
angel[®]

Directors & Officers and Corporate Liability Insurance



CATLIN
Underwriting Ambition

When you have the right cover, you and your business are fully protected...

At Angel Underwriting we can offer you a comprehensive Directors and Officers insurance policy tailored specifically to you and your Company's needs. And once you become one of our policyholders if something changes, you can relax knowing we have a team of dedicated underwriters here in the UK ready to help you. Our quality service is something we are known for.

What are the risks?

Directors are now facing more challenges and greater responsibilities than ever before. It is often the case that Directors of Limited companies feel they are financially secure as their liability is protected by the corporate veil. However, Directors need to be aware that their personal assets are at risk if they are found to be in breach of their duties as a Director of a company.

The following represents some of the areas where our coverage can be of vital assistance:

The Companies Act

The Companies Act 2006 was fully implemented in October 2009. This Act is the single biggest overhaul of company law since 1985. Directors, as well as those persons deemed to be Directors, now owe statutory duties to the Company, breaches of which can lead to unlimited personal liability in a wide range of circumstances. Duties owed by a Director include a duty to act in accordance with the company's constitution, a duty to act in good faith, a duty to act with reasonable care, skill and diligence and a duty to disclose conflicts of interest and benefits received from third parties. In addition to these statutory duties under the Companies Act Directors also have to ensure they comply with their common law duties to avoid personal liability.

The Corporate Manslaughter and Homicide Act 2007

Often described as ground-breaking legislation and justice for victims of corporate failures, Police and the Health and Safety Executive investigating workplace deaths are now required to consider the new offence of Corporate Manslaughter. Should a prosecution be brought, a jury may now consider anything it feels relevant, including what it considers to be the 'attitude' of the company towards safety. The new law imposes on company directors a duty of care to:

- Employees and volunteers.
- Persons providing services on behalf of the company e.g. subcontractors.
- Persons receiving goods or services from the company.

As with Health and Safety offences, the courts can impose an unlimited fine on a convicted company. However the level of fines actually imposed are likely to be much higher for corporate manslaughter than for other offences which do not involve worker death, and a publicity order could also be made forcing the Company to publicise its conviction. Individual Directors convicted of gross negligence leading to manslaughter still face a possible prison term.

Employment Act 2008

In 2008/9 151,000 claims were accepted by the Employment Tribunal. In 2009/10 this rose by nearly 40% to 236,000. There can be little doubt that the new 2008 Act has swung the balance even further in favour of the employee when bringing an Employment Tribunal Claim.

Equality Act 2010

Replacing and consolidating all previous discrimination law, this new Act gives employees protection for eight "protected characteristics"; namely age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. It also now extends to include associative discrimination meaning employers can now be held liable for acts of harassment and discrimination by third parties (such as customers or suppliers) towards employees who are perceived as having a protected characteristic.

Whistleblowing – Employment Tribunals (Constitution and Rules of Procedure) Amendment Regulations, 2010

Since April 2010 employers can find themselves open to investigation on another front. Employees approaching an Employment Tribunal need only tick a box if their claim relates to a protected disclosure (a whistleblowing claim) to confirm that they would like a copy or extract of their claim form to be sent to the relevant regulator for further investigation.

Bribery Act 2010

A Company convicted under the new Bribery Act could face an unlimited fine. An individual could face up to ten years imprisonment. The Act has two general offences; that of bribing another person, and the offence of agreeing to or receiving a bribe (whether in the form of a financial advantage or otherwise). The Act also creates two new specific offences, namely failure of a commercial organisation to prevent bribery and bribery of foreign officials.

Directors and Officers Liability...

POLICY – KEY BENEFITS*

- Directors Personal Liability – protects the individual for covered losses, civil and criminal defence costs and other costs that are not indemnified by their Company.
- Corporate Reimbursement – coverage reimburses the Company where it has indemnified its Directors.
- Corporate Liability – protects the Company for covered losses, and civil and criminal defence costs.
- Employment Practices Liability – protects the Company for losses and defence costs from claims made by employees on grounds such as unfair dismissal, and race, sex, age and disability discrimination.
- Legal Helpline – as a policyholder you have exclusive access to our legal helpline, which is available for general legal advice on corporate or commercial problems potentially giving rise to a claim covered by your policy. Advice is free and you can make as many calls as reasonably needed, although we anticipate being able to answer your query within the first hour.
- Interest Free Direct Debit – Premium Instalment Plan.

How to apply

To apply for our Directors and Officers Policy you will need to complete our application form. If you are aware of anything that you think may affect our decision to provide insurance, you must let your broker know. Not doing so may affect how a claim is settled under the policy or may make the policy invalid.

What to do if you have a claim?

If a claim is made against you, our claims specialists will work hand in hand with you to resolve it. In the event of court proceedings, we will arrange and pay for a legal expert to represent you who understands your business. Whether your case is successfully resolved or an eventual settlement is reached, we will be there to help you through what can be harrowing times.

Insurance quality guarantee

Financial strength and security are two of the most important factors when deciding upon Insurers.

Catlin Group Limited, headquartered in Bermuda, is one of the world's leading specialist property/casualty insurers and reinsurers. Gross premiums written in 2009 amounted to more than US \$3.7 billion.

Catlin's financial performance is reviewed by the A.M. Best Company, one of the foremost insurance rating companies in the world. Over 100 different financial tests are used to arrive at its financial ratings. Catlin's underwriting units are rated 'A' (Excellent) by A.M. Best.

Catlin Insurance Company (UK) Ltd's registered address is 3 Minster Court, Mincing Lane, London EC3R 7DD. It is authorised and regulated by the Financial Services Authority (FSA). Further information about the FSA can be found on their website fsa.gov.uk and moneymadeclear.fsa.gov.uk.

Catlin shares are traded on the London Stock Exchange (ticker symbol: CGL). More information about Catlin can be found at catlin.com.

About Us

Angel was formed in 2003 by a group of insurance industry professionals. From the outset, Angel specialised in Professional Indemnity Insurance and Directors and Officers Liability. Angel became part of the Catlin Group of Companies in April 2010. More information about Angel can be found at angelunderwriting.com.

Important information

This brochure represents a brief overview and does not represent a comprehensive explanation of its subject matter. Whilst care has been taken to ensure the accuracy of the information provided, Angel Underwriting does not guarantee such accuracy and accepts no liability for loss or damage resulting from reliance on this brochure.



* Coverages listed may not be available in all circumstances.