

Management Liability Insurance - FactSheet

Management Liability - How do insurers calculate the premium for directors and officers insurance?

There are a number of different rating factors that insurers take into consideration when calculating the premium for directors and officers and management liability insurance.

The main rating factor is the financial information of the company, as limited companies are compelled to file annual returns with Companies House, the underwriters can obtain this data readily within the public domain. For companies that are less than 2 years old the underwriters will normally require sight of the management accounts and possibly the business plan.

Another rating factor will be the industry that the company is in; areas for concern for insurers are companies involved within financial services sector, sports clubs, bio-tech and pharmaceutical companies.

Insurers will also need to know if there are any planned mergers or acquisitions or if any redundancies are likely. If the company has any turnover from the US or has assets there, this will have a bearing on the premium.

Finally, the chosen indemnity limit will affect the premium. The lowest indemnity limit is normally £100,000. Most companies will generally have any indemnity limit of between £500,000 and £1,000,000.

If you would like further information or a quotation for director and officers liability cover, please contact Tony Gibbs on 0118 9452944 or complete one of our enquiry forms.

