



BUSINESS OWNERS & DIRECTORS ARE PERSONALLY AT RISK PROTECT YOU AND YOUR BUSINESS

QUESTION – Do you know the top 10 reasons to buy Directors & Officers Insurance?

At Insure Risk, we want to make sure that our clients are as well informed and well protected as they can be, and that’s why we wanted to give you an insight as to just how valuable a low cost Directors and Officers Insurance policy could be, with 10 reasons provided below.

The complexities and regulations of running a business are becoming more onerous every day. Both Directors and officers of a company can have situations where your personal assets can be at risk. The risks do not only relate to large corporate business but also to

smaller family owned business. There are now a number of different insurers who are providing tailored insurances to protect business. Due to the competition within the insurance market has resulted in downward pressure on premium levels.

Minimum premiums do apply but a rating example is shown below for information purposes.

Turnover Band	Insured Limit	Employment Practices Limit	Premiums From
Up to £250,000	£250,000	£50,000	£159
£250,001 to £1,000,000	£250,000	£50,000	£185
£1,000,001 to £2,000,000	£250,000	£50,000	£244
£2,000,001 to £5,000,000	£250,000	£50,000	£307



TOP 10 REASONS

TO BUY DIRECTORS AND OFFICERS INSURANCE

- 1 Directors' personal assets are at risk**

If a director has been accused of breaching their duties, they are personally liable to defend the claim. Their personal assets are potentially at risk if they do not have adequate D&O cover.
- 2 Investigations by regulators are getting more and more common**

Investigations and fines imposed by a regulator or body such as the Health & Safety Executive are one of the primary drivers of claims in the current UK business climate.
- 3 Defending a legal action can be costly**

Legal costs for defending allegations against the company or one of its directors can often run into tens of thousands of pounds.
- 4 Employment practice claims remain a large threat to directors**

In an increasingly litigious society employment practice claims such as sexual harassment or wrongful dismissal can result in astounding settlements.
- 5 Your investors can sue you**

If investors lose value in their shares as a result of a director or company's alleged misconduct they could seek compensation via the courts.
- 6 Protection in case of bankruptcy or insolvency**

If faced with bankruptcy or insolvency, creditors may pursue legal action against directors if they feel that they have not acted in their best interests.
- 7 SMEs are just as vulnerable as large companies**

SMEs are not exempt from D&O claims, they face exactly the same risks and regulations as their larger peers, but often do not benefit from in-house HR or legal teams.
- 8 D&O claims are NOT covered under any other liability policy**

A common misconception is that alleged misconduct by directors or companies is covered under other liability policies such as Professional Indemnity.
- 9 D&O insurance is more affordable than ever**

A D&O policy can cost from under £500 per year, yet the total cost of a D&O claim can run into hundreds of thousands, if not millions of pounds.
- 10 D&O helps attract talent**

Not having D&O insurance in place may put off talented individuals from joining a company as they will not be protected.

CLAIMS EXAMPLE

An engineering company dismissed an employee for poor performance without following a fair dismissal procedure. The employee subsequently made a tribunal claim for unfair dismissal and an agreement was reached to pay the employee £50,000.

CLAIMS EXAMPLE

The director of a management consultancy is quoted in the press as making some derogatory remarks about one of its major clients, based on the information they held about them. As a result, the client sued the company and the

directors alleging defamation and breach of confidentiality. The Information Commissioner's Office is investigating the company and the directors in respect of their data protection obligations.

To find out more or to obtain a no obligation quotation contact Insure Risk Ltd on **0161 926 3634** or **info@insure-risk.com**
Further information **www.insure-risk.com**