

Legal protection insurance for managers /

Those who are in charge of managing a company are exposed to considerable risk. If you have legal protection insurance for managers, you can rely on AXA-ARAG whenever you are faced with legal action.

Specific need for a solution

You just need to be guilty of negligence or failure to act to become personally liable for a loss or damage. The risk of managers to be sued by law for the reasons above has risen noticeably in the past few years.

Policyholder

Managers are persons who work in a governing or executive capacity for a public-sector or civil-law legal entity. Managers include, for example:

- Members of the board of directors
- Members of the executive board
- General managers

The policyholder is insured as a member of the governing and/or executive bodies of the legal entity identified in the policy. Policies can only be taken out by managers themselves, and not by the company for which the manager works.

Conditions

The person to be insured must already be covered by a directors' and officers' liability insurance policy.

In a few exceptions, a policyholder can also be insured without such liability coverage (e.g. ad interim managers).

Scope of insurance

Legal protection insurance for managers offers the policyholder a comprehensive package of benefits.

Services:

- Advice about the areas of law that are covered
- Analysis of the legal situation
- Review of the prospects for the case
- Case handling by specialists
- MyRight.ch – online legal information portal

Costs that are covered:

- Costs for legal representation
- Court costs
- Expert opinions
- Non-court costs awarded to the opposing party

Costs are covered up to an insured amount of CHF 50,000 or CHF 100,000 per legal case.

Areas of law:

Legal protection insurance for managers offers benefits in the following areas of law:

- Civil damages law
- Criminal defense
- Labor law
- Law of mandate
- Private insurance law
- Directors' and officers' liability
- Prospectus and founder's liability
- Duties payable under public law
- Debt enforcement and bankruptcy law
- Reimbursement proceedings

Precise definitions of the benefits are given in the Special Insurance Provisions.

Case examples

Criminal defense

The criminal investigation authorities accuse you of engaging in a punishable offense in your professional capacity, e.g. violations of customs and import regulations or management fraud.

Liability law

A member of the board of directors of a joint stock company is accused by the bankruptcy administration of failing to deposit the balance sheet with the judge in good time. This allegedly led to damage to the company and its creditors.

Debt enforcement and bankruptcy law

The bankruptcy administration asks you to personally reimburse certain assets (e.g. real estate) with the unjustified accusation that you illegally transferred these assets to yourself shortly before the bankruptcy.

Claims under public law

Only part of the employer's social security contributions was transferred to the compensation fund. When the company goes bankrupt, the missing funds must be paid from the personal assets of the members of the board of directors. The compensation fund files claims for damages against the members of the board of directors.