



# Directors & Officers product profile

## DUAL's coverage

Directors & Officers (D&O) operate in a complex regulatory environment in New Zealand. With corporate regulation and both private and government surveillance on the rise, those tasked with making the primary decisions risk personal liability while making the tough decisions in today's modern business environment.

We're a leading provider of D&O liability insurance. Our cover is designed to provide comfort and protect the assets of company directors, officers and senior managers against such claims.

We offer our brokers and insureds market leading cover, competitive pricing and a simple transaction. Instant quotes and binding are available through the WebRater, or tailored solutions are available from our dedicated underwriting team.

## Claims specialists

Our claims team includes lawyers and claims administrators with significant industry expertise to work with you to handle your claim from notification through to resolution.

We work in tandem with our capacity providers to ensure an efficient and smooth claims-handling process. In addition, we bring in specialist law firms and consultants with specific expertise in various industries and niche areas to ensure claims are handled in a cost-effective, speedy and professional manner.

## Why do you need D&O?

Your obligations as the primary decision maker means, you may be at risk from stockholders, shareholders, and government bodies. You may be required to pay if you don't comply with the following:

1. Act in good faith and in the best interests of the company
2. Exercise your power as a director for a proper purpose
3. Not allow, agree or cause the business to be carried out in a way likely to create a substantial risk of serious loss to the company's creditors
4. Take the care, diligence and skill that a reasonable director would exercise in the same circumstances
5. Ensure the company can pay all its debts and has more assets than liabilities
6. Comply with the Companies Act

# Why DUAL?

## Broad appetite

We write over 95 different occupations and are industry specialists.

## Underwriting and claims expertise

Our team of specialist underwriters and in-house claims officers bring significant industry expertise to the market.

## Experience

We're the largest underwriting agency and among the top five liability providers in the New Zealand market.

## Tailored solutions

Brokers can obtain tailored solutions for medium to large sized companies from our underwriters.

## Features of cover

Cover is based on our Mind The Gap Directors & Officers Liability policy wording 08.18.

- Automatic run-off cover for retired insured individuals
- Bail bond expenses – \$500,000
- Continuous cover
- Crisis costs – \$100,000
- Deprivation of assets expenses
- Discovery period
- Employment practices liability cover
- Employment practices investigation cover
- Estates, heirs, legal representatives and spousal cover
- Extradition costs
- Insured person tax liability
- Outside entity executive cover
- Panel counsel – 1 hour per accepted notification
- Pollution defence and investigation costs
- Prosecution costs – \$500,000
- Public relations expenses – \$250,000
- Reinstatement of the indemnity limit – insured persons
- Trustees liability
- Work health and safety costs

## Proven claims experience

### Property developer

120 staff  
\$60 million turnover

### Background

Action was taken against former directors of the insured for breach of duty for making transactions that had not been properly approved or documented. This resulted in the insured's project failing as they didn't have proper working capital to complete the development.

### Response

The insured claimed under their policy and indemnity was granted.

**Payment: \$86,000**

## Fast food retailer

200 staff  
\$10 million turnover

## Background

A claim was made against the insured by an ex-employee who had worked as the maintenance worker for the insured's various stores. The claimant was made redundant, and maintenance was outsourced to a national contractor. The ex-employee claimed unfair dismissal as his redundancy was due to his age and complaints he had raised previously regarding employment conditions.

## Response

Indemnity was granted under the D&O section of their Evolution policy. The matter was settled for a lump sum payment to the claimant before going to trial.

**Payment: \$135,000**

## Machinery manufacturer

300 staff  
\$100 million turnover

## Background

The director of the insured agreed to sell a fleet of their vehicles to the claimant, who was in the business of hiring out transport vehicles. The claimant agreed to sign the contract on the verbal and written communication with the director that another contract would be entered into, which prevented the insured from competing against the claimant and to provide maintenance and repair to the fleet. The original agreement, which was signed by the claimant, didn't contain a restriction on preventing the insured from competing against the claimant and allowed them the right to refuse maintenance and repair. The insured and its director were aware of this and didn't carry out the second

agreement as previously promised with the claimant. The claimant then issued court proceedings against the insured and its director, claiming misrepresentation and deceptive conduct by the director.

## Response

The insured claimed under the directors and officers section of their management liability and was covered under the definition of insured person.

**Payment: \$60,000**

## Questions?

For further details on our Directors & Officers protection, please contact your local DUAL underwriter.

## Helping you do more

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[dualinsurance.com](http://dualinsurance.com)

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