

Real-life examples of insurance at work

Coverage in Action

From
Bryson Financial



Why Do I Need...

Directors and Officers Insurance?

Directors and officers are responsible for making the tough choices that can make—or break—a company's fortunes. In doing so, they must consider the best interests of employees, customers and shareholders, while also keeping in mind corporate best practices. Limited or imperfect information and tight deadlines add to the overall complexity of the decision-making process and can lead to poor outcomes or even outright mistakes.

To hire and retain talented directors and officers, companies need to give them the freedom to make corporate decisions without the fear of being personally liable for losses stemming from those decisions. Directors & officers (D&O) insurance protects executives against the consequences of any alleged or actual "wrongful acts" they commit while performing regular supervisory duties. Without D&O coverage, executives' personal assets

are at risk in the event of a lawsuit.

A class action lawsuit was brought against a mining company and its board of directors, accusing them of allegedly misrepresenting the cost of construction on one of their mines. When the costs exceeded the initial prediction and were

Keep in mind that there are some limitations to D&O coverage. It does not cover cases in which fraudulent, criminal or intentional wrongful acts are committed, or when acts are committed for personal gain.

No matter the size of your company,

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projected to keep increasing, share prices plunged. The suit was filed on behalf of shareholders that had bought shares at the prices calculated after the construction costs were misrepresented. Defense costs reached about \$7 million, which D&O insurance helped cover when the lawsuit was successfully defended.

costly mistakes made by directors and officers can happen, which is why it's important to take steps to insure your executives against losses stemming from an incident. Contact Bryson Financial today to learn about the D&O coverage solution that's right for you.

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