

Directors and Officers Insurance



DO I NEED THIS COVER?

Directors and Officers of a Residents Association or Management Company have specific duties in respect of their position within the company. By acting in the capacity of company secretary or director, you are personally liable for any breach of your duties. These include failure to maintain the property and breach of statutory duties such as health & safety law, breach of trust, neglect and error and therefore your own personal wealth is at risk.

It can be a decision made by you or fellow directors that could cause a financial loss to another flat owner in the block. Although the possibility of being held responsible is small, should something happen, the consequences can be much greater and more serious.

WHAT IS DIRECTORS AND OFFICERS INSURANCE ?

Directors and Officers Insurance covers legal liability for such matters of trust, breach of duty, breach of contract, neglect, error, omission, misstatement, breach of warranty of authority and wrongful acts committed by persons insured in their capacities as directors and officers.

POLICY COVER INCLUDED

- The costs of defending claims made against you if there is a defence your insurers can use
- The costs of defending any employment related claims
- The costs incurred in defending you at a first tier tribunal at which you are named as a respondent
- Costs incurred in representing you in court if charged with offences such as corporate manslaughter
- Reasonable costs for attending an investigation which you are legally obliged to attend

CLAIM EXAMPLES

- A management committee was held personally liable for failure to appoint a responsible builder to re-roof their large block of flats. The firm concerned failed to complete the job in a satisfactory way and they went into liquidation shortly afterwards. The work was so poor that most of it had to be done again at an additional cost.
- An unruly family bought a flat in an otherwise select block. The owner of an adjacent flat immediately put her property on the market and alleged that she had been forced to sell for £20,000 less than the true price. She was suing the chairman and secretary of the management company on the grounds that they have failed to discipline the family, who clearly intimidated them.
- Residents of an apartment building brought a claim against the trustees of their residents association, alleging that they had misused funds collected from the residents. The residents claimed this meant they had to pay additional money to the association.

REASONS FOR BUYING DIRECTORS AND OFFICERS INSURANCE

- Your personal wealth/assets are at risk
- Legal action can be very expensive
- Compliance with regulations and laws
- Not covered under any other policy
- The cover is affordable
- Peace of mind
- Affordable premiums
- A fellow leaseholder could sue you



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As with all insurance policies, the policy is subject to limits, conditions and exclusions. For more information please contact us to discuss further or you can request a full summary of the cover or the full policy terms and conditions.