

PII – CASE STUDY COMPETITION 2018

INTRODUCTION:

The following case study refers to the Directors and Officers Liability. It deals with the question of how an action is taken against individuals/ directors (or officials) of a company. According to D&O Liability Policy under Companies Act 2006, director/s are required to act honestly, in good faith and carry out their duties with reasonable care and skill, not only towards the company but also towards its shareholders, its employees, its creditors and to the public.

KEY PARTIES:

This case study has two parties:

1. The Insured
2. The Insured's Employee

Ms Surraiya Hasan (aka Ms Hasan) is a former employee of Siemens Pakistan (Engineering) Company Limited (Siemens Pakistan), where she was a member of the Human Resource (HR) Department with a designation "Head of HR Strategy and Development" till 24th January 2013.

Siemens AG has taken out Directors/ Officers Liability Insurance Policy which covers the claims made against Mr Joe Caesar, Mr Peter Solmssen, Dr Clemens Federschmidt & Mr Harry Holier (collectively "the Insured").

BACKGROUND & DETAILS:

Ms Hasan claims against "Suit for Damages and Compensation of Rs. 100,000,000 (Rupees One hundred million) for Harassment and Illegal Termination. She alleges that all the defendants mentioned in the Statement of Claim are in one way or the other involved directly, tacitly, and indirectly responsible for the harassment caused during her employment in Siemens Pakistan. It is declared that the direct harassment was done by her immediate superior Mr Arsalan Naukhez and other defendants did not take any action against her continuous complaints. Although, all the defendants were aware of the situation at her workplace nobody took any clear action against Mr Arslan Naukhez. She says that Mr Naukhez was directly responsible for gratuitous harassment, oppression and pressure to Ms Hasan. Though she had complained about it to her seniors still Mr Naukhez continued to harass, intimidate and pressurize her with implied approval and knowledge of the other defendants. Mr Naukhez used his power of authority to make the working environment miserable and unpleasant so that she could give in to his unlawful demands. Moreover, she complained this inappropriate conduct of Mr Naukhez to "the superior officers of the company both in Pakistan as well as to the Regional and Corporate Headquarters... but unfortunately, no positive steps were initiated to curb these state of affairs". It was later believed that the concerned authorities made sure that strict action would be taken against him, but it was revealed that all the defendants were in conspiring together secretly and wanted Ms Hasan to continue working as nothing happened before.

It is alleged that Ms Hasan was not provided with the right to work with dignity and not only brought her career to stake but have also caused her distress, torment, anguish and embarrassment and has also lowered her future vision in the certified field.

SOLUTIONS ADOPTED:

On the basis of the allegations Ms Khattak, her lawyer, requests that the court declare her termination as illegal and void. The defendants, jointly and severally, to pay damages totalling 100,000,000 Pakistani Rupees; and order the defendants to "furnish an unconditional apology" to Ms Hasan for the harassment she has suffered.



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