



Naturesave Policies Ltd Professional Liability Insurance

Our Professional Liability Insurance policy provides cover for Charities and Non-Profit Making Organisations, providing Professional Indemnity, Directors & Officers, Trustee Liability and Fidelity Guarantee cover.

PROFESSIONAL INDEMNITY INSURANCE

Professional indemnity insurance protects you against a claim for an alleged negligent act, error or omission resulting in financial loss to someone else. Professional Indemnity insurance also provides cover for defence costs, which in today's litigious environment is an invaluable protection for your business.

Examples of Professional Indemnity Claims

- An accountant acted as an auditor for a client who was the proprietor of a firm of solicitors. The client did not operate his incoming and outgoing funds correctly and instead of having two accounts, one for his clients and one for his office, in accordance with the statutory regulations, he used only the one account. The client was also in fact responsible for misappropriating funds. This led to an official investigation and the client was struck off. The client then pursued the accountant for failing to advise that he was dealing with the accounts incorrectly and for the loss of livelihood. The legal costs of defending the claim were met by the Accountant's PI policy.
- It was alleged that this private School had failed in its duty to provide the student with a full and proper education with the result that that he had failed to obtain the anticipated level of examination success.
- A housing Association tenant was seriously assaulted by another tenant, and suffered knife wounds in the attack. The claimant sued the Housing Association alleging negligence in housing the attacker without carrying out sufficient checks his background.
- The Insured recruited an employee from a competitor. The new employee introduced a database system for processing data. The employee's previous employer claimed the insured infringed their intellectual property rights because the employee devised it the system working for them. The insured's defence and settlement costs were met.

DIRECTORS & OFFICERS INSURANCE

Every company has a duty of care to its employees, customers, shareholder & the public.

A director is responsible for the management of their company and if something goes wrong, a director could be held liable, whether they were aware of the problem or not.

Without D & O cover, directors could risk having to defend themselves against an allegation and pay defence costs should their defence be unsuccessful.

This is the case if you are a director of a small company just as much as if you are the director of a large organisation.

With the Corporate Manslaughter Act 2007 coming into law in April 2008, an organisation can be deemed guilty of corporate manslaughter if a gross management or organisational failing causes a persons death. Both the Police and the HSE investigate all deaths in the work place.



Examples of D & O Claims

- Director who signed a company cheque whilst the company was in receivership, found that the cheque was not honoured and he was held personally liable to the payee
- An affidavit given by a director contained a statement that the company had sufficient resources to meet a solicitors' fee in respect of an action being brought against the company. Before the fee was paid, the company went into liquidation. The solicitors sought redress from the director.
- A director was sacked by his employers, who alleged he had sexually harassed an employee. The director successfully sued the company for wrongful dismissal and libel.
- A director found himself defending an action, brought under sex discrimination legislation, following the dismissal of a pregnant employee.
- Shareholders brought an action for mis-management against the directors of a company, which had suffered exceptional losses. Although the directors were successful in their defence, they incurred sizeable legal costs that were met by their insurers.
- An employee was killed during the course of their normal work. The subsequent Health and Safety investigation uncovered poor working practices and held directors responsible for failings in their risk management. Insurers met the cost of both the initial investigation and the costs of the court case.

TRUSTEES LIABILITY INSURANCE

Trustee Liability insurance covers trustees against having to personally pay legal claims made against them, either by a third party or their charity, in respect of a breach of trust, or a breach of duty or negligence, committed by them in their capacity as trustees.

Examples of Trustee Liability Claims

- A neighbouring landowner to a church claimed that recent constructions carried out by the trustees infringed on his property. The church claimed that documents from the 19th century showed that the previous owner passed the land over to them, whereas the claimant argued successfully that the land never legally belonged to the previous owner. The trustees were held to be responsible for damages and for restoring the land to its former condition.
- A trustee of a charity invested some of the charity's funds in a newly established overseas finance investment company. Subsequently the finance company went out of business, and the charity's funds were lost. As the trustee had made the decision without consulting the other trustees and following the correct procedure for investment, the remaining trustees sued the offending trustee.
- An investigation by the Charity Commission led to allegations of a charity using their charitable status for avoidance of tax on their trading subsidiary. Although the charity had to restructure their organisation at their own cost, the legal fees and other costs in their investigations, including defending these allegations were covered by their Trustee Liability insurance
- A trustees sold a piece of land to a developer. However upon completion of the sale it transpired that the developer had no direct access to the site so the land would be worthless as a site for potential dwellings.
- A charity trustee had a claim brought against them alleging that statements they had made on behalf of the charity in a published article had defamed another charity.
- The Charity Commissioners received complaints concerning a charity's advertising campaign. The trustees were required to meet costs personally when it was ruled the advertisements did not fall within the organisation's charitable purpose.



- A trustee with responsibility for banking donations embezzled thousands of pounds of charity funds over several years. Insurers provided a full indemnity to the charity for the missing funds.
- An employee at a children's home was found guilty of indecent assault over a period of years. Former residents of the home claimed damages. Insurers funded the defence of the home and its trustees.

FIDELITY GUARANTEE INSURANCE

FIDELITY GUARANTEE provides Indemnity against any loss which may occur as a result of any fraud, dishonesty or embezzlement by this organisation's employees.

Examples of Fidelity Guarantee Claims

- A medium sized manufacturing company had employed a Financial Controller for several years and throughout his period of employment he had performed well for the company. Part of his duties involved the preparation of accounts and financial reports to the board of directors. Over a period of time the Financial Controller had been embezzling funds for his own use, this was only discovered after the Financial Controller fell ill and was absent for a several days. During this time the bank rang to query the non payment of certain cheques, which up to then had been paid on a regular basis. Further investigation revealed that the cheques had been made out to a company that was fictitious, one which had been set up by the Financial Controller.
- A manufacturer was defrauded by employees working in their warehouse. The losses involved collusion between warehousemen and drivers who used spare capacity in vehicles to remove goods from the warehouse. False information was entered into the stock control system. Their activities were only discovered when the police reported finding large amounts of the manufacturers product in the hands of receivers.
- A senior manager of a charity responsible for the contract tendering process for the construction of a new facility. The Trustees of the charity expected the manager to carry out a process that ensured they would obtain the most competitive price and quality of work. It appeared that the tendering had been carried out thoroughly with a number of quotes being submitted.
- The contract was agreed with a local contractor and the facility was built. However, a few months after completion of the project it became clear that the contractor appointed had over charged for the work carried out and that the manager had colluded with the contractor for a 'kick back' to award the contract.