

# DIRECTORS AND OFFICERS

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# ISLANDS BY NUMBERS



**83,500**  
ACTIVE POLICIES



**96%**  
CLAIMS PAID



**170,515**  
CALLS TAKEN (12 MONTHS)



**7512**  
CLIENTS THROUGH OUR DOORS



**97%**  
RENEWAL RATE



**£42,000**  
SPONSORSHIPS IN CI

**1978**

The Islands Insurance Brokers Ltd  
Guernsey & Alderney is established

**1987**

NFU Mutual acquisition of the Group (consisting of MJ  
Touzel Insurance Brokers Ltd (Jersey) and Islands Insurance  
Brokers Ltd Guernsey & Alderney)

**2016**

Group rebrands as Islands

**148**  
STAFF

**3**  
OFFICES

**NFU Mutual**  
DELEGATED AUTHORITY

# DIRECTORS & OFFICERS INSURANCE

## WHY YOU NEED IT

As a director or officer of a company, you expect the company to defend and indemnify you for claims arising from carrying out your role, as even unwarranted allegations can be costly and protracted. Though the company may be willing to assist, they may be prohibited by law or lack the financial resources, leaving the individual personally exposed. This could affect their personal assets, liberty, and ability to hold directorships in the future. This is a risk faced by all directors irrespective of company size, regulatory status, and industry.

A Directors and Officers policy gives directors the comfort of knowing they have cover to call upon should it be needed, and the company has peace of mind that they have the necessary financial resource to support their directors, should it be required.



## COVER AND BENEFITS

With access to numerous specialist markets including Lloyd's of London, our Directors and Officers Policies can provide broad coverage protecting those individuals from the many risks they are exposed to as a result of the positions they hold, including:

- Claims by Shareholder and Investor
- Legal Representation at Regulatory or Criminal Investigations
- Employment Disputes
- Directors' exposure to unpaid Taxes by Insolvent Company
- Non-Executive Directors Liability
- Health and Safety Disputes and incidents

Directors & Officers Insurance can be extended to include the additional cover:

- Employment Practices Liability
- Corporate Legal Liability
- Pension Trustee Liability

### BREAKING DOWN D&O INSURANCE



**YOU ARE A...**

- Director
- Officer
- Company Secretary
- Manager or Supervisor



**IT IS IMPORTANT THAT:**

- Company insurance can cover you should you be held personally liable for an alleged or actual error
- The Company has financial capability to defend Directors and Officers, and other employees, should allegations over management of the company be raised against them



**YOUR SUPPORT SHOULD:**

- Provide legal advice
- Provide employment relations advice
- Provide Health & Safety Advice

**TO ENSURE THAT...**

- Correct decisions are made to avoid costly, time consuming and stressful incidents

### CLAIMS EXAMPLES, COURTESY OF AVIVA

**Financial Conduct Authority – Asset Management**  
The Financial Conduct Authority prosecuted a fund manager, responsible for compliance oversight at an asset management company, for failing to act with due care, skill and diligence and failing to escalate the risk that his client was intending to engage in market manipulation. The fund manager was found guilty of basic, fundamental and serious failings and was fined. He also had to pay for the costs of his own legal defence.

**Takeover / Acquisition**  
The acquiring company in a takeover decided to launch a law suit against the principal directors of the target company after the deal was completed. The allegation was of negligent and / or fraudulent misrepresentation of the financial standing of the company. The directors had to defend themselves against the allegation and fund their own defence costs.

**Conflict of interest**  
A director of property development Company A was sued by his company for a conflict of interest. The director was an investor in a number of other property owning businesses and concerns, including an organisation from which Company A was buying a parcel of land. The director hadn't previously declared his involvement and had to defend himself against the conflict of interest charge.

**CONTACT US**

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### BREAKING DOWN D&O INSURANCE



**ORIGIN OF LIABILITY:**

- Shareholders
- Creditors
- Suppliers / Customers
- Employees
- Regulator / Government



**CATEGORIES OF COVER:**

- Management Liability
- Management Indemnification
- Legal costs / expenses incurred aligned with policy terms
- Entity coverage

**IT PROTECTS:**

- Directors
- Officers
- Company Secretaries
- Executive capacity employee



**POTENTIAL SUITS:**

- Misrepresentation of company assets
- Violation of workplace /labour laws
- EHR claims
- Wrongful / perceived wrongful termination
- Securities linked class action suits



**scenario...**

Manager fails to perform management duty

Result: Legal action from internal / external clients against manager

Manager informed of the claim

Manager contacts Legal and Risk Management Depts

Legal and Risk Dept informs D&O Broker / insurer and provide details

If claim is covered, insurer pays for legal defence costs\*

If claim is covered and case is lost, insurer pays for loss and defence costs\*

\*If manager is not covered they have to pay for defence costs and for financial loss (which could impact personal assets and career)

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