

DIRECTORS AND OFFICERS LIABILITY INSURANCE



Successfully managing a company's products, operations and staff is often challenging! Keeping up-to-date with ever-changing legislation adds to the challenge. And the risk of litigation means decisions can have unpredicted consequences.

With higher public expectations of directors and managers and ingenious legal arguments, individuals are increasingly being held accountable. A Directors & Officers Liability (D&O) policy addresses this issue.

WHAT IS IT?

A D&O policy insures directors, executives and, if requested, other managers against claims for defence costs and legal liability made against them in their role. It also covers representation costs for investigations brought by regulators and other authorities.

Defence costs are paid as they are incurred, removing the financial burden from the individual and employer.

Cover is broad, with benefits often including:

- additional limit for defence costs over and above the policy's indemnity limit
- cover for non-executive directors
- acquisitions
- full severability of exclusions between insured persons punitive and exemplary damages (other than employment-related defamation)
- corporate legal liability extensions

Limits of indemnity are flexible, starting as low as £250,000.

IS IT COSTLY?

No. A typical premium is £500.

For smaller businesses the cost can be just a few hundred pounds for a £250,000 limit.

NOT JUST FOR BIG BUSINESSES

A shareholder complained that two fellow shareholders and the company directors had breached their duties. This included unnecessary client entertainment expenses, abuse of position and company assets and misuse of the company's services for themselves.

The estate of a deceased employee claimed that a director of the company employing her had negligently failed to arrange death-in-service cover. A managing director and several managers faced criminal prosecutions for alleged breaches of health and safety legislation, which resulted in the deaths of two employees.

CONTACT US

Just call your Account Manager for a no-obligation appointment on 0845 688 9088.

For full details of policy cover, terms, limits and exceptions, refer to policy wording, a copy of which is available on request.