

# Management Liability Package Claims Examples

Our policy coverage would respond in the following circumstances.

## Directors and Officers

### Pollution

A manufacturer employed a waste disposal contractor to dispose of old oil. Contrary to the manufacturer's expectations, the contractor dumped the oil in a field and then became untraceable. The Environment Agency brought criminal proceedings against the manufacturer's directors and considerable defence costs were incurred to achieve their acquittal.

### Civil Fines and Penalties

Under the Finance Act 2009, the Senior Accountant Officers (SAO) of large companies have a duty to take reasonable steps to ensure that the company establishes and maintains appropriate tax accounting arrangements. A duty is placed on the SAO to provide HMRC particular documents on an annual basis, which meet certain requirements. The SAO of an insured company was fined £5,000 for not complying with their duty, as he did not provide the annual certificate to the HMRC.



## Corporate Liability

### Corporate Manslaughter (Defence costs)

Four teenagers drowned after a disastrous canoe trip. Criminal proceedings for corporate manslaughter were brought against the manager of the company that organised the trip and a separate action was brought against the company.

### Employment Practice Liability

A team of female employees brought an action against their employer over claims that they were being paid less than their equivalent male colleagues. Their action was successful and the court awarded them compensation of £10,000 each.

## Crime

An employee working in an Insured's finance department confessed to issuing unauthorised cheques from company accounts into his personal bank account over a period of 5 years. The Insured's insurance policy responded to this and ultimately a claim was made and was successful.