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Small Business Directors & Officers Insurance



CATLIN
Underwriting Ambition

Running a small business is one of the most challenging, yet one of the most rewarding things you can do.

At Angel Underwriting we can offer you a comprehensive Directors and Officers insurance policy specifically designed for small businesses. Our Policies provide comprehensive protection including defense costs for the Directors' personal assets arising from claims or allegations made against them for negligent acts performed whilst carrying out their managerial duties.

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 Policies 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 to the company

- A duty to act in accordance with the company's constitution and only to exercise powers for the purposes for which they are conferred.
- A duty to act in a way that a Director considers, in good faith, would be most likely to promote the success of the company.
- A duty to exercise independent judgement.

- A duty to exercise reasonable care, skill and diligence.
- A duty to disclose conflicts of interest.
- A duty to disclose benefits from third parties.
- A duty to declare to fellow Directors any personal financial interest in a proposed transaction or arrangement with the company.

Health & Safety

The Corporate Manslaughter and Homicide Act 2007 created the new offence of corporate manslaughter; however Directors need to be aware that they are still accountable under pre-existing Health and Safety law and Directors can be held personally liable for Health and Safety breaches. Individual Directors convicted of gross negligence manslaughter still face a possible prison sentence.

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. It is not only the Employer but also individual Director(s) who can be named in Employment Tribunal claims. Individual Directors can be held liable for acts of harassment and discrimination towards employees.

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 (including individual Directors or Officers) 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.

Bribery Act 2010

Under the new Bribery Act, if convicted 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...

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.
- 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.
- 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 and the risks associated with your industry. 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.



* Coverage listed may not be available in all circumstances.