

NATIONAL
DIRECTORS
INSTITUTE

NDI Executive Exchange

What's on Your Mind?

Share and Discuss the Corporate Governance Issues Impacting Your Business

The Current Landscape for Director and Officer Liability

Thursday, November 17, 2011

9:45 a.m. – 10:30 a.m.

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D. F. King



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The Current Landscape for Director and Officer Liability (and Insurance)

November 17, 2011

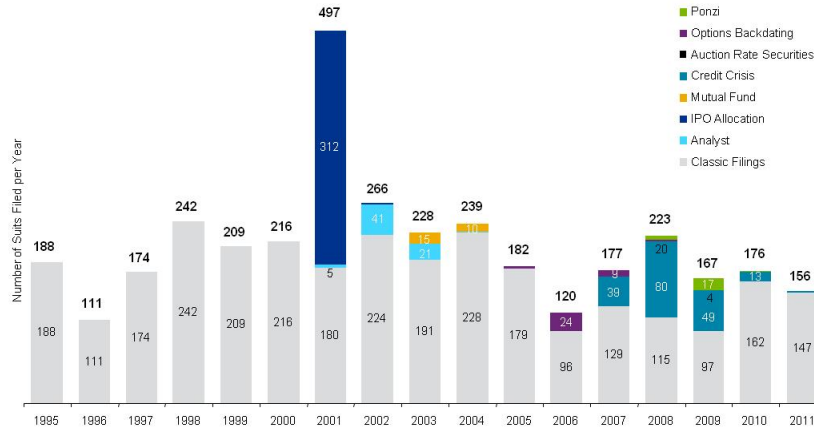
Recent D&O Claims Activity and Trends

What's Hot and What's Not

Frequency: Federal Securities Class Action Litigation

Filings – All Categories

1995 – 2011 YTD



Source: Stanford Law School Securities Class Action Clearinghouse as of 10/31/2011

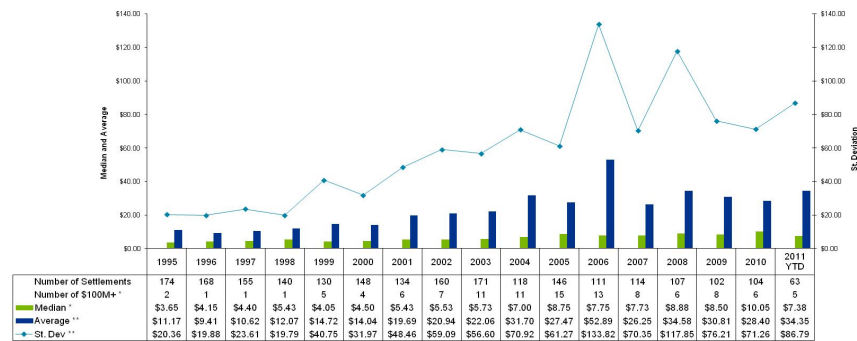
Aon Risk Solutions | Financial Services Group
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Severity: Federal Securities Class Action Litigation

Settlements

1995 – 2011 YTD (dollars in millions)



* Includes settlements of \$1B or greater
** Excludes settlements of \$1B or greater

Source: Aon FSG; RiskMetrics Group Securities Class Action Services as of 10/31/2011

Note: **Past settlement values are subject to change.** While settlement information generally reflects settlements as of the date a settlement is announced, as additional parties reach settlements and they become final, the past settlement values and dates occasionally change. Aon FSG adjusts settlement figures in this chart to reflect the changes.

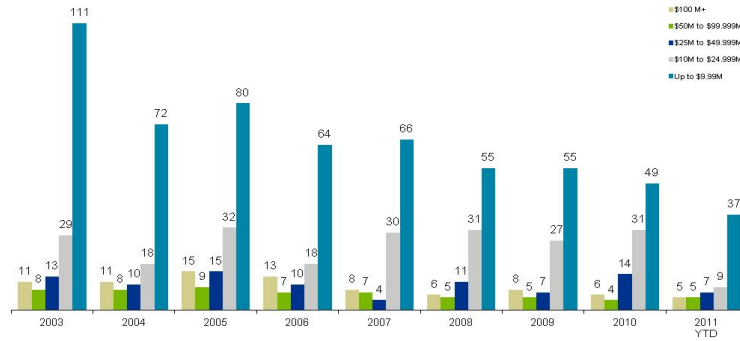
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Severity: Federal Securities Class Action Litigation

Number of Settlements (by size of settlement)

2003 – 2011 YTD (dollars in millions)



* Includes settlements of \$1B or greater
 ** Excludes settlements of \$1B or greater

Source: Aon FSG; RiskMetrics Group Securities Class Action Services as of 10/31/2011

Note: **Past settlement values are subject to change.** While settlement information generally reflects settlements as of the date a settlement is announced, as additional parties reach settlements and they become final, the past settlement values and dates occasionally change. Aon FSG adjusts settlement figures in this chart to reflect the changes.

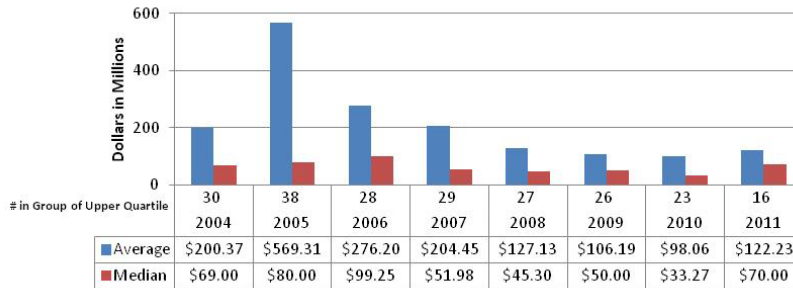
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Severity: Federal Securities Class Action Litigation

Quartile Settlement Values

Upper Quartile

2004 – 2011 YTD (dollars in millions)



* Includes ALL Settlements

Source: Aon FSG; RiskMetrics Group Securities Class Action Services as of 10/31/2011

Note: **Past settlement values are subject to change.** While settlement information generally reflects settlements as of the date a settlement is announced, as additional parties reach settlements and they become final, the past settlement values and dates occasionally change. Aon FSG adjusts settlement figures in this chart to reflect the changes.

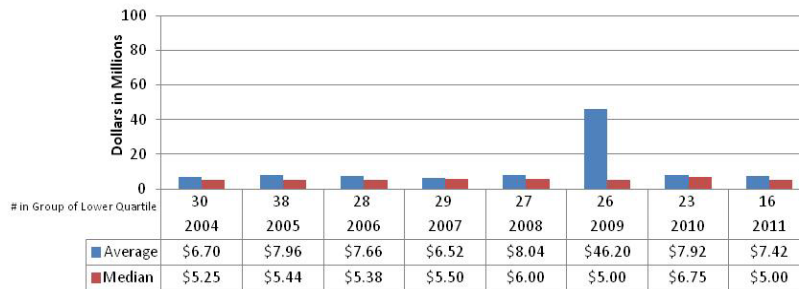
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Severity: Federal Securities Class Action Litigation

Quartile Settlement Values

Lower Quartile

2004 – 2011 YTD (dollars in millions)



* Includes ALL Settlements

Source: Aon FSG; RiskMetrics Group Securities Class Action Services as of 10/31/2011

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Drivers Behind Current “Hot” Areas

- Why now and is there a shift from traditional shareholder litigation?
- Insurer responses/issues
- What’s on the horizon?

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D&O Insurance “Hot” Topics

- Side A Coverage
 - May be more important than ever
 - Bankruptcy Protection

- Investigation Coverage
 - Are we getting too much of a good thing?