

D&O Insurance in Europe

**Series prospectus for an overview
plus ten country-specific reports**

**AUSTRIA, BELGIUM, FRANCE, GERMANY, ITALY,
NETHERLANDS, SPAIN, SWEDEN, SWITZERLAND, UK**

December 2014

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What is the research?

Finaccord's research about D&O insurance in Europe, composed of an overview study covering all ten countries plus ten individual country-specific reports, is about the market for directors' and officers' liability cover in Austria, Belgium, France, Germany, Italy, the Netherlands, Spain, Sweden, Switzerland and the UK. Valued at just under EUR 2.3 billion in gross written premiums in 2014, this market has been growing in both nominal and real terms in most countries, and in aggregate has been characterised by consistent profitability.

In addition to documenting the development of the market value from 2010 to 2014, the reports also divide it for the most recent year for three key segmentations: between publicly listed corporate enterprises, unlisted corporate enterprises and other entities; between the financial services sector, the non-financial services sector and the manufacturing / primary sector; and between underwriters based in the country in question and underwriters located outside of it.

These unique market splits are based in part on a survey of close to 200 leading brokers and underwriters of D&O insurance across the ten countries. In each country, this same survey also identifies the underwriters of this type of cover used by brokers on a regular basis, gives an input into Finaccord's estimates for the market shares of underwriters of D&O insurance, provides a basis for commentary surrounding distribution channels used for this type of cover, informs observations concerning trends in claims by type of insured entity, and guides Finaccord's forecasts for the market value through to 2018.

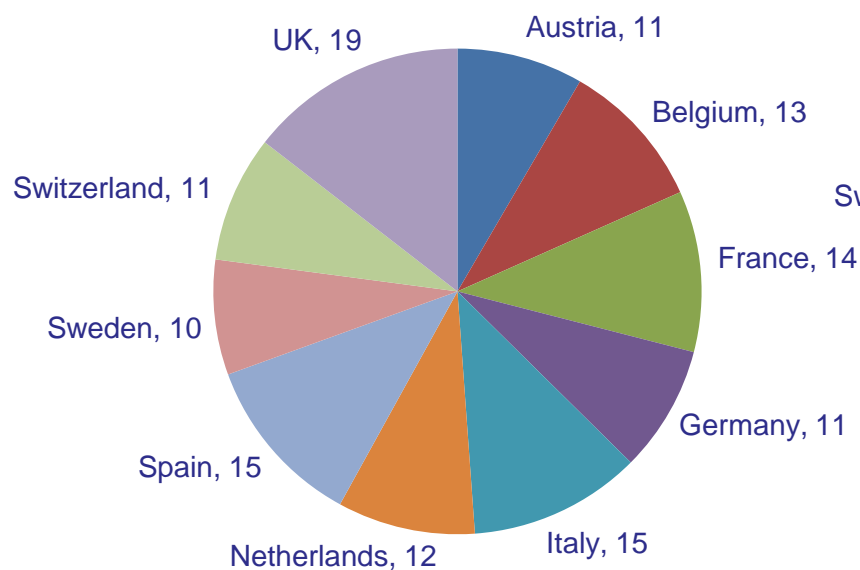
What is the rationale?

Finaccord has developed research on the subject of D&O insurance in Europe for several reasons. First, this is the most comprehensive study of the subject ever published across the ten countries in question in spite of the fact that the combined market was worth almost EUR 2.3 billion in gross written premiums in 2014. Secondly, it is a market about which little information is readily available as a consequence of the fact that data pertaining to D&O insurance is usually subsumed in publicly accessible statistics within the much wider and less meaningful category of general liability insurance. Thirdly, it is a market that unlike several other commercial lines has achieved quite rapid growth due to rising penetration levels in recent years. Finally, it is an unusual market when compared to most forms of non-life insurance because it is often subject to quite extreme fluctuations in profitability from one year to the next..

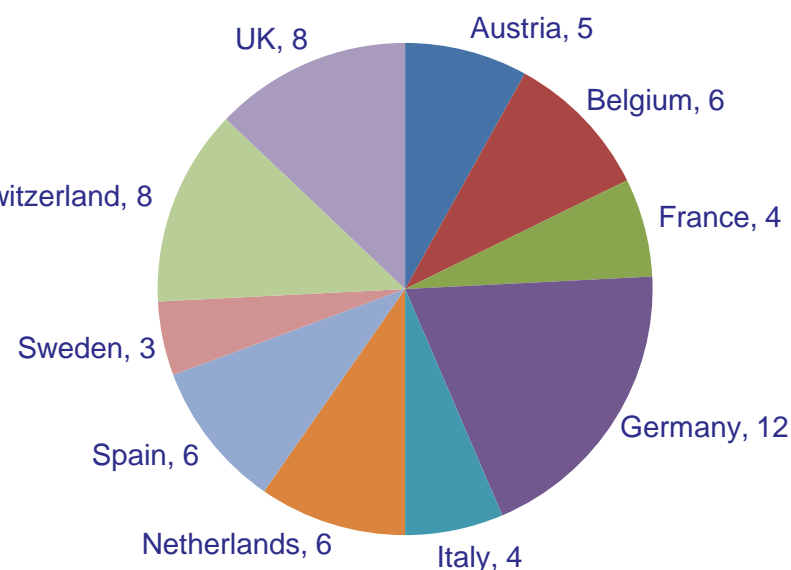
How do brokers and underwriters surveyed break down by type and country?

This report is based on an extensive program of primary and secondary research conducted between September and November 2014 with a focus on close to 200 major brokers and underwriters of D&O insurance. The split by of this sample is given in the two pie charts below.

BROKERS



UNDERWRITERS



What is the structure of the overview report?

Executive Summary: provides a concise evaluation of the report's principal findings.

Introduction: discusses rationale, research methodology, sample breakdown and definitions.

European Overview: this chapter begins with data for the number of insurable entities in each country including comparisons from 2010 to 2014 for the core target markets of listed enterprises and unlisted enterprises with an annual turnover of EUR 10 million or more for both of which D&O penetration rates are also provided. It then compares the size and growth of the value of the market for D&O insurance for the same years breaking down that for 2014 between three key segmentations: publicly listed corporate enterprises, unlisted corporate enterprises and other entities; financial services, non-financial services and the manufacturing / primary sector; and underwriters based in the country in question and underwriters located outside of it. Analyses are also given for the competitive structure of the market both across all ten countries combined and in terms of the market share of the top three underwriters in each country. The chapter then concludes with a comparison of the split of claims costs in each country between defence costs and other claims costs plus a forecast for the value of the market for D&O insurance up to 2018.

Austria, Belgium, France etc.: the structure is similar to that outlined above but with analysis and commentary specific to the country in question.

What are the key features of the research?

Key features of these reports include:

- quantification of the market size for D&O insurance in each of the ten countries: how much is each market worth, where is the fastest growth occurring and how do they break down into key segments?
- comparison of the penetration rate for D&O insurance within the core target markets of listed enterprises and unlisted enterprises with an annual turnover of EUR 10 million;
- presentation of the actual or estimated market shares of underwriters of D&O insurance in 2014 based on both the survey of over 200 brokers and underwriters plus other available data sources;
- audit of the frequency of usage of underwriters by major brokers of D&O insurance in each country: to what extent are competitors effectively challenging market leaders such as ACE, AIG, Allianz Group, Chubb and Zurich?
- forecasts for the market for D&O insurance in each country: what is this sector likely to look like in 2018 and what are expected to be the main drivers of growth in each country?

How can the research be used?

You may be able to use these reports plus the accompanying market data annexes in one or more of the following ways:

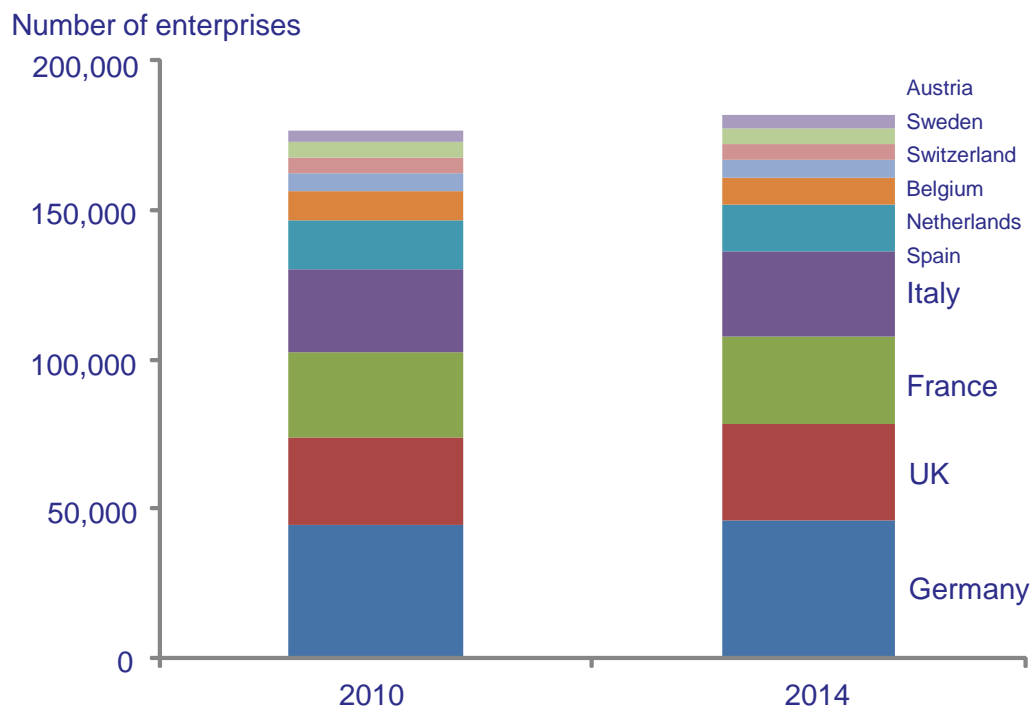
- to compare the size, growth rates and future prospects of D&O insurance markets across ten major countries in Europe;
- to appreciate how much of the market value is attributable to publicly listed corporate enterprises (as opposed to non-listed corporate enterprises and other entities) and how much to financial institutions (as opposed to the non-financial services and primary / manufacturing sectors);
- to understand how much of the market value is insured by underwriters in the country in question and how much by underwriters elsewhere (e.g. at Lloyd's of London);
- to evaluate the potential for your organisation to increase its share of D&O insurance broking or underwriting in each country;
- to understand the competitive environment for underwriting and the degree to which brokers display interest in placing risks with alternative underwriters.

Who can use the research?

1. *Insurance underwriters:* tailor your company's strategy armed with the most in-depth research yet published about D&O insurance in Austria, Belgium, France, Germany, Italy, the Netherlands, Spain, Sweden, Switzerland and the UK;
2. *Insurance brokers:* identify the most significant brokers of D&O insurance in each country and appreciate the distribution share of brokers for this form of cover relative to alternatives such as agents and direct sales;
3. *Management consultancies:* are you helping a client firm to understand its own strategy with respect to D&O insurance in Europe? These studies will provide you with rapid insight into the subject, saving time and effort on researching the subject yourself.

What are some of the key findings?

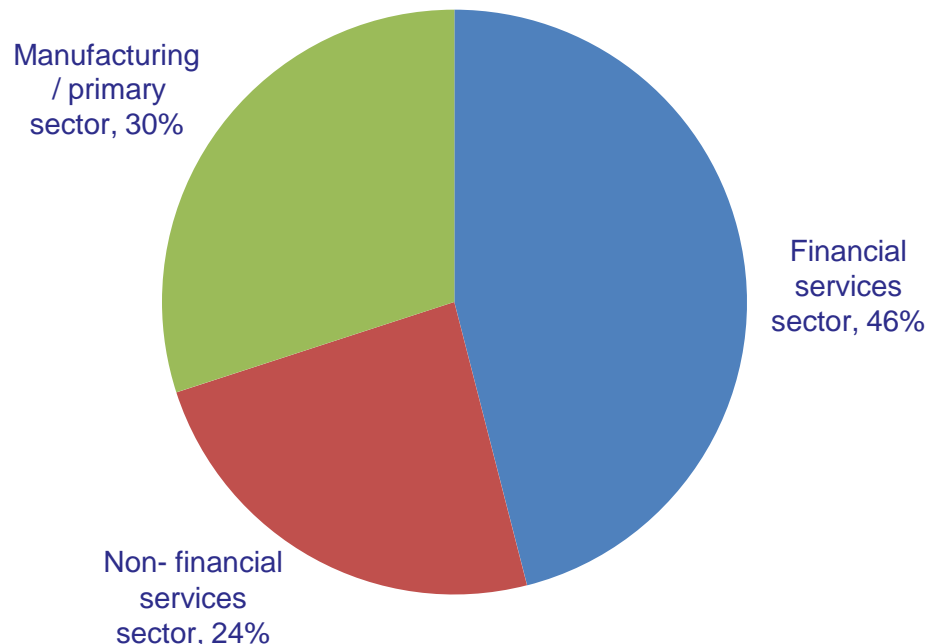
1. Alongside publicly listed firms, corporate enterprises with annual revenues above EUR 10 million constitute a core market for D&O insurance; across the ten countries, their total number grew slightly between 2010 and 2014



Source: Finaccord analysis of various sources

What are some of the key findings? (cont.)

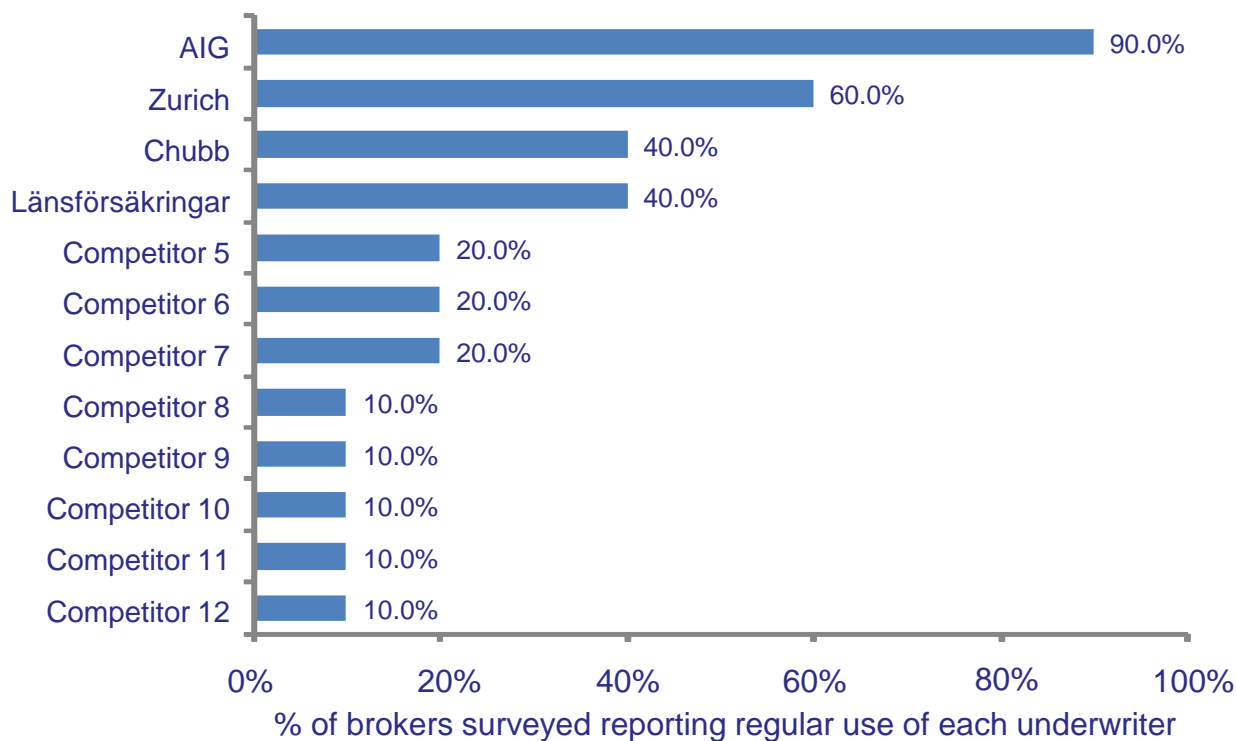
2. Close to a half of the D&O insurance market in the Netherlands is due to the financial institutions sector



Source: Finaccord D&O insurance broker and underwriter surveys

What are some of the key findings? (cont.)

3. In Sweden, 12 underwriters of D&O insurance are used regularly by at least one major broker of this type of cover



Note – the identities of competitors ranked from 5 to 12 are disclosed in the report itself

Source: Finaccord D&O insurance broker survey

What are the costs and format?

These reports about D&O insurance in different European countries are available as standard PDF documents. The market data annexes that accompany them at no further charge are in *Excel* format. Prices for these research sets and the pan-European overview are as follows:

REPORT	COST *
D&O Insurance in Europe	GBP 2,995
D&O Insurance in Austria	GBP 595
D&O Insurance in Belgium	GBP 595
D&O Insurance in France	GBP 595
D&O Insurance in Germany	GBP 595
D&O Insurance in Italy	GBP 595
D&O Insurance in the Netherlands	GBP 595
D&O Insurance in Spain	GBP 595
D&O Insurance in Sweden	GBP 595
D&O Insurance in Switzerland	GBP 595
D&O Insurance in the UK	GBP 595

** VAT at the prevailing rate will be added to the basic price for UK-based buyers. Costs quoted are for a single office, single country licence only. For corporate user licence options, please see the next slide for further details. Invoices can be paid in EUR or USD, at the prevailing exchange rate, if preferred.*

How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord web site available at www.finaccord.com/order_dando_professional_indemnity_insurance.htm and fill in the online order form, clearly indicating:

- report required
- type of corporate user licence, if required *
- billing name
- address and e-mail address
- purchase order number, if applicable

Please allow up to one working day for the delivery of electronic copy by e-mail.

* For the **corporate user licence** please choose one of the following options:

1. One office, one country: no supplement over and above basic cost of reports ordered
2. Multiple offices, one country: additional 20% over and above basic cost of reports ordered
3. Multiple offices, two to ten countries: additional 50% over and above basic cost of reports ordered
4. Global (unlimited offices in unlimited countries): additional 100% over and above basic cost of reports ordered

VAT at the prevailing rate will be added to the price of any corporate user licence acquired by UK-based buyers.