

Directors & Officers Liability Insurance

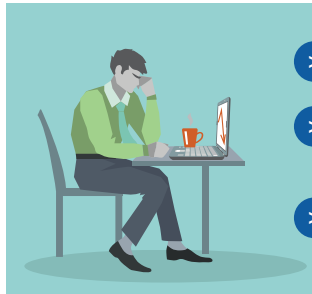
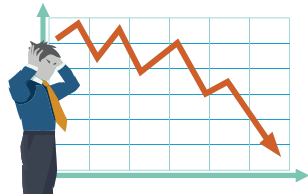
Even the most experienced directors and senior executives can be vulnerable when it comes to being sued for oversights, decisions or actions taken while carrying out their regular duties.

Directors & Officers Liability Insurance makes the risk involved in decision-making manageable and covers you for claims made against you both professionally and personally.



When would you need Directors & Officers Liability Insurance?

IF YOU GIVE ADVICE OR MAKE A DECISION THAT RESULTS IN FINANCIAL LOSS OR DAMAGES TO SOMEONE ELSE.



- > If an employee raises a defamation or wrongful dismissal claim against you.
- > If you are accused of a wrongful act and prosecuted by a regulatory authority.
- > If you are accused of not overseeing the protection of personal data in the event of a cyber attack or breach.

WORKPLACE ACCIDENT:

Changes to legislation has meant that directors and senior executives must meet their obligations in relation to the Health & Safety at Work Act 2016 – the penalties and fines for individuals have increased and can now lead to jail sentences.



What does Directors & Officers Liability Insurance cover?



THE **COST OF DEFENDING CLAIMS** AGAINST DIRECTORS OR SENIOR EXECUTIVES.



ANY **DAMAGES OR INSURABLE FINES** DIRECTORS ARE ORDERED TO PAY BY THE COURTS.

Key facts about Directors & Officers Liability Insurance

2016



The global average claim value for director non compliance with laws and regulation in 2016 was over **\$1.46 million.**¹

2017

In 2017, **\$100 million** was paid out in Liability claims in New Zealand.



Examples where Directors & Officers Liability Insurance can help protect you

- 1 An employee makes a personal claim against an individual director and alleges they have been discriminated against and unfairly dismissed.
- 2 A factory leaks harmful waste into a nearby stream. The directors are accused of negligence and prosecuted under the Resource Management Act.
- 3 An IT company's accountant falsified financial records without the director's knowledge. Believing they were misled, the shareholders and authorities bring legal action against the director.
- 4 The principal shareholder and director of a small manufacturing company dies and leaves his shareholding to his wife who continues as director of the company although she has no involvement in the business. The company goes into liquidation and action is brought against the wife as sole director. The wife is found liable for the debts.



As a director or officer of a business you are open to all sorts of risks so it's important to have a comprehensive Directors & Officers Liability Insurance policy in place to protect you if things go wrong and the unexpected happens.

Talk to a Rothbury insurance broker today to make sure you're fully protected.

www.rothbury.co.nz

¹ <https://www.icnz.org.nz/media-and-resources/market-data/>