



Söderberg
& Partners

S&P GROUP SOLUTIONS

D&O Insurance

If the board of directors or CEO makes a mistake or neglects their duties, they may be held personally liable for damages. In such situations, management liability insurance provides significant security. We offer our clients one of the most comprehensive solutions on the market at a competitive price.

The insurance is provided by Zurich Insurance Europe AG. Finnish branch. Zurich Insurance Group is one of the world's largest and best-known insurance companies, operating in more than 215 countries. Zurich began operating in Finland and the Nordic countries in 1875.



ZURICH[®]

D&O Insurance

Benefits of the solution we negotiated

- One of the most comprehensive solutions on the market at a competitive price.
- Valid worldwide.
- Supervisors are also insured.
- Managers of subsidiaries are also included, including those in newly established and acquired companies.
- Six-year extended claim notification period if the manager resigns or retires during the insurance period.
- Also covers PR and crisis management costs.

How does a company benefit from directors' and officers' liability insurance?

The company takes out directors' and officers' liability insurance on behalf of an employee or board member. The insurance can be seen as a benefit in kind

included in the director's contract, for example.

Directors' and officers' liability insurance shows that your directors are important to your company. This is an employee benefit that the best managers appreciate.

Damage or negligence caused by management can affect the company, shareholders or external parties, such as creditors. Claims can be statutory, contractual or even criminal.

The number of claims for compensation has increased in recent years, and claims are now being made by an increasing number of different parties. Legal proceedings are almost always lengthy and expensive, regardless of whether negligence has actually occurred.

Insurance ensures that in difficult situations, you have access to the best help and support available.

Examples

Example 1. An employee of a company injures his hand when it gets caught in a poorly protected machine. The managing director, production manager and foreman are accused of occupational safety offences. Management liability insurance covers the defence costs of the accused managers throughout the legal process. However, management liability insurance does not cover the fines imposed on the managers by the district court for occupational safety offences.

Example 2. The managing director of a small company retires and the son of one of the board members is appointed as the new managing director. During the son's tenure as managing director, the company's financial situation deteriorates significantly. One of the shareholders files a lawsuit against the board members. He claims that the board did not act in the company's best interests when appointing the son of a board member, who had no previous experience in similar positions, as CEO. The lawsuit is unsuccessful in court, but defence costs are incurred, which are covered by the management's liability insurance.

Administrative liability insurance does not cover, for example claims for damages known before the insurance came into force damages related to legal proceedings or official investigations pending before the insurance came into force, damages caused intentionally or in pursuit of unlawful advantage or benefit, or personal injury or property damage. However, the insurance covers the insured person's legal costs in a situation where, for example, a claim for damages arising from labour legislation has been made against the insured person. This product description provides an overview of the insurance cover provided by directors' and officers' liability insurance and its most important limitations. The insurance terms and conditions and the insurance policy specify the content of the insurance.

	S & P MANAGEMENT AND ADMINISTRATION LIABILITY INSURANCE	STANDARD MANAGEMENT LIABILITY INSURANCE
Insured persons Persons	The managing director and members of the board of directors, as well as their deputies, supervisors or persons with supervisory responsibility.	Managing director and members of the board of directors and their deputies.
Subsidiaries (and their managers)	Automatically covered by the insurance, including new companies to be acquired or established.	Their inclusion in the insurance must be negotiated separately and specified in the insurance policy.
Liability basis	Finnish legislation (including the Limited Liability Companies Act and the articles of association) when the insured may be personally liable for damages. The personal liability of the insured may also be based on regulations under foreign legal systems.	Limited Liability Companies Act and Articles of Association.
Defence Expenses	Defence costs incurred during legal proceedings are compensated as they arise. Costs arising from official investigations are also included.	Compensation is paid at the end of the legal proceedings. Limited cover for official investigations.
PR and crisis management expenses	Compensation for expenses incurred.	No compensation.
Environmental damage	Defence costs are covered if the insured party is not guilty of intentional action. Financial losses are also covered.	Does not cover environmental damage or related costs.
Retiring or resigned managers	Six-year extended claim notification period if a manager resigns or retires from their position during the insurance period.	Variable practice as to whether or not it is covered. If the reporting period is automatically extended, its maximum length is 12 months.
Personal liability for company taxes	Insurance cover for the director's personal liability for taxes when the company is unable to pay taxes due to bankruptcy or insolvency.	Does not replace tax-related requirements.
External board memberships	Board memberships in other companies approved or assigned by the company taking out the insurance are covered by the insurance.	Covers only the board of directors of the company taking out the insurance.
The insurance Worldwide	Worldwide.	Finland, but may be extended for an additional fee (usually to Europe).