

Scenarios when you might need Directors & Officers Insurance?



01

Misrepresenting finances

If senior leaders in your business are negotiating a contract with a partner, and misrepresent the company's finances, the business partner could take legal action against senior leaders.

How would D&O insurance Help?

This may be classed as a wrongful act within your D&O insurance policy. This means any legal costs incurred by the partner in pursuing any action against you would need to be reimbursed by you.



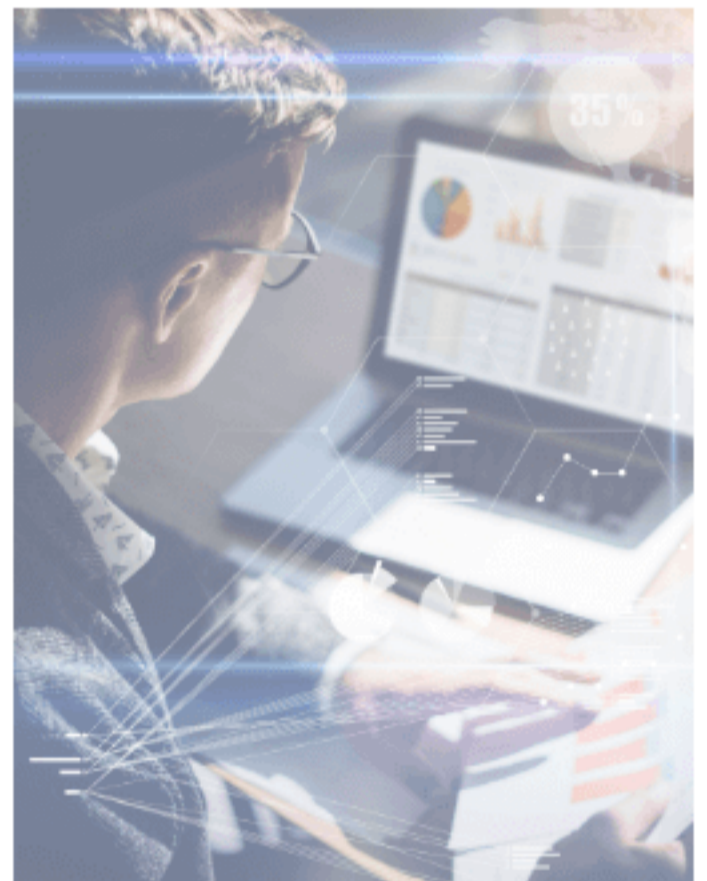
02

Cyber security

The business owner knowingly fails to implement adequate cybersecurity measures and you experience a cyber-attack, which leaks customer data. Your customers take legal action against your business as a result of the security failing.

How would D&O insurance Help?

Failing to implement adequate cybersecurity could be deemed to be a wrongful act by the business owners and could be classed as such on your D&O policy. D&O insurance could cover the legal costs of the legal disputes related to the cyber breach.



03

Staff dismissal

The business terminates a worker's employment but fail to adhere to formal processes. The employee can take legal action against the senior leaders for unfair dismissal.

How would D&O insurance Help?

This would be classed as a breach of duty in a D&O policy, which would offer cover for the resulting legal action and tribunal costs from the unfair dismissal provided the policy includes an Employment Practices Liability section.



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