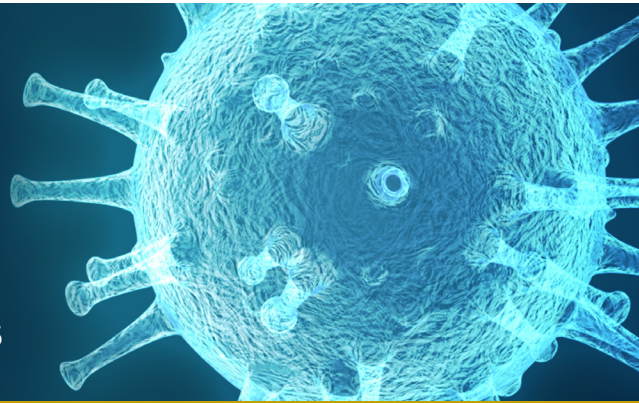




COVID19:

Directors & Officers Liability Implications



What are the management liability implications for Directors and Officers?

Terry Keaney, Director – Keaney Insurance Brokers

A result of the COVID-19 pandemic, the virus presents unique challenges for all, not least Directors and Officers who are now facing increased responsibilities and exposures.

Here are some of the main management liability exposures to be considered

- **Insolvency:** According to recent studies, global insolvency is expected to increase substantially over the next few months. Although some measures are in place to protect directors in certain countries it is not universal. Directors are facing significant exposures at this time due to an increase in company insolvencies.
- **Decisions in relation to redundancy/ furloughing:** Decisions made in relation to furloughing and staff redundancies may potentially have serious implications for a Company and its' Directors.



- **Violation of debt/loan covenants:** Companies are facing challenging financial situations. Where a Company is in breach of its' loan agreements/covenants, this may have implications for a Company and its Directors.

- **Personal injury claims:** The Government have now allowed specific businesses to re-open but within stringent Health and Safety guidelines. Failure to comply could have implications for a Company and its' Directors.

[<https://bit.ly/3czY4sb>]

- **Employment related claims:** Clearly there are significant exposures in the areas of furloughing, redundancies, pay freezes, changes to benefits, failure to implement safe working from home procedures, discrimination.

- **Price gouging:** There has been some investigations undertaken and heavy fines issued to businesses for excessive pricing. Many EU and in-country authorities are closely monitoring retailers and other distributors for price inflation.



PROTECTING YOUR BUSINESS FROM THE UNPREDICTABLE

Risk and exposure are constantly changing

COVID19: what are the management liability implications for Directors and Officers?

We strongly recommend that companies carefully review their Directors & Officers Liability policy cover to ensure they have the appropriate covers in place.

Please contact us should you require advice on this matter or other matters that affect you and your business at this time

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