

DIRECTORS AND OFFICERS' LIABILITY INSURANCE

Directors and staff with general management responsibility for their company, Residents' Association or Charitable organization can be held personally liable for their actions at work. The Companies Act has identified approximately 2000 actions for which Directors and Officers may be held in breach of their responsibilities.

By effecting Directors and Officers' Liability cover you will protect your personal assets against a wide range of potential litigation. A few areas where claims could be made against you include:

- Health and Safety at Work Act
- Companies Act
- Insolvency Act (for wrongful trading)
- Consumer Protection
- Data Protection Act
- Racial and Sexual Discrimination Act
- E.E.C. Directives and Regulations

As a company director, you should be fully aware of the wide ranging and complex duties of a director and officer of your organization. You should also understand that:

- Directors do not have limited liability
- Even if you don't carry the title of "director" but act in that capacity, you can be held liable for your actions
- The company cannot indemnify you if it becomes insolvent
- Your personal assets are at risk
- Even if you run a small company, you are still at risk.

Whilst Directors and Officers' Insurance does not protect you against all breaches of your duty as a director or officer, it can provide cover for areas of exposure such as:

- As an agent of your company in your capacity as a director, you must not act outside your powers and must carry out your duties with reasonable skill acting in good faith in the company's best interests.
- As a director you must not abuse your position of power over the company for your own interests.
- There are a number of Acts of Parliament and European Legislation that impose duties on you and your fellow directors and officers. These are wide ranging and can be onerous to keep up to date with.
- Directors have a duty of care towards their company's creditors. By incurring debts, knowing the company is in financial difficulty directors may be liable for wrongful trading and may have to pay the company's creditors in full from their own personal resources. Liability may therefore potentially be unlimited.
- Directors of public companies have additional duties of care.

Our management and staff take your business needs as seriously as you do and we are committed to providing first class service and innovative product solutions.

For further information please contact Willis and Company on **028 9032 9042**.