



what is management liability protection (mlp)?

As a director or decision maker you are legally required to act with care, in good faith and within the law. You have a duty to act in the best interests of the company, including a responsibility to ensure that other directors do likewise. If you don't, you could face a fine, imprisonment and compensation for damages that could involve the seizure of personal assets. And it is not just directors that face claims, company officers and senior managers also have a personal liability for their actions.

MLP Insurance provides protection claims made against company Directors personally and can cover legal costs, awards and settlements for claim or action by a regulator, shareholder or investor alleging that a "wrongful act" has been committed, including representation at any hearing or official investigation.

who is covered?

- Directors
- Officers
- Senior management

The policy can also be extended to cover the whole business entity and can ultimately cover directors' personal assets in the event of a suit against them. If the claimant wins, it will be the director's personal assets under threat – with an MLP policy, however, this may pay the compensation so that doesn't happen.

why do you need it?

Even when senior leaders are found to have done everything correctly, refuting accusations and responding to regulatory enquiries can be expensive.

MLP insurance indemnifies company directors against numerous liabilities that arise from their roles up to the policy limit.

what sort of companies can have mlp?

It's not just LTD companies that can benefit from Management Liability Protection. It can also offer protection to non LTD companies.

MLP insurance can cover the financial costs of civil litigation, regulatory investigations and criminal proceedings.

While the policy is typically purchased and paid for by the company, individual directors tend to be the main beneficiary of this policy. Companies may also buy additional cover to protect their own balance sheets from associated liabilities.



what sort of claims can we protect you against?

Health & Safety - One example of a claim seen under MLP relates to investigations and prosecutions conducted by the Health and Safety Executive (HSE) that follow injuries or fatalities in the workplace.

While you might carry Public and Employers Liability insurance this does not cover claims brought against individual directors or the entity for Health and Safety failings.

Environmental Protection Act - Directors are liable for prosecution if their business is suspected of pollution.

Business insolvencies - The actions of individual directors in the lead up to insolvencies could be open to criticism and investigation, and are expensive and could be the cause of a claim.

The defence of criminal allegations - A feature of criminal cases is that defendants, or groups of defendants, can be "conflicted" pointing fingers at each other which means they require separate legal counsel.

Employment tribunal claims – if you were to opt for Employment Practice Liability cover, this could cover tribunal claims brought by employees such as discrimination or breach of contract.

we've got you covered

The value of insurance is in the claim. That's why Ethos provide senior leaders with the independent advice and support they need for their individual circumstance, ensuring they receive specialist advice and representation should they go through the claims process.

We are able to provide a flexible policy with the ability to extend cover to include employment practice liability, indemnify policyholders from the costs of expensive employment law claims and crime cover.

