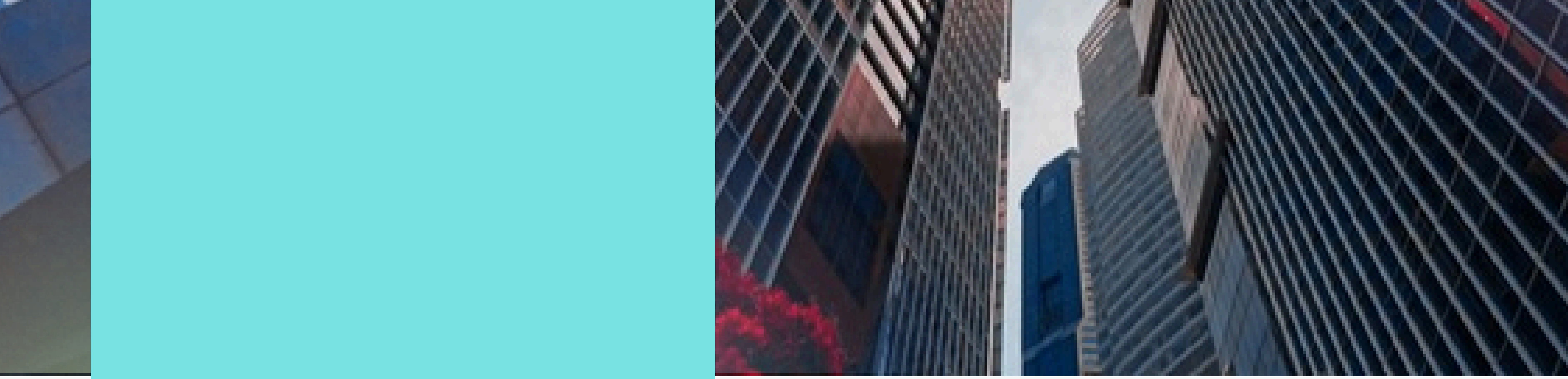
Small & Medium Enterprise (SME) Directors & Officers (D&O) Liability Insurance

Directors and officers are personally exposed to unlimited financial liability and it is the responsibility of both the company and board of directors to ensure that they avail themselves of the highest possible level of protection and security.

Liberty's SME D&O Liability Insurance provides protection to private and not-for-profit company directors and officers with an asset size of up to S$100 million.

Features & Benefits

- Limit options from S$500,000 to S$5,000,000
- Covers the company's directors, officers and employees (with managerial or supervisory capacity) and automatically includes all the company's subsidiaries
- Indemnifies insured persons for losses resulting from a claim alleging a wrongful, such as defence costs, settlements and judgements
- Defence costs are advanced as and when they are incurred.
- Preparation and attendance costs for Inquiries and Self-Reports
- Emergency & Raid Expenses – 30 day allowance for costs which are incurred without Liberty's written consent
- Civil fines and penalties imposed where insurable by law
- Lifetime reporting period for retired insured persons
- Automatic coverage for new subsidiaries for private companies with up to 25% of total consolidated assets during the policy period
- Outside directorship exposure – if an insured person is requested by the company to act as a director or officer of an outside entity (which is not a subsidiary)
- Public Relation and Reputation Protection Expenses in engaging a public relations firm or consultant
- No Exclusion for – Pollution, Breach of Contract, Intellectual Property Rights, Insolvency/Creditors
- Sublimit of 10% of Limit for losses of the company resulting from a claim alleging an employment practice breach (which includes unfair dismissal, discrimination and failure to promote). Employment practice breach claims against directors and officers are provided at full limit



D&O Claims Examples

1 Occupational Health & Safety Breaches

WHAT HAPPENED?
The sole director of a building construction company was sentenced to jail after multiple workplace safety lapses. A worker suffered severe brain injury and remained bedridden and non-communicative.

WHY IS THERE A CLAIM?
The director was personally held accountable for the company's failure to ensure adequate safety frameworks and controls. This demonstrates that directors and senior officers may face personal liability where regulators allege that a company failed to maintain a safe working environment.

WHO BRINGS THE CLAIM?
Regulator/public authority.

WHAT THE POLICY COVERS?
Defence costs and, where permitted by law, fines or penalties for the director, subject to policy terms and conditions.

2 Construction & Engineering - Major Infrastructure Collapse

WHAT HAPPENED?
Following a viaduct collapse, the main contractor was fined. The project director and project engineer were also sentenced to prison after trial for reckless endangerment of employees.

WHY IS THERE A CLAIM?
Serious operational incidents can lead to personal liability for senior staff and decision-makers. While the policy does not respond to the company itself, it may respond to directors or senior officers who require legal representation and defence support.

WHO BRINGS THE CLAIM?
Regulator/public authority.

WHAT THE POLICY COVERS?
Defence costs and, where insurable and permitted by law, fines or penalties for the directors and officers, subject to policy terms and conditions.

3 Employment Practices Liability - Wrongful Termination

WHAT HAPPENED?
The company and a director were sued in connection with alleged breaches relating to an employee's termination. The employee alleged that her performance reviews became poor after she reported misconduct, despite meeting her sales targets. She also alleged that she was made to sign the termination and severance letters under duress.

WHY IS THERE A CLAIM?
When a company and a director are sued in an employment dispute, the allegations may involve unfair treatment, improper performance management, and wrongful termination. In this case, the employee sought to set aside the termination and severance letters, and claimed damages for her termination and distress caused.

WHO BRINGS THE CLAIM?
Former employee.

WHAT THE POLICY COVERS?
For employment practices liability, both the company and directors and officers are covered for defence costs and damages, subject to policy terms and conditions.

4 Corporate Governance Dispute

WHAT HAPPENED?
A board member filed a lawsuit against another board member in relation to alleged governance lapses concerning the appointment of other directors. The matter was eventually resolved through negotiation, with both parties agreeing to maintain the status quo.

WHY IS THERE A CLAIM?
Governance disagreements at board level can result in claims against individual directors, even where the dispute is later resolved amicably. Defence costs may still be incurred before settlement or resolution.

WHO BRINGS THE CLAIM?
Director/board member.

WHAT THE POLICY COVERS?
Defence costs and settlements, subject to policy terms and conditions.