



## Against a backdrop of continuously reducing rates, actions against directors and managers are trending up.

“The environments in which clients are operating in are riskier, the likelihood of having a claim is higher and the likelihood of that claim costing more is greater”

**Stephanie Manson**  
Head of Commercial Institutions, UK

### UK small and mid-sized companies: rate drivers



#### Expensive individual actions

Claims against individuals are trending up. Often initiated by regulators, wrongful conduct claims are costly and protracted: usually involving expensive senior barristers and must be defended right up to the point where individuals are either exonerated or found guilty.



#### Insolvencies

Regulatory regime change may also be driving claims as it is now mandatory after insolvency for the insolvency practitioner to report on the conduct of directors. This gives the Secretary of State more time to consider actions (eg disqualification proceedings) against individuals.



#### Health and Safety Executive

We are seeing more claims triggered by HSE actions against individuals following serious accidents. As well as fining the company, there is now more focus on identifying individuals responsible, and prosecuting them.



#### Better D&O Understanding

Improving client and broker understanding of their D&O coverage is also driving claims. Fuelled by AIG's efforts to educate business partners, it is leading to more legitimate claims notifications.

## PrivateEdge talking points



### Any One Claim

All coverage sections written on an Any One Claim basis giving PrivateEdge clients comfort that they won't be without cover if they are hit with two unrelated claims in one policy period.



### HSE and Prosecutions

Includes Health and Safety inspections, investigations and prosecutions cover for individuals and the company. Also covers the company's costs of defending any claim seeking fines and penalties.



### Credit Management System

Clients can analyse their customers' outstanding payments: see who is performing well, where there might be danger signals and, if they wish, purchase trade credit insurance for individual customers.



### Claims Excellence

Experienced D&O claims teams guide and reassure clients and settle thousands of D&O claims every year.



### Free Legal Advice

From 3 of the UK's top legal firms with a 24-hour hotline followed by scheduled call-back with a specialist lawyer in the exact area that your client is concerned about.

## PrivateEdge claims examples – UK small and mid-sized companies



### Technology Company

Our insured had a claim brought against them for alleged trademark and intellectual property infringements. In addition, it was suggested that two of the company's directors were personally liable in this matter. Sadly the insured has now gone into administration which has led to the claimant now focusing firmly on the directors.

*Amount paid: Over £600,000*



### Medical Manufacturing Company

Our insured dismissed an employee following a disciplinary process. The employee challenged the dismissal and brought a claim for unfair dismissal in the Employment Tribunal. It is alleged that he was subjected to workplace bullying following protected disclosures that he made regarding the directors.

*Amount paid: Over £350,000 including defense costs*



### Hotel

This claim is regarding an employee dishonesty matter with the employee in question being the manager of a hotel. He stole from the daily takings and concealed the thefts by recording the amounts involved as fictitious debtors. He also stole deposits for weddings and other functions and concealed those thefts by using deposits from more recent events and then did the same for those deposits, at a later date. He stole from the insured for a number of years and when the crime was discovered the employee admitted to the thefts. AIG forensic experts verified the amount stolen over the period was more than £300,000.

*Amount paid: Over £340,000 and more than £10,000 in expert fees*



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