

CONFERENCE ON “DIRECTOR LIABILITIES INSURANCE”

16.02.2018
Hyderabad

Institute of Directors (IOD), Hyderabad Regional Centre in association with FTAPCCI organized a Conference On 'Director Liabilities Insurance' on 16 Feb' 2018 at FTAPCCI Hall, Hyderabad from 10am to 2pm.

- The Program started with Lighting of the Lamp by Chief Guest- **Shri. V. Niranjan Rao**, Hon'ble Secretary-Legislative Affairs, Legal Affairs and Justice, Dept. Of Law, Govt. of Telangana, **Shri. JLN Murthy**, Regional Centre Incharge & Secretary, The International Centre for Alternative Dispute Resolution (ICADR) & Independent Director, MNC's Co., **Smt. Seema Gaur**, In charge-Large Corporate Brokers, Hyderabad, United India Insurance Co. Ltd., **Shri. Shiva Rao Tummalapalli**, Hon. Secretary, Institute Of Directors, Telangana & Andhra Pradesh and Director, Automated Tooling Systems India Pvt. Ltd., **Shri. Gowra Srinivas**, President, FTAPCCI and Senior Panellist Members.
- Shri. T.V. Shiva Rao, Hon. Secretary, Institute Of Directors - AP & Telangana and Director, Automated Tooling Systems India Pvt. Ltd delivered the Welcome Address. He presented about IOD and briefed all the upcoming events. He briefed D&O liability insurance policy is not a replacement for sound management & corporate governance. He said today's program will create awareness of the insurance cover among its members. The awareness of the insurance policy is limited, he said, adding the low level of penetration also translated into a big potential for the insurance firms.
- **Shri. Gowra Srinivas**, President, FTAPCCI, congratulated Institute Of Directors for bringing this event & extended his support for all IOD programs and to touch base the importance D&O in the market.
- **Smt. Seema Gaur**, In charge-Large Corporate Brokers, Hyderabad, United India Insurance Co. Ltd. delivered Keynote Address; has congratulated the organizers for giving them the opportunity and briefed about various benefits and issues in Directors and Officers Liabilities Insurance!! She updated Directors and officers (D&O) liability insurance protects the personal assets of corporate directors and officers, and their spouses, in the event they are personally sued by employees, vendors, competitors, investors, customers, or other parties, for actual or alleged wrongful acts in managing a company. The insurance, which usually protects the company as well, covers legal fees, settlements, and other costs. She said D&O insurance is the financial backing for a standard indemnification provision, which holds officers harmless for losses due to their role in the company. Many officers and directors will want a company to provide both indemnification and D&O insurance. She briefed Directors and officers are sued for a variety of reasons related to their company roles, including: Breach of fiduciary duty resulting in financial losses or bankruptcy, Misrepresentation of company assets, Misuse of company funds, Fraud, Failure to comply with workplace laws, etc.

- **Shri. JLN Murthy**, Regional Centre Incharge & Secretary, The International Centre for Alternative Dispute Resolution (ICADR) & Independent Director, MNC's Co. has update the benefits of Directors Liability Insurance and disadvantages. He briefed any business with a corporate board or advisory committee should consider investing in D&O insurance, including non-profit organizations. Your company does not have to post revenues in the tens of millions of dollars for your directors and officers to be personally sued over their management of company affairs. He said Adherence to strict corporate governance and tighter disclosure norms would certainly make the corporate sector more transparent and consequently less prone to faults. It, however, “will not necessarily guarantee protection against litigation by any stakeholder in view of the increasingly complex set of laws that govern the business environment” and said while the policy has different coverage's and is subject to various exclusions, it is pertinent to note that unscrupulous behavior is outside the scope of the policy. This exclusion is, however, subject to final adjudication in the matter”.

Shri. V. Niranjan Rao, Hon'ble Secretary-Legislative Affairs, Legal Affairs and Justice, Dept. Of Law, Govt. of Telangana, **Shri. JLN Murthy**, Regional Centre In charge & Secretary, The International Centre for Alternative Dispute Resolution (ICADR) & Independent Director, MNC's Co., **Smt. Seema Gaur**, In charge-Large Corporate Brokers, Hyderabad, United India Insurance Co. Ltd & **Shri. Gowra Srinivas**, President, FTAPCCI Lighting up the lamp.



SR. INDUSTRY PARTICIPANTS



• **Shri. V. Niranjan Rao**, Hon'ble Secretary-Legislative Affairs, Legal Affairs and Justice, Dept. Of Law, Govt. of Telangana delivered the Chief Guest Address. He had congratulated IOD for organising such an informative program and bring it to all industry members. He heartily congratulated IOD Founder Late. Shri. Dr. Madhav Mehra for establishing Institute of Directors in 1990 and has over the years grown to associate with around 31,000 senior executives, representing prominent organizations from the private, public and government sectors India-wide, and now, increasingly, world-wide. He appreciated Dr. Mehra's vision and mission to assist all the directors & his goal of enhancing Governance and Sustainability through a constructive engagement, focusing on a principle-based model of corporate governance that value, training for the boards to lead the change. He updated in today's legal environment, Directors & Officers (D&O) Liability coverage is an integral part of managing a business. He said corporate liability is concerned the liability vests and rests with the directors whether done intentionally or otherwise. Thus, the directors and officers need to be aware of their rights and at the same time the liabilities they might have to handle.

Panel Discussion: Recent Developments – 'Director's & Officer's liability insurance Market in India'

- **Dr. S V Rama Krishna**
Advocate & Corporate Legal Advisor - Moderator
- **Shri. P. Umesh**
Expert in Liability Insurance
- **Smt. Seema Gaur**
In charge-Large Corporate Brokers, Hyderabad, United India Insurance Co. Ltd.
- **Shri. R. Srinivasan**
Manager, New India Assurance Company Limited

Directors & Officers (D&O) liability insurance safeguards personal liability of directors and officers arising due to wrongful acts done by them in their managerial capacity. The policy covers the following under the policy: Directors and Officers employed by the organization,

Directors and Officers of subsidiary companies, Non-executive or independent directors, Employee of the company who is the risk manager, etc. All the Panellist had a discussion on the Recent Developments – 'Director's & Officer's liability insurance Market in India' and briefed The theme of the Conference is on "Director Liabilities Insurance"; the insurance sector is a colossal one and is growing at a speedy rate of 15-20%. Together with banking services, insurance services add about 7% to the country's GDP. A well-developed and evolved insurance sector is a boon for economic development as it provides long- term funds for infrastructure development at the same time strengthening the risk taking ability of the country.

NOW MORE THAN EVER BEFORE insurers and reinsurers need to provide the coverage their client's want, whilst minimising their exposures to claims which will impact upon their profits. All areas of insurance are facing very intense competition and are under pressure to ensure that they can differentiate themselves from the rest of the market.

The purpose of organizing the conference is to encourage discussions for greater adoption of Director Liability Insurance amongst corporate and individuals. This conference has aimed to apprise of the various beneficial aspects of the scheme and has showcased the experience of organizations that have successfully adopted the programme. This event has provided an excellent platform and the opportunity to have direct interactions with the senior officials of Insurance companies and other stakeholders enabling the participants to clear all their queries regarding the schemes.

There were 110 senior representatives from the Corporate Industries, Panellist, and Guest & MEDIA who attend and grace the program. Overall the program was well received by the members and all the participants appreciated the organisers for hosting such a successful event.

Vote of Thanks was delivered by **Smt. Latha Reddy**, Regional Manager-Telangana & Andhra Pradesh, Institute of Directors and The program ended with NATIONAL ANTHEM & Networking Lunch!!



Shri. Shiva Rao Tummalapalli, Hon. Secretary, Institute Of Directors, Telangana & Andhra Pradesh and Director, Automated Tooling Systems India Pvt. Ltd., delivering welcome address.



L to R **Shri. R. Srinivasan**, Manager, New India Assurance Company Limited. **Shri. JLN Murthy**, Regional Centre In charge & Secretary, The International Centre for Alternative Dispute Resolution (ICADR) & Independent Director, MNC's Co., **Dr. S. V. Rama Krishna**, Advocate & Corporate Legal Advisor, **Shri. P. Chandra Sekhar**, Regional Manager (Learning and Development), SBI Life Insurance Co. Ltd., **Shri. Shiva Rao Tummalapalli**, Hon. Secretary, Institute Of Directors, Telangana & Andhra Pradesh and Director, Automated Tooling Systems India Pvt. Ltd., **Shri. V. Niranjan Rao**, Hon'ble Secretary-Legislative Affairs, Legal Affairs and Justice, Dept. Of Law, Govt. of Telangana, **Shri. Gowra Srinivas**, President, FTAPCCI, **Smt. Seema Gaur**, In charge-Large Corporate Brokers, Hyderabad, United India Insurance Co. Ltd & **Shri. P. Umesh**, Expert in Liability Insurance

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