

# Aviva Management Liability Insurance

Our proposition overview



# An increasing need for Management Liability insurance

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.

**£100m**

in fines has been given from UK regulatory bodies to SMEs over the last four years <sup>1</sup>

**£13.6bn**

is lost by SMEs each year due to failure to take care of their legal issues <sup>2</sup>

**48,267**

finances issued to businesses for failing to meet their auto-enrolment duties <sup>3</sup>

**1 in 10**

SME businesses are under a tax investigation <sup>4</sup>

**46%**

of businesses have experienced a cyber breach or attack in the last 12 months <sup>5</sup>

<sup>1</sup> BLM D&O Tracker app, 2021

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

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

<sup>4</sup> Tax Avoidance and Evasion enquiry, [www.parliament.co.uk](http://www.parliament.co.uk), 2018. See Footnote 1

<sup>5</sup> Cyber Security Breaches Survey 2020, DCMS See Footnote 1

Footnote 1: This source contains public sector information licensed under the Open Government Licence v3.0.

# Our proposition at a glance

03



\*Not applicable to Employment Practices Liability

# Comprehensive protection against both traditional and emerging risks

04

**Management Liability**

**Directors & Officers Liability**

**Corporate Legal Liability**

**Employment Practices Liability**

**Residents Associations**

**Cover limits and minimum premiums**



## Management Liability

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.

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05

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## 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

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06

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## 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

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07

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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

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08

Management Liability

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Corporate Legal Liability

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## 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

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09

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## 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

# 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.

# About **Aviva PLC**

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**.

## For insurance brokers only

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As one of the UK's largest commercial insurers, we have the scale and stability, alongside a rich 325-year history, to provide certainty that we'll be around when you and your clients need us – now and for the future.



**£30.2 billion**  
in claims and benefits paid\*



**18.5 million**  
customers across our  
Core markets\*



**AA-**  
(Stable financial strength)\*\*

\*Source: Aviva Annual Report 2021, published March 2022 on aviva.com

\*\*Source: S&P Insurer Financial Strength Rating for Aviva Insurance Limited

