

Management Liability Playbook

A broker guide to Management Liability



Spotlight on Management Liability

Operating in a continually evolving legal and regulatory landscape, often in many jurisdictions, can present challenges for company executives. Their business decisions and activities are increasingly scrutinised by their customers, investors, employees and regulators. All organisations, whether public, private, or not for profit, and the people who lead them, are vulnerable to a multitude of Directors & Officers (D&O) exposures.

Increasing awareness of a growing threat

The effects of COVID-19 are being felt throughout the world and, for most (if not all) marketplaces, the impact has been significant.

£100m

in fines has been given from UK regulatory bodies to SMEs over the last four years¹

£13.6bn

is lost by SMEs each year due to failure to take care of their legal issues²

48,267

fines issued to businesses for failing to meet their auto-enrolment duties³

1 in 10

SME businesses are under a tax investigation⁴

46%

of businesses have experienced a cyber breach or attack in the last 12 months⁵

¹ BLM D&O Tracker app, 2021

² The financial impact of SMEs' failure to take care of their Legal Business, Lawbite, 2017

³ TPR drives up pension standards and safeguards more schemes, The Pensions Regulator, 2020 See Footnote 1

⁴ Tax Avoidance and Evasion enquiry, www.parliament.co.uk, 2018. See Footnote 1

⁵ Cyber Security Breaches Survey 2020, DCMS See Footnote 1

Increasing **need for Management Liability** insurance ◀ 03 ▶

As current and emerging risks leave business leaders and their companies increasingly vulnerable to lawsuits, there's a growing need to protect against them.

Coronavirus pandemic

Insolvency

Cyber and data breaches



Coronavirus pandemic

The pandemic has created a challenging environment for businesses. Directors and officers are facing risk and liability at a time when their businesses are under threat and they're trying to keep employees safe.¹

The COVID-19 factor

The Ministry of Justice stated that the increase in single claim receipts was likely due to rising levels of unemployment and changes to working conditions during the pandemic, noting that this was “the highest level of single employment tribunal claims since 2012/13”.² Employment lawyers have advised that cases concerning health and safety, redundancy, employment terms and contractual matters surrounding pay and benefits are likely to be prevalent in the coming months as a result of pandemic-related issues.³

¹ COVID-19 – related claims: A practical guide for employers, Aviva and DAC Beachcroft, 2021

² Tribunal Statistics Quarterly, April to June 2020, MOJ See Footnote 1

³ What do the latest quarterly employment tribunal statistics tell us? Brodies, 2021

Increasing need for Management Liability insurance ◀ 04 ▶

As current and emerging risks leave business leaders and their companies increasingly vulnerable to lawsuits, there's a growing need to protect against them.

Coronavirus pandemic

Insolvency

Cyber and data breaches



Insolvency

When a company fails, the actions and decisions of the directors and whether they put the interests of the company first will be questioned. Directors may be held personally liable if investors or shareholders can prove they used their powers for their own benefit, resulting in damage to the company.

Insolvency

The pandemic is likely to expose many company directors to insolvency-related claims. To help 'save' businesses, the government suspended the wrongful trading provisions⁴ – however, this suspension doesn't change a director's duty to suppliers and creditors if the company becomes insolvent.

⁴ Suspension of wrongful trading liability, Department for Business, Energy & Industrial Strategy, 2020 See Footnote 1

Increasing **need for Management Liability** insurance ◀ 05 ▶

As current and emerging risks leave business leaders and their companies increasingly vulnerable to lawsuits, there's a growing need to protect against them.

Coronavirus pandemic

Insolvency

Cyber and data breaches



Cyber and data breaches

A serious cyber incident or data breach can result in reputational and financial damage, as well as regulatory action. Directors and officers may face an increased exposure for cyber- and data-related incidents.

Cyber and data

As cyber incidents and data breaches continue to impact businesses of all sizes, it is possible that directors themselves may be pursued to cover losses following an attack. With a pandemic-driven increase in digital activity as businesses respond to operational challenges and customers demand better services, the potential for privacy liability claims and investigations is likely to increase – unless preventive measures are prioritised to tackle the risk.

Increasing **need for Management Liability** insurance ◀ 06 ▶

With increased legislation and regulation in the UK, company boards are facing increased scrutiny from their customers, regulators, legislators and shareholders.

UK audit reforms

Pension Schemes Act 2021



UK audit reforms

In March 2021 the government published a consultation paper to modernise the country's audit and corporate governance regime in light of some well-publicised corporate failures. These major reforms aim to safeguard jobs, prevent company failures and reinforce the UK's reputation as a world-leading destination for investment.¹

Increasing director responsibility

The government's proposed reforms will inevitably bring new risks to the accounting and audit professions – and to company directors. The plans are set to place greater responsibility on directors for the accuracy of their company's financial statements, or face financial penalties or temporary bans for breaching their duties to support corporate reporting and audits.

¹ New plan outlines how TPR will protect millions of savers as UK recovers from pandemic, TPR, 2021. See Footnote 1

Increasing **need for Management Liability** insurance ◀ 07 ▶

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UK audit reforms

Pension Schemes Act 2021



Pension Schemes Act 2021

The Act introduced two new criminal offences relating to pension schemes that can be committed by any person, including a director or officer. These new offences are broader in scope with fines of up to £1 million against directors and officers.²

New pensions risks

Directors and officers should be aware of the increased level of scrutiny they may face personally by:

- avoiding employer debt without reasonable excuse for doing so
- risking members receiving accrued scheme benefits
- not complying with a contribution notice.

By not taking pension scheme obligations seriously, they may incur substantial costs defending proceedings brought by the Pensions Regulator, or even face prosecution.

² Pension Schemes Act, 2021 See Footnote 1

Increasing **need for Management Liability** insurance ◀ 08 ▶

In future, more and more D&O claims based on race, gender, climate change and environmental, social and governmental (ESG) interests have the potential to substantially impact the reputation of a company.

Discrimination and harassment

Diversity and inclusion

Corporate social responsibility



Discrimination and harassment

With increased personal accountability, changing attitudes and the rise of social media, directors are increasingly exposed to claims based on employment-related risks, ethics and culture. They may face action if they fail in their duty of care to employees or by presiding over a toxic corporate culture that permits abuse.

#MeToo movement

The highest award in relation to a sex discrimination claim increased significantly from £17,420 to £73,619¹ – which perhaps coincides with the increased focus on preventing sexual harassment in the workplace following the #MeToo movement.

¹ Employment statistics Quarterly: April to June 2020, MOJ See Footnote 1

Increasing need for Management Liability insurance ◀ 09 ▶

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Discrimination and harassment

Diversity and inclusion

Corporate social responsibility



Diversity and inclusion

Calls for race and gender diversity mean company boards are facing increasing scrutiny from customers, shareholders and regulators alike.

A representative workforce

Multiple shareholder actions have been brought against some of the world's best-known organisations in the US, alleging a lack of – and failure to address – diversity at board level. While these are currently confined to the US, it's possible that we'll see similar claims in the UK. And with movements like Black Lives Matter gathering momentum, there is a growing focus on racial equality and a need to address this throughout the whole organisation.

Increasing **need for Management Liability** insurance ◀ 10 ▶

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Discrimination and harassment

Diversity and inclusion

Corporate social responsibility



Corporate social responsibility

Activists, investors, regulators and customers expect companies to be more environmentally minded and adapt their business model to lessen their environmental impact. There's also an increased focus on how companies are addressing climate change and the progress they're making.

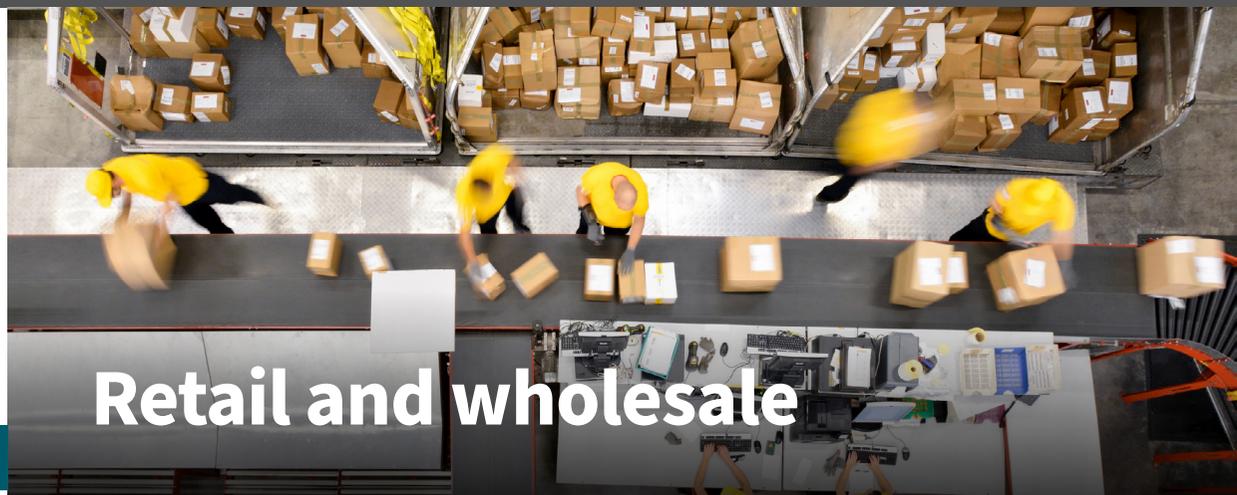
Climate change

Climate risk is increasingly important for directors and officers as governments and regulators start implementing recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). In March 2021 the UK launched a public consultation on a proposal requiring large private and public companies to make TCFD-related disclosures from 2022. However, financial impacts from COVID-19 may affect a company's ability to make costly changes to their business model.²

² Task Force on Climate-related Financial Disclosures, gov.uk, 2021 See Footnote 1

Industry-specific risks

Directors and officers hold significant responsibility and power in their managerial roles, leaving them exposed to all kinds of legal claims.



Retail and wholesale

The pandemic has created even more challenges for directors, such as the risk of disruption to supply chains, employee and customer health and wellbeing, and operational disruption. Stakeholders and investors will be scrutinising what directors say, their business contingency plans and the financial impact – and may allege that any shortfall in performance was a result of inadequate business continuity arrangements and crisis management.

Exposures

- ⚠ **Unfair dismissal – director is named personally in the unfair dismissal of an employee**
- ⚠ **Redundancy – company required to defend itself at employment tribunals**
- ⚠ **Customer data breaches could lead to regulatory involvement**
- ⚠ **Disrupted supply chains that impact sales**
- ⚠ **Demand for financial damages following an alleged website copyright infringement**

Retail and wholesale

Manufacturing and industry

Professional services

Construction

Property owners

Technology

Motor industry

Charities and not-for-profit

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Retail and wholesale

Manufacturing and industry

Professional services

Construction

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Manufacturing and industry

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Exposures

- ⚠ **Pollution – criminal proceedings brought by the Environment Agency**
- ⚠ **Defamation suit for financial loss if quoted making an inaccurate statement about a supplier or competitor**
- ⚠ **Employee accidents at work – prosecutions by the Health & Safety Executive**
- ⚠ **Contractual – where a client alleges the goods supplied are not up to the expected standard and therefore not fit for purpose**

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Retail and wholesale

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Charities and not-for-profit



Professional services

In a rapidly changing and complex regulatory environment, companies need to keep pace. Regulatory demands include quality controls on projects, segregation of activities and data protection.

Professional services firms handle large volumes of confidential client information, so data breaches can have a devastating impact – to both their finances and their reputation. If firms don't protect their highly sensitive client information, their business may be at risk.

Exposures

- ⚠ Breaches
- ⚠ Racial and sexual discrimination
- ⚠ Insolvency Act (wrongful trading)
- ⚠ More investigations by regulators

Industry-specific risks

◀ 14 ▶

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Construction

The construction sector has had the highest number of workplace fatalities over the last 12 months,¹ with falling from height the most common cause of work-related death. If a company director is found to have been responsible for a breach, they (and the company) can be prosecuted under section 37 of the Health and Safety at Work etc Act 1974.

Directors can't avoid a charge of neglect, and those found guilty are liable for fines and imprisonment. The cost of legal representation and any subsequent prosecution can be significant, particularly if multiple directors are found responsible.

Exposures

- ⚠ **Corporate manslaughter**
- ⚠ **Cladding exposures**
- ⚠ **Regulatory – environmental prosecutions or pollution charges**
- ⚠ **Fraud**

¹ Workplace fatal injuries in Great Britain, 2020, HSE See Footnote 1

Industry-specific risks

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Property owners

Building owners could face unlimited fines following new measures announced by the Home Office to strengthen fire safety. As part of the government’s work to ensure people are safe in their homes, the fines will be issued to anyone caught obstructing or impersonating a fire inspector, as well as to those who breach fire safety regulations under the Fire Safety Order.

The new measures, an element of the government’s response to the Fire Safety Consultation, will come into force as part of the legislation in the Building Safety Bill.

Risks

- ⚠ Cladding exposures
- ⚠ Data breaches could lead to regulator involvement
- ⚠ Fraudulent activity relating to large sums of money being transferred
- ⚠ Health and safety – fire safety, electrical and mechanical equipment checks

Industry-specific risks

Directors and officers hold significant responsibility and power in their managerial roles, leaving them exposed to all kinds of legal claims.



Technology

With the tech industry evolving and companies developing new solutions to stay relevant and outlast their competitors, the pressure to innovate can lead to mistakes such as missing crucial security and safety issues or failing to deliver a product or service on time.

Exposures

- ⚠ **Breach of contract for delayed or cancelled projects due to supply chain disruption**
- ⚠ **Data security and privacy – cyber attacks threaten to disrupt supply chains**
- ⚠ **Loss of intellectual property – patents, trademarks and designs are valuable assets**
- ⚠ **Struggle to secure Research and Development (R&D) funding and grants**

- Retail and wholesale
- Manufacturing and industry
- Professional services
- Construction
- Property owners
- Technology**
- Motor industry
- Charities and not-for-profit

Industry-specific risks

◀ 17 ▶

Directors and officers hold significant responsibility and power in their managerial roles, leaving them exposed to all kinds of legal claims.

Retail and wholesale

Manufacturing and industry

Professional services

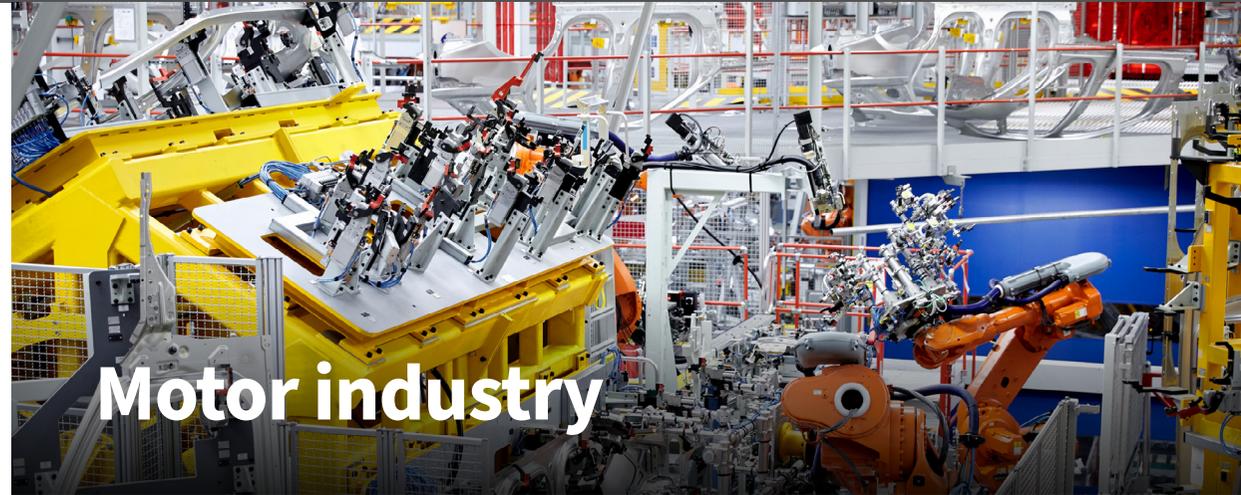
Construction

Property owners

Technology

Motor industry

Charities and not-for-profit



Motor trade businesses carry a wide range of health and safety risks, for both employees and customers, from handling hazardous substances and moving heavy objects or vehicles to controlling public access into workshops.

Officers of the company can be held personally liable for failing to identify and assess risks and put in place protective measures, safe systems of work and employee safety training. Being found guilty of health and safety errors can lead to imprisonment in the most serious cases, as well as disqualification from being a company director.¹

Exposures

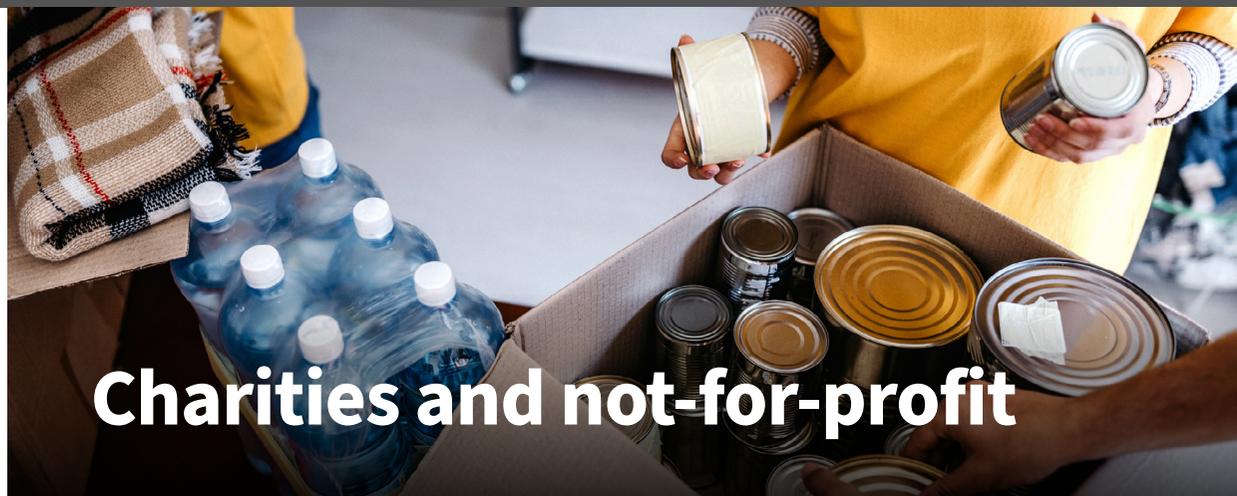
- ⚠ **Cyber threats – customer, manufacturer and supplier details at risk of being stolen from phishing scams, malware attacks and website spoofing**
- ⚠ **Environmental legislation – disposal of waste such as scrap parts, tyres, oil and batteries; reputational damage**
- ⚠ **Emissions testing – potential for environmental or climate change liability**

¹Leading health and safety at work, hse.gov.uk, 2013
Refer to Footnote 1

Industry-specific risks

Directors and officers hold significant responsibility and power in their managerial roles, leaving them exposed to all kinds of legal claims.

- Retail and wholesale
- Manufacturing and industry
- Professional services
- Construction
- Property owners
- Technology
- Motor industry
- Charities and not-for-profit**



Charities and not-for-profit

Many not-for-profit organisations operate on scarce resources, and tend to focus more on their operations than their risk management.

Allegations of the mismanagement of funds or conflicts of interest could put the leadership team at risk from costly claims against the charity – and may possibly change the support they receive from trustees and beneficiaries.

Exposures

- ⚠ Loss of beneficiary confidence and mismanagement of funds
- ⚠ Conflict of interests
- ⚠ Sexual-misconduct-related claims
- ⚠ Insolvency Act (wrongful trading)

Management Liability **claims scenarios**

Almost any decision or oversight made by directors and senior management can have adverse consequences. The following examples show the implications of some typical claims scenarios.

Disclaimer

Who can bring a Management Liability claim?

Regulatory

Financial

Health and safety

Employee-related

Residents Associations

Charities and not-for-profit

Disclaimer

Please note the following scenarios are fictitious examples based on our claims experiences, and the resolutions stated are not definitive but one feasible response to the issue described.

The scenarios are used to represent general information and guidance only and should not be construed as giving advice or recommendation. You should obtain specific advice relevant to your circumstances.

Management Liability claims scenarios

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Who can bring a Management Liability claim?

External claims

Creditors

Stockholders

Tax authorities

Suppliers

Competitors

Customers

Social security

Employees

Internal claims

Bankruptcy/insolvency trustee

Subsidiary

Company itself

Other insured individuals (D&O)



Management Liability **claims scenarios**



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Charities and not-for-profit

Regulatory

Directors & Officers claim: Food Standards Agency

A takeaway owner is prosecuted by The Food Standards Agency following the death of a customer from anaphylactic shock after eating peanut-contaminated food.

The owner is charged with manslaughter by gross negligence after the customer's clear "no nuts" request. Ingredients weren't properly tracked or controlled and standard ingredients had been switched for cheaper ones containing peanuts.

Corporate Legal Liability claim: Financial Conduct Authority

A financial adviser is prosecuted by the Financial Conduct Authority for putting customers at risk of buying the wrong products and not having the right insurance cover in place.

There were failures in the oversight and control of the adviser's telephone sales and in particular the sale of add-on products. The company failed to put in place systems and controls to ensure customers were given the right information.

Management Liability **claims scenarios**

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Employee-related

Residents Associations

Charities and not-for-profit

Financial

Directors & Officers claim: trading while insolvent

A company goes into insolvency. The suppliers sue the directors of the company for wrongful trading – continuing to trade knowing the company is insolvent and can't meet its obligations. By doing so, the directors worsen the debt to the creditors.

The directors are ordered to contribute to the company's assets to make good the debt, and also have to pay their own defence costs.

Directors & Officers and Corporate Legal Liability claim: failure to prevent bribery

A company and several key directors are investigated by the Serious Fraud Office (SFO) and then charged with failing to prevent an act of bribery.

The investigations show that a subsidiary of the accused made corrupt payments to overseas officials in order to secure a contract.

The company is fined and ordered to pay the SFO's costs. The directors are acquitted, but still face their own defence costs.

Management Liability **claims scenarios**

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Disclaimer

Who can bring a Management Liability claim?

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Financial

Health and safety

Employee-related

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Charities and not-for-profit

Health and safety

Corporate Legal Liability claim: corporate manslaughter

A company is prosecuted by the Health and Safety Executive (HSE) after an employee was electrocuted when he came into contact with an overhead power cable.

The company is acquitted of corporate manslaughter as they can demonstrate that the relevant training had been provided. The company is found guilty of lesser charges and face a fine plus their own legal costs.

Directors & Officers claim: employee accident at work

The director of a small retail company is prosecuted following an employee injury. The employee suffered serious fractures and crushing injuries to his leg after a large delivery he was attempting to move fell on him.

The court hears that the director hadn't provided training on how to move heavy items and that proper equipment for the move hadn't been provided. The director faces a fine and legal costs.

Management Liability **claims scenarios**

Almost any decision or oversight made by directors and senior management can have adverse consequences. The following examples show the implications of some typical claims scenarios.

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Who can bring a Management Liability claim?

Regulatory

Financial

Health and safety

Employee-related

Residents Associations

Charities and not-for-profit

Employee-related

Directors & Officers claim: unfair dismissal

A director of a medium-sized company is named personally in the unfair dismissal of an employee. The director is required to attend an employment tribunal and offer a defence to the charge, engaging their own legal counsel and funding their own defence costs from personal monies and assets.

The case against the director is dismissed, but the legal costs remain.

Employment Practices Liability claim: redundancy

Market circumstances force a company to downsize its operations, leading to redundancies. One of the people made redundant takes the company to an employment tribunal claiming that this is another example of the company discriminating against her on the grounds of sex.

The company is required to explain and defend itself, and eventually settle with the employee.

Management Liability **claims scenarios**

Almost any decision or oversight made by directors and senior management can have adverse consequences. The following examples show the implications of some typical claims scenarios.

Disclaimer

Who can bring a Management Liability claim?

Regulatory

Financial

Health and safety

Employee-related

Residents Associations

Charities and not-for-profit

Residents Associations

Directors & Officers claim: poor maintenance/failure to maintain

A person is seriously injured after being hit by falling roof tiles. A director of the Residents Association responsible for the building was previously warned that the roof was in a poor state and tiles could potentially fall, but failed to take action and arrange repairs.

The injured party sues the director concerned for failing to maintain/repair the building.

Directors & Officers claim: failure to check

A building company contracted to carry out renovation work on a block of flats completes the work to a poor standard. Before they are able to correct and resolve the outstanding issues, they go bankrupt.

The director of the Residents Association that entered into the contract is sued by the residents for not carrying out sufficient checks on the building company to ensure its financial stability.

Management Liability **claims scenarios**

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Who can bring a Management Liability claim?

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Residents Associations

Charities and not-for-profit

Charities and not-for-profits

Directors & Officers claim: statutory inquiry

A complaint is made to the Charities Commission that a trustee sold a property belonging to the charity to a close family member. The complaint alleges a conflict of interest and a failure to act with reasonable care and skill by not engaging the appropriate professional advice. (The property doesn't appear to have been advertised widely prior to sale.)

The Charities Commission launch a statutory inquiry.

Directors & Officers claim: improper use of donations

A donor is persuaded by the trustee of a charity to make a sizeable donation, which is made on the understanding it was for a specific purpose.

After the donation is used for the general work of the charity, the donor decides to sue the trustee who elicited the donation.

Our proposition at a glance



Comprehensive protection against both traditional and emerging risks

Cover can be purchased for a wide variety of businesses with turnovers up to £250m, available standalone or as part of a package to service your clients more efficiently.

Our enhanced cover now includes:

- ‘any one claim’ basis as standard*
- separate limits across all cover sections
- UK and EEA policy territorial limit
- first period of cover match extension.

Directors & Officers

Corporate Legal Liability (optional)

Employment Practices Liability (optional)

Residents Association



Expert legal guidance and advice on-demand

Legal advice on day-to-day business and regulatory issues saving your client time and money, and reducing the risk of unnecessary litigation, is included at no extra cost.



Risk management support and loss prevention solutions

Our [Aviva Risk Management Solutions website](#) provides a wealth of webinars, loss prevention standards and checklists alongside access to specialist partner solutions to keep your clients informed on the latest trends and to assist in improving their risk management strategies.



Standout claims service

Dedicated, tailored claims service with experienced claims handlers who will guide your clients through the claims process from start to finish.

*Not applicable to Employment Practices Liability

The Aviva **difference**

We are committed to continued innovation and investment to ensure we provide simple, affordable protection alongside exceptional service and support, helping you and your clients trade, adapt and evolve in an increasingly complex regulatory landscape.



One policy wording traded your way

Available across e-trade, Fast Trade and our regional branch network; purchased standalone or as part of a package.



Access to dedicated expertise

Available locally across our regional branch network or on-demand via live chat for online quotes and renewals.



Data-led simplicity and streamlined processes

Instant quotes and limited (or no) question sets for existing policy holders. No proposal forms for risks with annual turnovers up to £100m.



Cover match extension

In the event of a claim, we'll match your client's previous policy cover for the first period of insurance.*

* Previous policy must be issued by either Allianz, Zurich, Hiscox, Chubb, ACE, AIG or Brit.

Our underwriting **appetite**

We have a broad underwriting appetite across industries, trades and occupations, with capacity to cover businesses with turnovers up to £250m.

Within appetite

Services

- Accountants
- Management consultants
- Marketing and advertising
- Graphic design
- IT consultants
- Recruitment
- Cleaning and installation
- Media and publishing

E-commerce risks and e-service providers

Manufacturing and industry

- Food and drink
- Textiles
- Printing
- Metals and machinery
- Woodworking
- Technology

Wholesale and distribution

- Warehousing
- Packers, self-storage and removal contractors
- Haulage and logistics
- Driving schools
- Coach operators

Agriculture

- Livestock farming
- Horticulture
- Forestry

Selected healthcare and social care

- Physiotherapists
- Optometrists
- Alternative healthcare practitioners
- Counsellors
- Veterinary surgeons

Construction

- Builders
- Carpenters and joiners
- Civil engineers
- Painters and decorators
- Tool and plant hire

Residents Associations

Charities and not-for-profits

Motor industry

- Vehicle service and repair
- Motor factors

Out of appetite

- **Animal testing**
- **Armaments**
- **Financial institutions** – banks and building societies
- **Gambling and gaming**
- **Law firms**
- **Leisure and hospitality**
- **Retail**
- **Nuclear**
- **Tobacco**

Comprehensive protection against both traditional and emerging risks

Management Liability

Directors & Officers Liability

Corporate Legal Liability

Employment Practices Liability

Residents Associations

Cover limits and minimum premiums



Management Liability is the name given to a suite of complementary covers designed to offer legal protection for directors, officers and the company for wrongful acts which may arise, or are alleged to have been committed, as a result of decisions and actions taken within the scope of their duties.

There are three sections to this suite of covers:

- Directors & Officers Liability (core cover)
- Employment Practices Liability (optional)
- Corporate Legal Liability (optional).

Each section has its own role to play in protecting the assets of the individual directors, and of the company itself, from the costs of lawsuits and legal actions.

Comprehensive protection against both traditional and emerging risks

◀ 31 ▶

Management Liability

Directors & Officers Liability

Corporate Legal Liability

Employment Practices Liability

Residents Associations

Cover limits and minimum premiums



Directors & Officers Liability

Cover

- 'Any one claim' basis of settlement
- Territorial limit is United Kingdom and EEA (excluding Republic of Ireland)
- Broad definition of 'insured person', including employees acting in a managerial capacity
- Reimbursement to the company if it pays out to protect the director or officer
- Legal representation expenses (up to the policy limit)
- Cover automatically extends to newly established or acquired subsidiary companies (subject to the size of the new company)
- Legal costs, expenses and any civil damages awarded against the director or officer
- Includes spouses, heirs and legal representatives named in proceedings by virtue of their status
- Court-deprived assets additional costs
- Data confidentiality
- Derivative investigation costs
- Management buyout
- Mitigation, crisis event and reputation protection costs
- Bail bond costs
- Defence costs for extradition, deportation and asset protection
- Personal tax liability
- Civil fines and penalties
- Retired directors and officers have unlimited reporting period for Wrongful Acts, where cover is neither renewed nor replaced with similar cover

Comprehensive protection against both traditional and emerging risks

◀ 32 ▶

Management Liability

Directors & Officers Liability

Corporate Legal Liability

Employment Practices Liability

Residents Associations

Cover limits and minimum premiums



Corporate Legal Liability

Corporate Legal Liability insurance protects the company against the financial consequences of a wide range of claims made against it. Cover includes the cost of defence, and in some cases the amount of awards and damages, as a result of claims and prosecutions made against the company.

Cover

- 'Any one claim' basis of settlement
- Territorial limit is United Kingdom and EEA (excluding Republic of Ireland)
- Cover for defence costs, and in some cases awards and damages
- Data confidentiality
- Kidnap event crisis expenses
- Shareholder costs
- Breach of contract defence costs
- Copyright infringement defence costs
- Corporate manslaughter defence costs
- Pollution defence costs
- Health and safety investigation costs
- Identity fraud investigation costs
- Crisis event and reputation protection costs
- Regulatory mitigation costs

Comprehensive protection against both traditional and emerging risks

Management Liability

Directors & Officers Liability

Corporate Legal Liability

Employment Practices Liability

Residents Associations

Cover limits and minimum premiums



Employment Practices Liability

Employment Practices Liability insurance protects the company against financial loss from claims made by employees for a wide range of employment practice violations. These include unfair dismissal or discrimination on grounds of sex, race, disability, religion, belief or sexual orientation. The policy covers the cost of defence, awards, settlements and legal representation.

Cover

- Aggregate claim basis of settlement
- Territorial limit is United Kingdom and EEA (excluding Republic of Ireland)
- Wide definition of employment Wrongful Act
- Crisis event and reputation protection costs
- Disability obligation defence costs
- Employment payments defence costs
- Employee reinstatement defence costs
- Injunctive and non-monetary relief defence costs
- Training and development post-judgement costs

Comprehensive protection against both traditional and emerging risks

Management Liability

Directors & Officers Liability

Corporate Legal Liability

Employment Practices Liability

Residents Associations

Cover limits and minimum premiums



Residents Associations

Our Management Liability policy covers the directors, officers, committee members, associations and management executives who look after the affairs and maintenance requirements of the building(s) owned by the residents. There are two sections to the policy: Directors & Officers Liability (core) and Corporate Legal Liability (optional).

D&O cover

- Aggregate claim basis of settlement
- Legal representation expenses (up to the policy limit)
- Automatic cover for spouses, heirs and legal representatives named in proceedings by virtue of their status as such
- Retired directors and officers have an unlimited reporting period for Wrongful Acts, where cover is neither renewed nor replaced with similar cover
- Property damage defence costs
- Emergency defence costs
- Bodily injury defence costs

CLL Cover

- Aggregate claim basis of settlement
- Breach of contract defence costs
- Corporate manslaughter defence costs
- Pollution defence costs
- Health and safety investigation costs
- Identity fraud investigation costs
- Regulatory mitigation costs

Comprehensive protection against both traditional and emerging risks

Management Liability

Directors & Officers Liability

Corporate Legal Liability

Employment Practices Liability

Residents Associations

Cover limits and minimum premiums



Cover limits and minimum premiums*

- Capacity to underwrite risks up to £250m annual turnover
- Standard indemnity limits range from £100k to £5m
- Minimum premium £200+IPT
- Minimum excesses apply:
 - 1 Corporate Legal Liability £5,000
 - 2 Employment Practices Liability £10,000

*Limits can be increased subject to additional information and premium

Expert legal guidance and advice on-demand



Complimentary access to Aviva Businesslaw provides your clients with a comprehensive and user-friendly business risk mitigation solution, offering legal templates, a business guide service and invaluable legal advice when a director may feel vulnerable or is facing an unfamiliar situation.



Professional support

Expert guides and videos

Access to hundreds of regularly updated business and legal guides, document builders, interactive checklists and videos to help your clients with the day-to-day running of their business, plus a wide range of expert guides and videos on topics such as branding, crowdfunding, financial and tax planning, and marketing strategy to help them build and grow their business.



Business resilience

Document builders

Helps your clients create documents such as HR policies, T&C documentation, privacy statements, copyright and trademark licences, data protection policies, employee contracts and debt recovery letters. There are also COVID-19 guides, templates and documents to help their business.



Expertise legal guidance and advice on-demand

Expert guidance

Help is always at hand by calling the 24/7 legal advice line on 01179 340 469, 365 days a year, or using the live chat facility for general queries.*

If your client is facing a serious legal issue or just wants to check something with legal advisers, we can provide practical advice and clear next steps, ranging from commercial contracts and disputes to redundancy and termination.

Law change email alerts ensure your clients are always up to date with the latest legislative changes across a wide range of commercial areas.

For more information, and to register for access to Aviva Businesslaw, Aviva commercial policy holders should visit [avivabusinesslaw.farill.io](https://www.avivabusinesslaw.farill.io)

Risk Management support and loss prevention solutions

Benefit from access to Aviva Risk Management Solutions and our specialist partner network who can provide a wide range of products and services at preferential rates

Aviva Risk Management Solutions

RiskEye

CyberSmart

Kaspersky

Horizonscan

Aviva Risk Management Solutions

Your clients can access our Aviva Risk Management Solutions website for a wealth of webinars, loss prevention standards and checklists to keep them informed on the latest trends and assist them in conducting their own risk reviews. This is alongside virtual or on-site support from our in-house expert risk management consultants* and access to our specialist partner network who provide a wide range of products and services at preferential rates to help protect your client's business.

[Find out more](#)

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RISKEYE®

RiskEye is a complete online reputation protection and management solution that utilises expert risk analysis and the latest technology to detect, identify and mitigate online reputational risks.

Using experience in online risk from fields such as information security, politics, government, strategic planning, business and consultancy, it provides your clients with expert advice to fix online threats to their business in real time.

[Find out more](#)

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CyberSmart

CyberSmart helps businesses protect themselves from cyber attacks by helping them attain a Cyber Essentials certification. Amidst an ever-evolving landscape, CyberSmart aims to make security solutions more accessible and less complex, providing organisations with the ability to comply with recognised certification standards.

[Find out more](#)

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kaspersky

Kaspersky is a global cyber security company founded in 1997. Kaspersky's deep threat intelligence and security expertise protect businesses, critical infrastructure, governments and consumers around the globe. The company's comprehensive security portfolio includes leading endpoint protection and a number of specialised security solutions to fight sophisticated and evolving digital threats.

[Find out more](#)

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HORIZONSCAN

Horizonscan specialises in increasing the ability of businesses to deal with disruptive events. Their consultants bring real work experience from careers in the emergency services and corporate business continuity management. They are employee-owned, which ensures all their staff bring the pride and motivation of business ownership.

[Find out more](#)

Standout claims service

We put our customers at the heart of everything we do. Whether your client is a sole trader or a corporate organisation, we want to make sure they get the right support from the right people, every step of the way.

We provide a dedicated claims service to process your clients' claims efficiently, expertly and fairly.

Your clients are time-pressured, and we need to be available when they need us, so we provide an 'always-on' service.

Making a claim

Your clients can notify us of a claim 24/7 via email at prclms@aviva.com or by calling **0207 157 2569**.*

Aligned UK-based claims handlers

Helping to guide your client through the claims process from start to finish, working with all stakeholders to tightly control claims costs

Access to specialist technical and legal experts

Access to our panel of solicitors across litigation and claims investigation, which includes DAC Beachcroft LLP, Clyde & Co LLP and Reynolds Porter Chamberlain LLP

Backing you and your clients

Industry-leading **defence excellence**, vigorously protecting you against fraudulent claims

Claims insights and loss prevention

The provision of best practice procedures, latest updates on class actions, and legislation to assist managing claims costs and improve risk management strategies

*Available Monday to Friday between 09:00 and 17:00, excluding Bank Holidays
For our joint protection calls may be recorded and/or monitored

Common **misconceptions**

Typically, misconceptions around Management Liability insurance tend to indicate a lack of understanding of the exposures businesses face. Below are some examples of common misconceptions and how to address them.

I have cover under my Professional Indemnity policy.

It's a common misconception that personal liability claims are covered under Professional Indemnity, but it's unlikely. D&O coverage is the only way to guarantee personal protection for those with management responsibility in your client's business.

Does a Management Liability policy protect me for outside directorships?

Many directors will serve on a board of directors with external entities. Aviva's Management Liability cover protects directors for any claims brought against them for action taken in their role in the outside entity.

My business doesn't have shareholders.

While not having shareholders does reduce the risk, legal action can still be brought by regulators, service providers, donors and beneficiaries or even an aggrieved employee.

I'm retired so no longer need protection.

Consequences of a simple decision may only become apparent further down the line – even years later. As such, most policies include run-off cover after the insured person retires.

I don't understand the difference between D&O and Management Liability.

D&O cover protects the personal assets of directors and officers and their families. Our Management Liability cover includes D&O cover and two other areas of protection: Corporate Legal Liability (CLL), which covers the company for claims against the entity as a whole, and Employment Practice Liability (EPL), which specifically covers claims against the company or directors for breaching employees' rights, such as claims for sexual discrimination or unfair dismissal.

Directors are covered by their limited status.

Many directors assume they are covered by their company's limited status, but this offers financial protection for the shareholders only. It does not protect the company's directors from the consequences of their business decisions and activities which may, under law, result in unlimited personal liability – and could mean their entire financial worth is at risk, including their cash, home and pension pot.

Only the board of directors of large listed companies need to be protected.

Claims against directors can be brought even if the company is not a public company, and they can be from customers or clients, competitors or contractors, third parties and even shareholders or lenders. The personal assets of a director are at risk as a result of a Wrongful Act – actual or alleged (you don't have to be guilty to incur legal defence costs).

About Aviva PLC

As one of the UK's largest commercial insurers, we have the scale and stability, alongside a rich 320-year history, to provide certainty that we'll be around when you and your clients need us – now and for the future.



£30.6 billion
in claims and
benefits paid¹



18 million
customers across our
Core markets¹



AA-
(Stable financial
strength)²

¹ Aviva Annual Report 2020, published March 2021 on aviva.com

² S&P Insurer Financial Strength Rating for Aviva Insurance Limited

If you have any further queries regarding Management Liability or Aviva Management Liability insurance, please speak to your usual underwriter or sales contact. Alternatively, you can visit our **Aviva Broker website.**

◀ **Back to start**



Calls to 0800 numbers from UK landlines and mobiles are free. The costs of calls to 01 and 02 prefixed numbers are charged at national call rates (charges may vary dependent on your network provider) and are usually included in inclusive-minute plans from landlines and mobiles. For our joint protection telephone calls may be recorded and/or monitored.

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The Aviva logo consists of a stylized blue and green square above the word "AVIVA" in blue capital letters.