

Directors and officers claims examples.

Sector specific D&O claims examples

Engineers

Engineering manufacturers entered into a factoring agreement with the claimant, but following the company going into administration, alleged that they used the monies due to the claimant to pay other creditors.

Director personally sued £300,000

Property owners

Director of a property owning company breached his authority in appointing a company belonging to an employee to undertake work on their behalf.

Proceedings issued by the claimant for non-payment of fees of £42,000 following cancellation of the contract.

Clothing manufacturer

Directors of a clothing manufacturer facing disqualification proceedings issued by the Secretary of State for trading whilst insolvent, together with allegations that they failed to maintain their accounts in a satisfactory manner to enable the receivers to carry out their duties, leaving many creditors (including HM Customs and Excise) unpaid.

£56,000 paid in defending the directors named in the proceedings

Cutlery and giftware manufacturer

Contractual dispute following appointment of a website developer to design an online trading website for a giftware manufacturer. The director concerned was not authorised to enter into the contract and the company cancelled the agreement.

Website developers claimed against the director for their costs incurred to date of £48,000

Glazing company

Director of a glazing manufacturer named personally in an unfair dismissal claim from a former employee.

Costs incurred of £14,055 in defending the director

Waste management company

Transport manager of a waste management company prosecuted by the Crown Prosecution Service following an accident involving an unroadworthy vehicle operated by the company.

Claims reserve £15,000

Distribution company

Claim for unfair and constructive dismissal against the finance director of a distribution company by a former employee alleging sexual harassment and other inappropriate activity (sending text messages out of working hours, inviting her on nights out etc).

Costs £21,000

Shipping agents

Shipping agents were required to hold all goods held on behalf of the claimant in a separate account, but following their liquidation, it was discovered that this was not the case, and the claimants would have to recover their goods as a normal creditor.

Directors sued for £61,000.

Makers of timber products

HSE prosecution following serious injuries suffered by a machine operator in clearing a blockage in a stamping machine. There should have been a safety cut out stopping the machine operating with the access panel open, but this had been broken or disconnected.

Defence costs incurred of £25,700

Manufacturing company

Action against directors of a manufacturing company by the Health and Safety Executive following their refusal to respond to a notice to control dust emissions. Directors responsible had failed to adhere to deadlines so action was taken against both the company and the directors responsible.

Incurred over £110,000 in defence costs, with a further £60,000 outstanding

Glass manufacturers

Action was taken against the directors of a glass manufacturing company by Trading Standards following allegations of pre-stamping of safety glass before it had passed the necessary testing procedure.

Costs incurred £25,718

0845 351 2600

www.markelinternational.com/uk

This is not a policy document and contains only general descriptions and illustrations. Policyholders must refer to the actual policy issued for the binding terms, conditions and exclusions of cover.

