees and charges of internal or external counsel) any Indemnified Party may incur, or that (1) may be asserted against any Indemnified Party by any person, entity, or governmental authority, pending or threatened, in connection with or arising out of or relating to the matters that such Indemnified Party sustains or incurs as a consequence of the discharge of their duties individually or collectively; or (2) is in any way related to Claims or Losses against them solely by reason of their being, having been, or possibly becoming a director, officer, employee, or "Appointee" (as defined below) of APTA. "Indemnified Party(ies)" include any persons who were, now are, or shall be members of the Board of Directors, officers, employees, or "Appointees" (as defined below) of APTA.

"Appointees" include individual appointees of the Board of Directors, the CEO, on-site evaluators for accreditation purposes, and committee and task force members, whether in a paid or volunteer capacity, and APTA members engaged in activities authorized by the Disciplinary Action Procedural Document; provided that to so qualify as an Appointee such person's appointment must have been duly approved in advance or subsequently ratified by a resolution of the Board of Directors (or a duly authorized committee of the Board of Directors).

"Claims or Losses" shall include, but not be limited to: threatened, pending or completed claims, actions, suits or proceedings, whether civil, criminal, administrative or investigative (other than an action by or in the right of APTA), damages, judgments, settlements and costs; cost of investigation; amounts incurred in the defense of legal actions, claims, or proceedings and appeals therefrom; and cost of attachment or similar bonds, by reason of being an Indemnified Party or a Potential Indemnified Party. Claims or Losses also include fees-on-fee that an Indemnified Party may incur individually because of the Indemnified Party's successful suit against APTA to enforce a right to indemnification pursuant to this policy.

Cost or expenses (including reasonable attorney's fees) incurred by an Indemnified Party or a Potential Indemnified Party in defending a civil, criminal, administrative or investigative (other than an action by or in the right of APTA) action, suit or proceeding may be paid by APTA in advance of the final disposition of such claim, action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of a written undertaking, on such terms and conditions determined by APTA, made by or on behalf of such Indemnified Party or Potential Indemnified Party to repay such amount to APTA if such person is determined, by a final, non-appealable judgment of a court or arbitrator of competent jurisdiction OR by APTA, in its sole discretion, that such person (a) is not entitled to be indemnified for the Claims or Losses at issue, or (b) engaged in dishonest, fraudulent, illegal, criminal, or knowingly wrongful act(s) relating to the Claims or Losses.

The indemnification and advancement of costs or expenses provided pursuant to this policy shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee, or Appointee, and shall inure to the benefit of the heirs, executors, and administrators of such persons.

In order for an Indemnified Party or a Potential Indemnified Party to be eligible for indemnification pursuant to this policy, such person must have acted in good faith and in a manner he or she reasonably believed to be in,



or not opposed to, the best interests of APTA. Under no circumstances will APTA indemnify, members of its Board of Directors, officers, employees, or Appointees, or any other person, for any Claims or Losses arising out of any dishonest, fraudulent, illegal, criminal, or knowingly wrongful act.

APTA may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or Appointee of APTA, or of any other person serving APTA at the request of APTA, against any liability that may be asserted against such persons and incurred by such persons in any such capacity, or arising out of his or her status as such, whether or not APTA would have the power to indemnify such person against such liability pursuant to this policy.

Explanation of Reference Numbers [use for House policy]:

BOD P00-00-00-00 stands for Board of Directors/month/year/page/vote in the Board of Directors minutes; the "P" indicates that it is a position (see below). For example, BOD P06-22-05-04 means that this position can be found in the June 2022 Board of Directors meeting minutes on Page 5 and that it was Vote 4.

E: Binding Ethical Document | P: Position | Y: Policy

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Contact: governancehouse@apta.org