

# Management Liability

## Living in unprecedented times



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**The phrase “unprecedented times” has been much overused in the last three months and whilst it may have become a cliché it is no less true for that.**

It can also be used accurately to describe the state of the Management Liability Insurance market.

The actions taken by the directors and officers of businesses have been under increasing scrutiny from regulatory authorities, stakeholders and third parties.

To this already formidable potential threat we must recognise a hugely heightened potential exposure to employee claims.

Questions around the adequacy of potentially untested business continuity plans, enforced changes to employment contracts and redundancies will inevitably arise.

It is therefore essential that business leaders consider and review their requirement for management liability insurance which can provide both personal and corporate protection

where boardroom decisions are challenged.

Whilst a comprehensive management liability policy can provide wide protection, the insurance market that provides it is in a state of turmoil. In 2018 the market started to recognise an influx of massive claims in all sections of the cover provided and premium rates started to rise dramatically. The trend has been exacerbated by the COVID-19 pandemic and now market capacity is contracting.

The result of this is that premiums are continuing to escalate whilst the availability of cover is being severely restricted.

However, Management Liability is still a comparatively low cost insurance and the protection it provides for individuals, as well as the protection for the corporate entity, has never been more important so, despite what could be austere times approaching, every business should maintain cover if they already carry it and those that don't should consider their position and the protection this policy could provide for the business as well as their Directors and Officers.

At PIB we are committed to securing the best terms available in the market which we achieve by careful planning and market leverage. If you would like to investigate Management Liability Insurance for the first time we will be pleased to help – equally if you already have cover we will be pleased to triage it for you and discuss the most effective ways of maintaining a stable programme.

### Management Liability Insurance at a glance:

- > **Directors and Officers** provides personal protection to individuals
- > **Corporate Legal Liability** provides cover the entity itself
- > **Employment Practices Liability** Protect individuals and the entity for employment claims
- > **Crime** Protection for employee or third-party theft

#### Get in touch

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