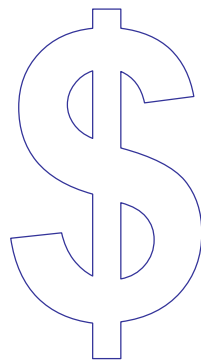


Financial Lines :

Management Liability for SME

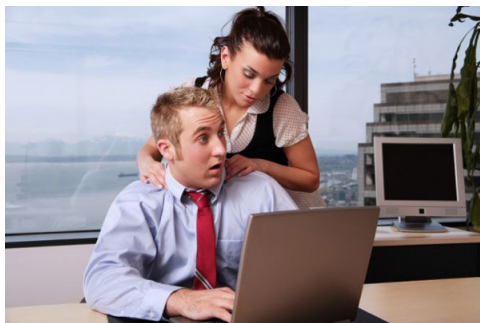


What keeps business owner awake at night?





Common Problems



What D&O need to consider

1	Unforeseen Legal Cost
2	Reputation Damage
3	Damages
4	Fines and Penalties
5	CRIMINAL LIABILITY!

\$\$\$
= PERSONAL
LIABILITY

Who can come after a Director?



Reasons to buy D&O Insurance



Things to keep in mind

1

Law does not make distinction between type of directors (ED, NED, Shadow, Sleeping)

2

Company is limited by shares, a director (natural person) is not

3

You don't necessarily have to commit wrongdoing to attract a suit

4

Laws and Regulations are hard to follow 100%

Local D&O News



Healthstats founders lose bid to sue directors – 22 Feb 2019

Sakae founder wins legal battle against ex-director – 30 Jun 2018

SGX raps Jason Holdings founder and former CEO – 1 Jun 2018

M Development wins claim against ex-director, 2 family members for breaching fiduciary duties – 8 Nov 2018



Management Liability Insurance Policy



***Covers **Directors & Officers** for
claims made against them for
economic losses flowing from the
management responsibilities***

How does it work?

- Side A – non-indemnifiable losses
- Side B – Indemnifiable losses
- Side C – Entity cover

What is covered?

- Defence, Legal Costs of “Allegations including criminal proceedings”
- Investigation Costs and other fees Costs
- Economic Loss
 - Wrongful acts of Directors, Employees and Entity
 - Wrongful acts Claim against Company
 - Employment Practice Breaches
 - Employee Dishonesty

Who is covered?

All past, present and future and
directors and officers of a
company and its subsidiaries

When does policy respond?

- Claim made against director
- Claim made against company for certain coverage
- Formal investigations or inquiries
- Crisis Event

What is NOT covered?

- Criminals
- Intentional Non-compliance Act
- Illegal remuneration or personal profit
- Property Damage and Bodily Injury Harm
- Legal action already taken when the policy begins
- Claim made by Major Shareholder

Underwriting Considerations

Organisation Type

Business Industry

Reputation of Directors

Financial Condition

Loss history

Management liability offering

- Asset size up to SGD50m
- Less than 50 employee size
- Not FI, Telco, High tech, Oil and Gas, Mining
- Incorporated in Singapore

(D) Choice of Limit of Indemnity

Please choose only one limit option based on the declared Total Company Asset size under Part (A).

Limit of Indemnity	TOTAL ASSET SIZE IN SGD					
	Up to \$10m	Please tick one	Above \$10m up to \$25m	Please tick one	Above \$25m up to \$50m	Please tick one
\$250,000	\$640		\$800		\$960	
\$500,000	\$1,060		\$1,320		\$1,590	
\$1,000,000	\$1,690		\$2,100		\$2,550	
\$2,000,000	\$2,620		\$3,250		\$3,830	

Premium rates are inclusive of 7% Goods and Services Tax

(E) Coverage

Sub-limits

The following sub-limits apply:

Entity Wrongful Act Cover	Policy Limit
Entity Employment Practice Breach	Policy Limit
Crime Cover	\$100,000
Insured Person Investigation Costs	Policy Limit
Company Investigation Costs	Policy Limit
Occupational Health & Safety Defence Costs	Policy Limit
Public Relations	\$250,000
Crisis Containment	\$250,000
Pollution Cover	\$250,000

Deductibles

The following deductible apply:

Directors and Officers	Nil
Company Reimbursement	\$5,000 each and every claim
Entity Wrongful Act Cover	\$5,000 each and every claim
Entity Employment Practice Breach	\$5,000 each and every claim
Crime Cover	\$10,000 each and every claim

Territory & Jurisdiction

Territory	Worldwide
Jurisdiction	Worldwide excluding USA/Canada

Retroactive Date

Unlimited, excluding any known claims or circumstances
--

Other policies within D&O space



Takeaways

Buy this policy because:

- Business Reputation
- Balance sheet of business
- Personal Assets

Questions

