



## **PRESS RELEASE**

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### **CORPORATE MANSLAUGHTER HIGHLIGHTS NEED FOR INSURANCE**

The UK's first ever prosecution under new corporate manslaughter legislation could have a huge impact on East Midlands companies, according to one of the region's leading insurance and risk management experts.

Richard Salt, Managing Director of Derby-based Bell & Co, believes the case against a Cotswold company will force businesses across the region to review Health and Safety procedures as well as their insurance cover.

Richard explained: "We have known for some time that the introduction of the Corporate Manslaughter and Corporate Homicide Act could have serious consequences for the directors of companies where a fatal accident may have occurred, but there are still many local Directors who aren't insured against this type of prosecution."

The company is being prosecuted in relation to the death of one of its employees who was crushed to death when the sides of a recently excavated pit collapsed as he was taking soil samples. The case is due to be heard at Bristol Crown Court later this year.

A director of the company has also been charged with gross negligence manslaughter, and with a breach of the Health and Safety at Work Act 1974 (HSWA). If found guilty, he faces a maximum sentence of life imprisonment.

Richard said: "As the first ever prosecution under the new Act, this will undoubtedly be a landmark case. Now more than ever, owners and managers of businesses will need to consider what insurance may be available to meet the costs of defending cases of this nature.

“This should certainly include a Directors and Officers insurance policy. As personal liability for such individuals is unlimited, they should protect themselves with this type of policy that principally covers claims made for wrongful acts against directors, officers or employees of companies.

“Cover varies from insurer to insurer but typically can also extend to cover costs and fees at official investigations, acquired companies, outside/shadow directorships and retired directors for a period of time.”

He added: “Firms will also need to create a paper trail – and particularly a legal compliance audit – for a jury to consider should they find themselves in court.

“An excellent first step for companies is to develop a closer relationship between their health and safety requirements and their insurance programme. With the level of potential sentences which could be imposed, it is important businesses act now.”

**END**

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