



LIABILITY

Non-tangible risks and exposure claims are on the rise. Being the solution providers we are, Howdie offers a comprehensive liability programme that can act as a stand-alone or be combined with our commercial and business offerings.

Changing legislation, multiple lines of exposure from third parties, employees and new cyber disruptor risks have created the need for a 'complete' package. Howdie's liability cover is just that – the complete package – that carry the necessary extensions to safeguard your business today and in the future.



DIRECTORS' AND OFFICERS' LIABILITY

What is D&O?

Directors' and officers' liability insurance (often called D&O) is liability insurance payable on behalf of the directors and officers of a company, or to the organisation itself, as reimbursement for losses or advancement of defense costs in the event an insured suffers such a loss as a result of a legal action brought for alleged wrongful acts in their capacity as directors and officers.

Who is personally liable under the Companies Act?

- Public and private companies
- Listed and unlisted companies
- Section 21 companies (not for profit companies)

The definition of directors has been expanded under the Companies Act to include:

Board members, audit committee members, company secretaries, prescribed officers, and employees in managerial positions.

What is at risk for companies and directors under the Companies Act?

Directors' personal assets, property, savings and investments are all subject to exposure whether they have acted deliberately, negligently or innocently.

Advantages of D&O cover

- Cost of litigation (could exceed net worth of company – balance sheet protection)
- Protect company and director assets
- Reassure clients/business partners
- Banks may be more inclined to provide funding
- Attract talent to the board

Policy & cover extensions

- Emergency defence costs
- Retired director or officer
- Takeover & mergers run-off, post 'transaction' 12 months
- Tax (personal liability for unpaid taxes where company is insolvent)
- Occupational Health & Safety, Defence costs/legal representation expenses