

Management Protection Package

Directors & Officers Liability Insurance

Statistics

- 6422 UK directors were disqualified between 2006 and 2013
- The UK D&O market forecast value in 2014 was £596m
- 20% of UK professionals had experience of a claim or investigation involving a director of their company
- 84% of UK professionals considered regulation as the main threat to their directors and officers
- 64% of UK directors believe regulation affecting business has increased over the past 12 months
- 3,580 directives passed by the EU affect UK business

KEY EXTENSIONS

- > Crisis costs
- > Emergency costs and expenses
- > Free legal helplines
- > Retired Director cover
- > Outside Board cover

COMMON RISK SCENARIOS

- > Employment practices & HR issues
- > Stakeholder actions
- > Investigations
- > Inaccurate or inadequate disclosure
- > Failure to comply with regulations or laws
- > Insolvency
- > Mergers & acquisitions

Source

2011 Directors Liability Survey, produced by Allen & Overy and Willis014
Towers Watson D&O Liability Survey
2014 MORI Captains of Industry Survey

Myths

We don't need it – we are only a small family run company

A company's size bears no relation to the kind of problems you can encounter

We don't need cover because we are a Charity/NFP/Club

The organisation type has no relevance. Directors, Officers and Trustees of all forms of entity carry onerous duties and can be sued or investigated in to the way in which the organisation was managed.

The Company will defend me

Having an indemnity agreement in the company's Articles of Association or a clause in the Director's Service Agreement (or both) is prudent but what if the Company doesn't have the financial strength or the cash flow to fund the defence what the summons arrives.