

#WHAT  
EXPERIENCE  
LOOKS  
LIKE

# DIRECTORS & OFFICERS LIABILITY INSURANCE

...INSURING ACCOUNTABILITY

## DIRECTORS & OFFICERS LIABILITY INSURANCE

As in professional sport, business leaders sometimes need to make decisions under immense pressure. However, due to the ever-changing legislative landscape and evolving corporate governance framework, a flawed decision by a company director or officer can have catastrophic consequences and lead to personal, financial and reputational ruin.

Directors & Officers Liability Insurance from Auto & General Business Insurance has been designed to indemnify directors and officers against claims that they are legally liable for as a result of an innocent act or error in judgement.

### DIRECTORS & OFFICERS LIABILITY INSURANCE BENEFITS

- **Civil Liability:** Cover for legal liability provided that you serve as a director or officer of the insured company.
- **Legal Costs, Awards or Settlements:** Cover will usually indemnify you for both the legal costs of defending an action and any subsequent damages if awarded, or settlements agreed to.
- **Alternate Dispute Resolution:** The policy includes cover for arbitration services incurred by you in attempting to resolve a dispute that could potentially give rise to a claim.
- **Convenient** and affordable monthly premium payments.

- **Cover from R100 000** up to and in excess of R100 million on selected risks

### DIRECTORS & OFFICERS LIABILITY INSURANCE OVERVIEW

Even the most prudent of business decisions can be deemed negligent. The director or officer who made that decision can be held personally responsible for the consequences of their mistake.

### ENTER DIRECTORS & OFFICERS LIABILITY INSURANCE FROM AUTO & GENERAL BUSINESS INSURANCE...

- With this product, past, present and future directors and officers (and the company if it



has indemnified the directors and officers) can claim for civil or criminal defence costs, expert witness expenses, damages, judgements, or settlements on account of claims by shareholders, employees, creditors, customers, competitors, regulators or any other stakeholder.

- Directors & Officers Liability Insurance provides indemnification against claims such as: misrepresentation, breach of fiduciary duty, mismanagement, negligence, unfair trade practices, consumer protection violations, breach of franchise agreements, wrongful interference with a contract, and unintentional copyright, patent or trademark infringement.
- Directors & Officers Liability Insurance responds to many types of claims including: a written demand (whether or not for monetary compensation), a civil proceeding, a criminal proceeding, a formal administrative or regulatory proceeding or an arbitration proceeding.

## FREQUENTLY ASKED QUESTIONS

### Q WHO NEEDS DIRECTORS & OFFICERS LIABILITY INSURANCE?

A As the name suggests, Directors & Officers Liability Insurance covers a company's past, present and future Board of Directors and Officers like the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) or the person appointed by the company to make crucial decisions.

### Q WHY IS THERE A NEED FOR DIRECTORS & OFFICERS LIABILITY INSURANCE?

A Companies and organisations do not make decisions. The directors and officers of a company do. They have fiduciary duties and when a director or officer doesn't fulfil a duty, they may be held personally responsible for their decision or action, or lack thereof.

What's more, thanks to the ever changing legislative landscape in South Africa – the Companies Act 2008, the Consumer Protection Act and the Protection of Personal Information Act – the risk of litigation against

company directors and officers is more prevalent than ever before.

### Q WHO WOULD TYPICALLY TAKE LEGAL ACTION AGAINST DIRECTORS & OFFICERS?

A Against Public companies: Shareholders, employees, competitors, customers, miscellaneous third parties and government.

Against Private companies: Employees, customers and competitors.

Against Non-profit organisations: Employees, customers, competitors, donors and miscellaneous third parties.

### Q HOW DO I APPLY FOR DIRECTORS & OFFICERS LIABILITY INSURANCE?

A To apply for Directors & Officers Liability Insurance, please contact your Broker or our dedicated Directors & Officers Liability Insurance Call Centre on 0860 11 12 80. Our trained consultants will guide you through the entire process.

### Q WHAT SHOULD I DO IF MY CLIENT HAS A CLAIM?

A 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; someone who understands your business and the risks associated with your industry sector. Whether your case is successfully resolved or an eventual settlement is reached, we will be there to guide you every step of the way.

### Q WHY AUTO & GENERAL BUSINESS INSURANCE?

A Auto & General is a formidable leader in South Africa's competitive short-term insurance industry.

## AUTO & GENERAL MILESTONES:

For three decades we have worked relentlessly to refine our product offering to help keep you ahead of the game. By tapping into our experience, we've combined traditional business insurance policy terms with more flexible options that have been tailored to suit almost any type of business, from

electricians, plumbers and guesthouses to medical practices, motor dealerships and restaurants, in fact, we cover more than 700 different business types. That means your business interests are fully protected when you insure with us.

- Auto & General Insurance Company Ltd, part of the Telesure Investment Holdings Group, was founded on 1 June 1985.

- Auto & General was placed first and second in SA for percentage growth by the Financial Mail and commended highly in various editions of the “Top Companies” survey.
- The growing SMME market was one of the factors that prompted Auto & General to launch a Business Insurance product in 2005.

## CONTACT US

For more information on Directors & Officers Liability Insurance, please contact your Broker or call **0860 11 12 80** or email **[sales.liability@autogen.co.za](mailto:sales.liability@autogen.co.za)**



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