

Directors' & Officers' Indemnity Insurance

The Company's liability is limited; **the Director's liability is not.**

Any company, practice or individual that provides professional advice or services is potentially exposed to legal actions arising from the conduct of their professional business.

The Risks

Directors, officers, and senior employees of a company are exposed to a wide range of risk exposures for their actions and the decisions they make. The responsibilities and duties have been established through a mixture of statute, regulations and case law.

These duties fall into three main categories:

- **Care and Skill** - a common law duty requires directors to carry out their duties with care.
- **Fiduciary** - directors must act honestly, in good faith and in the interest of the company.
- **Statutory** - directors face an increasing array of legislation to comply with including, but not limited to, the Companies Act, Health & Safety at Work Act, Employment, Data Protection, Money Laundering, Insolvency and Fraud.

A director cannot hide behind the limited liability of the company, nor necessarily rely on the business to indemnify them. A director has unlimited liability for the position held, and their personal assets could be at risk.

In today's litigious environment, the decisions made by directors are becoming challenged more often and the risk of allegations of "wrongful acts" increases, no matter how spurious, and without insurance protection the cost of the legal defence and any subsequent settlement can prove disastrous for the individual.

Who Can Bring a Claim?

A wide range of stakeholders (both individuals and organisations) can be affected by the decisions of those within a company. Some may have incurred direct financial loss as a result, others may be enforcing rules and regulations on the directors. The range of potential claimants includes: shareholders, investors, regulatory bodies, HMRC, Health and Safety Executive, employees (past and present), customers, competitors, banks, lenders, liquidators or auditors.

The Solution

A Directors' & Officers' Indemnity ("D&O") insurance policy will provide financial protection to a director, officer or senior employee against claims arising from their decisions and actions taken whilst directing or managing their business. D&O insurance can also cover the company for any indemnification it provides for wrongful acts of its officers or directors.

The Cover

Policies will provide cover for damages and legal costs incurred in defending an action, with many insurer wordings now expanding the scope of protection and providing extras – for example, including employment practices liability, crisis management, official investigation costs, retired directors and for “outside” board positions held.

About Vantage

Vantage, one of Jersey’s leading firms of insurance providers for financial risks, offers a dedicated service to professional service providers for their insurance requirements. As a locally based provider we offer a comprehensive, professional and highly personalised service to you, whilst also ensuring we provide a simple and easy-to-understand approach.

Some brokers commoditise this important insurance cover however our experience has shown that a “one size fits all” approach can be costly. Our approach is to acquire a full understanding of your activities, services and clients before identifying and recommending the insurance cover or product that will best serve the risk exposures. Once these have been ascertained, our independence and the excellent working relationships that we maintain with a range of insurers, enables us to provide efficient solutions that are beneficial both in terms of cost and policy protection.

Furthermore, brokers (and clients) often dismiss the importance of advice when claims, or circumstances, arise. The correct identification, notification and presentation of such incidents to your insurers is of paramount importance – and once, again, an area where Vantage excels. This is where our experience and local presence can provide additional advantages. For example, being able to visit your offices at short notice to discuss potential notifications and review your complaints register.

Why use Vantage?

- Locally based, specialist insurance broker.
- Experienced and professionally qualified staff.
- Access into the same insurers and underwriters as London based brokers.
- Local presence allows us to provide personal service - especially important for claims matters.

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