

## What is Directors and Officers (D&O) Liability Insurance?

Directors & Officers liability insurance protects the executive management team of public or private, and non-profit companies and organizations from claims against them relating to their daily management decisions.

There are typically three parts to a D&O policy:

- **Part A** – provides protection for the Directors and Officers from personal liability
- **Part B** – provides protection for the company's indemnification of its Directors and Officers
- **Part C** – provides protection for the corporate entity itself

## Why do I need Directors and Officers Liability Insurance?

A director or officer can be held personally responsible for their management and oversight of the company. When dealing with stockholders, employees, and clients, claims are likely to be brought against the directors and officers. A properly structured D&O policy can help attract qualified people to the Board of Directors.

## What does a Directors and Officers insurance policy cover?

A standard D&O policy typically covers claims relating to unfair business practices, conflict of interests, violations of non-compete agreements, bankruptcy filing, creditor actions, and merger and acquisition related issues. Policies also help provide defense costs associated with responding to lawsuits and investigations. There has been an increase in the frequency of litigation brought against D&Os due to Merger & Acquisition (M&A) transactions. To anticipate these types of lawsuits, insurance carriers are looking to include separate corporate retentions for D&O Liability insurance renewals which deal specifically with M&A activity.

## Who needs Directors and Officers insurance?

Any company, public or private, or non-profit organization needs Directors and Officers liability insurance. There are no organizations immune to liability associated with daily business activities. Many private companies overlook this important coverage. Since directors and officers are personally liable for their actions, this could be a big mistake. The cost of defending corporate lawsuits can possibly exceed the net worth of most private companies.



## Why choose Axis Insurance Services?

Unlike most brokers, our professionals specialize in professional liability and are nationally recognized. Our years of expertise in the industry allow us direct access to high-quality insurance carriers, extremely competitive rates and the ability to customize insurance solutions to meet the needs of our clients. Call us for a quick review of your current policy to ensure you and your business are properly protected.