

## Top 10 reasons to buy Directors & officers Cover

- 1. Director's 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 the 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 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.