

# Handy hints for D&O Insurance

**Directors and Officers insurance policies offer liability cover for Company Managers to protect them from claims which may arise from the decisions and actions taken within the scope of their regular duties.**

## Why do companies purchase D&O cover?

Managers can make mistakes, and are often personally legally liable for them. They constantly walk a fine line, making tough and complex decisions with huge impacts on the basis of the sometimes limited information available.

The core purpose of a D&O policy is to provide financial protection for managers against the consequences of actual or alleged “wrongful acts” when acting in the scope of their managerial duties. The D&O policy will pay for defense costs and financial losses. No matter how prudently they act and how strong a Director’s business acumen is, any manager’s decision can result in losses for the company or a third party, and the directors and officers who made those decisions can be held personally liable for those losses and can be involved in costly litigation.

A D&O policy does not cover fraudulent, criminal or intentional non-compliant acts. Nevertheless, innocent directors remain fully covered if they are co-defendants, even if the acts of their colleagues were intentional or fraudulent.



**D&O cover was first developed in the late 19<sup>th</sup> Century.**



**Directors and Officers Insurance is necessary to enable managers to make decisions without the threat of personal liability constantly hanging over them.**

Head Office:  
The Old Barn, Vicarage Farm Business Park  
Winchester Road  
Fair Oak, Hampshire  
SO50 7HD

T: 0345 3080 988  
W: [www.gh-propertymanagement.co.uk](http://www.gh-propertymanagement.co.uk)

# GH

Property Management