

DIRECTORS & OFFICERS LIABILITY INSURANCE

Protection for Directors and Officers against claims alleging a wrongful act, incorrect decision, error or omission whilst performing their duties on behalf of the business.

WHY IS DIRECTORS AND OFFICERS LIABILITY INSURANCE IMPORTANT?

Directors and Officers can have personal exposure if the company is unable to provide indemnity or if charges are brought against them for failing to exercise due diligence in their role. Risks include:

- Failing to act in the best interests of the company
- Mismanagement for breach of duty
- Prosecution by a regulatory authority
- Providing misleading advice, statements or failing to disclose information

The Insurance Council of New Zealand reported that over \$151 million in liability insurance claims were paid out in New Zealand in 2023 including Directors & Officers Liability insurance.*

WHAT DOES DIRECTORS & OFFICERS LIABILITY INSURANCE COVER?

- Costs incurred in response to a regulator's investigation
- Cost of defending claims made against you as a director or officer of the business
- Damages or settlements you are required to pay by the courts following a legal claim



EXAMPLES WHERE DIRECTORS & OFFICERS LIABILITY INSURANCE CAN HELP PROTECT YOU

- A liquidator can bring claims against a director or officer for breaching their obligations to recover claims for creditors.
- A regulatory body may bring an action against an individual who has breached certain New Zealand statutes or obligations in their role as a director or officer, including breach of duty of care and misleading or non-disclosure of information.
- A director and officer can be held personally liable if they fail to exercise due diligence to ensure their organisation complies with their workplace health and safety obligations under the Health and Safety at Work Act 2015 ('the Act'). Legal costs associated with a defended prosecution can be significant and covered by Directors and Officers liability insurance.



Talk to your Rothbury broker about the right insurance cover for your business.

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*Market data, Insurance Council of New Zealand:
<https://www.icnz.org.nz/media-resources/market-data>

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