



The Hidden Risk: Why Bodily Injury Exclusions on Your Directors' & Officers' Liability Insurance Could Leave You Exposed

When it comes to safeguarding your life science company, at MFL Insurance Group Limited we believe Directors' & Officers' (D&O) Liability insurance is essential.

Directors' and Officers' liability insurance covers the cost of compensation claims made against your business' directors and key managers (officers) for alleged wrongful acts.

Wrongful acts include:

- Breach of trust
- Breach of duty
- Neglect
- Error
- Misleading statements
- Wrongful trading

However, some D&O insurers when providing cover for businesses operating in the life science sector will apply a bodily-injury exclusion. This exclusion can leave your business vulnerable to significant risks.

What Is a Bodily Injury Exclusion?

Dependent on the specific wording, this clause limits or excludes coverage for claims arising from physical harm, illness, or death caused directly or indirectly by your company's products or services. While this may seem innocuous, it's particularly concerning for life science companies where your innovations directly impact patient health.

Why Is It a Problem?

- Directors at Risk
- D&O policies with this exclusion may not protect your leadership team from claims alleging negligence in approving or overseeing the production of medical devices that result in harm.
- Regulatory Fallout
- In the UK's highly regulated medical sector, claims related to bodily injury often trigger regulatory investigations, compounding costs and reputational damage. Without adequate coverage, these expenses could fall squarely on your balance sheet.

The Solution

When reviewing D&O policies, ensure your insurer understands the unique risks of the life science sector. Look for tailored policies with minimal exclusions or endorsements that specifically address bodily injury exposures.

Don't let a hidden clause jeopardise your business. Working with us will ensure you secure policies aligned with your industry's needs, protecting both your innovation and your leadership team.



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