

# Management Liability Claims Scenario

## Corporate Legal Liability



Corporate Legal Liability (CLL) covers defence costs incurred relating to civil, criminal, regulatory claim or investigation against your business. The cover provides protection to the company which is a separate legal entity to the directors, officers and senior management. Essentially it's protection for wrongful acts made by the company and not the individuals.

### Breach of Contract



#### Incident

A Further Education Establishment with a turnover of £600,000 (the insured company) entered into a contract with a retailer for the supply and sale of clothing. The retailer went into administration and a dispute arose with the new company who purchased the retailer alleging that they became owners of the stock under the agreement held with the insured company.



#### Outcome

The contract was terminated by the insured company, but proceedings were issued by the new retailer company for breach of contract. The insurer provided cover for defence costs amounting to just under £24,000.



#### Expert Insight

"Thanks to this valuable insurance, the client didn't have to fight this battle alone. They didn't incur legal costs nor did they have the time burden. Given the continually evolving legal and regulatory landscape, where business decisions are increasingly scrutinised, I'd always recommend having Management Liability Insurance." **Tony Gibbs, Client Director**





Risk less

## Key takeaways



### Risk knows no size

Even as a small business, Management Liability is still relevant. The cost of defending allegations made against a director or the company can be extremely costly whether a small or large business. Even if you don't have a board of directors in place, you are still at risk for breach of contract, health and safety issues and employment related claims.



### How Management Liability Insurance protects you

In the event of a claim against you or your company, Management Liability Insurance would pay your defence costs and any final settlement or compensation following legal action.

## Do you have the right level of cover?



### Talk to your broker

Make sure you meet with your broker to discuss what level of cover and unique policy features you and your organisation needs. Your broker has the insurance expertise to provide you with the most cost-effective, high-quality cover solutions.



### Start the renewal process early

Be sure to start your Management Liability policy renewal process as early as possible. Doing so will give you plenty of time to gather any documentation required for renewal. Insurers may ask more questions than usual before finalising your policy, making it even more vital to get a head start on the process.

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