

## Directors & Officers Liability Insurance for Residents Associations and Management Companies

A Directors and Officers Liability Insurance policy provides the directors and officers of a Company like yours with indemnity against a wide range of potential legal actions which they face in the carrying out of their management duties.

The policy also provides for costs and expenses arising in connection with such actions. Persons appointed as directors or officers of a Company hold positions of trust and are required to act accordingly. They will be personally liable for any act, which is negligent, outside their authority, or in breach of duty or trust. **Their responsibilities are onerous.**

The circumstances in which a Company may indemnify its officials against a claim are extremely limited owing principally to Section 310 of the Companies Act 1985. **Directors and Officers without insurance are effectively risking their personal wealth.** There is no limit to liability and legal costs, which are payable in addition, can be tens of thousands of pounds.

Directors and Officers Liability 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.

### **Cover is also provided for:**

- For "past" directors and officers provided the alleged circumstances leading to a claim occurred during the currency of the policy
- For directors and officers appointed during the currency of the policy
- For liability following loss of important documents.
- For liability following alleged Libel or Slander
- For actions by one director or officer in his or her private capacity against another director or officer of your Company

### **Examples of what could go wrong:**

- A director may be held liable because the value of a co-lessee's flat had fallen due to the knock-on effects of a failure to identify and rectify external dilapidation.
- A lessee or owner may hold a director responsible for the poor or unfinished workmanship of contractors who were paid out of the company maintenance budget.
- A third party may attempt sue as the result of a defamatory remark inadvertently made by someone acting in the capacity of director.
- It could prove difficult or even impossible to recruit suitably skilled and experienced people as directors of a residents' management company because they are unwilling to accept the potential personal liability.

Contact us for a quotation.

**0845 45 66 792**

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