



# **Credit Union Directors and Officers Liability Insurance (D&O)**

Protecting you and your credit union from unexpected legal challenges.



# DIRECTORS AND OFFICERS LIABILITY INSURANCE (D&O)

With ever increasing regulation, it's important to protect individuals and the Credit Union when things go wrong. Directors and Officers Insurance is easy to put in place as an addition to your existing Fidelity Bond cover.

## How does it work?

Directors and Officers Liability Insurance (often called "D&O") is liability insurance payable to the directors and officers of a credit union, or to the Credit Union itself. It provides re-imbursment for losses or advancement of defence costs following legal action brought against the insured for alleged wrongful acts in their capacity as a director or an officer.

## Why take out D&O Insurance?

Many people mistakenly believe that as a director of a credit union, they have no personal liability in regard to their corporate actions. The truth is that where the Credit Union is protected through public liability and other insurances, the individual within the Credit Union are often unprotected; particularly where they have acted without proper authority or breached any part of the Companies Act, however inadvertently.

## Types of Incident

These Incidents could give rise to legal action against a director or officer with decision making responsibilities:

- Employment Practices & HR issues. For example, Discrimination, Sexual Harassment, Wrongful Dismissal.
- Regulatory / governance breaches. For example, failure to comply with regulations or laws.
- Data Breaches: customer information is hacked and posted on a public website and you are sued as a board member for not providing adequate safeguards.
- Reporting errors.
- Health & Safety investigations / Trading Standards / Advertising Standards.
- Decisions exceeding the authority granted to a Credit Union officer.

**To get a quote  
for your credit union  
contact us today.**



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