

Directors' and Officers' Liability

# An Insurer's Perspective

Ina Ebert, Munich Re, Germany




## Agenda

D&O insurance:

- Important features
- Risk drivers
- Trends
  - Market trends
  - Claims mentality
  - Legal/regulatory environment
  - D&Os in a digitalised society




## Important Features of D&O Insurance

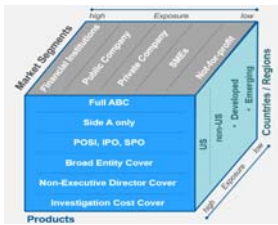


**D&O insurance is complicated.**

- ▶ Many different stakeholders.
- ▶ Many different risks.
- ▶ Frequently conflicting interests.




## Important Features of D&O Insurance




**D&O insurance is tailor-made.**

- ▶ There is no such thing as a 'one size fits all'-solution.




## Important Features of D&O Insurance



**D&O insurance is strictly confidential.**

- ▶ That's why it is difficult to do research on the topic.
- ▶ Reputational aspects are at stake at all times.



## Important Features of D&O Insurance



**D&O insurance is international.**

- ▶ Many different jurisdictions have to be considered, since companies act globally while regulation and enforcement practices vary significantly.



### Important Features of D&O Insurance



D&O insurance is indispensable:

- ▶ To protect companies
- ▶ To protect D&Os
- ▶ To protect investors



### D&O Insurance: Risk Drivers



Developments in many areas can influence the frequency and severity of losses.



### D&O Insurance: Trends



### Market Trends



- ▶ M&As
- ▶ Institutional investors
- ▶ Financial crisis
- ▶ Cyber
- ▶ US market still 60 % of D&O insurance worldwide, but exposure in other markets is on the rise
- ▶ Consequences of a soft market



### Claims Mentality



- ▶ Claims mentality outside US is changing
- ▶ Media coverage, recently several high-profile cases
- ▶ Litigation funding
- ▶ Defense costs



### Legal/Regulatory Environment



- ▶ Constantly tightening net of regulation, stricter enforcement of existing regulation, new/improved mechanisms to bring claims
- ▶ Examples:
  - Yates Memo
  - WCAM
  - KapMuG



### D&Os in a Digitalised Society



- ▶ Massive data breaches happen all the time.
- ▶ Regulatory/enforcement action has increased sharply.
- ▶ More civil litigation against D&Os likely to follow.



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### More About D&O Insurance:



#### D&O Scout

Your guide to D&O insurance

Munich Re's new app gives you quick and easy information on decision-makers' risks and insurance options. For iOS and Android smartphones and tablets.

To find out more simply use the link: » [www.munichre.com/DandO-Scout](http://www.munichre.com/DandO-Scout)



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