

Directors & Officers Insurance

Private company directors aren't exempt from litigation, and their personal assets may be at risk.



Reason Global
Insuring your reputation

What is Directors' & Officers' Liability Insurance?

D&O insurance safeguards senior employees from a wide range of potential issues, including accusations of mismanagement, allegations of misconduct, health and safety failures, and even a breach of duty of care.

Directors' and officers' insurance, commonly referred to as Management Liability Cover or D&O Insurance, serves as a safeguard for business owners, shielding them from the potential hazards that come with managing a company.

This insurance option is accessible to businesses of varying sizes, be it a burgeoning startup or a well-established corporation.

- **Major shareholder claims**
- **Regulatory events**
- **Insolvency**
- **Worldwide cover available**

Learn how you can protect against potential Directors' & Officers Liability

Why do you need it?

A Director or Manager may become the subject of allegations regarding a wrongful act, stemming from decisions or actions taken in the course of business operations. There is a multitude of factors that could lead to the occurrence of a wrongful act, including:



Statutory regulations like The Companies Act 2006, The Employment Act 2008, The Corporate Manslaughter and Corporate Homicide Act 2007, The Equality Act 2010, The Bribery Act 2010, and The Health and Safety (Offences) Act 2008.



Investigations conducted by entities such as The Health and Safety Executive (HSE), HM Customs & Revenue, and The Department for Business Innovation & Skills (formerly the DTI), as well as the Environment Agency.



Claims that may originate from various sources, including investors, dissatisfied customers/clients, employees, regulatory bodies (as exemplified above), and incidents related to cybersecurity.



Directors and Managers must finance their legal defense, even if allegations are unproven, leaving their personal assets vulnerable. Unlike a limited company, directors cannot limit their liability. A limited awareness of legal obligations, as the saying goes, "ignorance is no defense," offers no protection from allegations. This exposes them to potential financial and legal risks.

What does it cover?

D&O insurance offers a three-fold protection structure. The first provides coverage to directors on a personal level. The second aspect involves reimbursing the company for expenditures made on behalf of the directors. Lastly, the third extends coverage to the company itself in the event that it is directly named in a legal action.

A policy provides cover for any Director or Employee when they are engaged in a managerial or supervisory role.

The policy will also extend to include actions taken against the Company, especially in situations where attributing blame to a specific individual is challenging.

It's important to acknowledge that a legal action can be brought against both an individual and the Company simultaneously.

Extension to Cover

Employment Practices Liability (EPL) - is often purchased as it provides defence costs and settlements against employment related claims such as unfair dismissal, discrimination, harassment, bullying etc.

Interested to know more?

Contact us today on 01273 739 961 to speak to a member of our team, and learn more about the appropriate protection for your company against potential Directors' and Officers Liability.



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