

TABLE OF CONTENTS

0.0 EXECUTIVE SUMMARY	1
<i>By some distance, Germany and the UK are the largest markets in Europe for D&O insurance</i>	2
<i>By legal status of insured entity, the market can be segmented into three main categories</i>	3
<i>By sector of insured entity, the split of the market value varies substantially by country</i>	5
<i>Across the ten countries as a whole, AIG is comfortably the market leader by premiums written</i>	7
<i>In aggregate, the market for D&O insurance in Europe is both growing and profitable</i>	8
1.0 INTRODUCTION	10
What is this report about?	10
Rationale	10
<i>Several factors underpin the rationale for the production of a study about D&O insurance</i>	10
Methodology	10
Research program	10
Market data analysis	10
Definitions	11
D&O insurance	11
<i>Policies are usually taken out by companies rather than by company managers</i>	11
<i>... and typically pay for both defence costs and the damages paid to the claimant</i>	11
<i>D&O insurance can be bought by a variety of different types of entity</i>	11
<i>In Europe, policies typically incorporate Side A and Side B cover but not always Side C cover</i>	11
<i>Stand-alone cover bought for certain specialised risks is excluded from the definition of D&O insurance</i>	12
Premiums	12
Sectors	12
Abbreviations	13
Exchange rates	13
Finaccord	13
2.0 EUROPEAN OVERVIEW	15
Introduction	15
Number of insurable entities	16
<i>Many enterprises are theoretically eligible for D&O insurance in Europe</i>	16
<i>... although only a fraction of these have actually taken out cover</i>	16
<i>Financial firms make up just under 2% of the total number of corporate and non-incorporated enterprises</i>	18
<i>Across the ten countries, the number of publicly listed companies fell slightly between 2010 and 2014</i>	20
<i>Germany hosts the highest number of non-listed companies with annual revenues above EUR 10 million</i>	22
<i>... although this constituency has been growing most rapidly in the UK</i>	22
Market value, growth and segmentation	23
<i>The value of the D&O insurance market in Europe has risen to well in excess of EUR 2 billion</i>	23
<i>All ten countries saw premiums grow in nominal terms between 2010 and 2014</i>	24
<i>Germany, Switzerland and the UK have the most developed markets for D&O insurance relative to GDP</i>	26
<i>As a percentage of the total general liability class, D&O insurance is becoming more important everywhere</i>	27
<i>Publicly listed companies account for a majority of D&O premiums across Europe as a whole</i>	29
<i>... although not in every country</i>	29
<i>By sector, financial institutions buy the most D&O insurance in Europe</i>	32
<i>... although in Germany, the manufacturing / primary sector is the largest</i>	32
<i>D&O penetration rates and premium levels in the financial sector are especially high in the UK</i>	34
<i>In the non-financial sector, the development of the German market is not far behind that of the UK</i>	35
<i>... and it is well ahead of the UK in the manufacturing / primary sector</i>	36
<i>Almost EUR 200 million of D&O cover is underwritten outside of the insured party's own country</i>	40
Penetration rates	42

D&O INSURANCE IN EUROPE

<i>Among publicly listed companies, there is most potential to increase penetration in Spain</i>	42
<i>... and most in Italy among unlisted corporate enterprises of sufficient size</i>	45
Underwriter market shares	47
<i>A total of 50 different D&O underwriters work on a regular basis with brokers in at least one country</i>	47
<i>AIG enjoys the highest rate of regular utilisation by brokers in most countries</i>	49
<i>Around one third of the total market is underwritten by insurers outside of the leading five</i>	51
<i>The market leaders are active to one degree or another in all ten countries surveyed</i>	51
Claims costs	53
<i>Across all ten countries, claims costs are likely to account for just under two thirds of total claims costs</i>	53
Future outlook.....	56
<i>The total market value is expected to rise by around EUR 540 million up to 2018</i>	56
<i>...with the strongest growth predicted in Italy and Spain</i>	56
3.0 AUSTRIA.....	59
Introduction	59
Regulatory background.....	59
<i>Stock corporations ('Aktiengesellschaft') in Austria have a two-tier board structure</i>	59
<i>Companies rather than their directors are usually the policyholders</i>	59
<i>Claims made against limited liability companies often result from bankruptcy proceedings</i>	60
Number of insurable entities	60
<i>The core audience is made up of around 4,200 enterprises with annual revenues above EUR 10 million</i>	60
<i>... with D&O insurance rarely acquired outside of this constituency</i>	60
Market value, growth and segmentation.....	61
<i>The Austrian market is small but has been growing quite rapidly</i>	61
<i>... mainly as a result of higher rates of penetration among SMEs</i>	62
<i>... with premiums also having tended to fall for this type of customer</i>	62
<i>Unlisted corporate enterprises account for the majority of the Austrian market value</i>	63
<i>... and financial services institutions for over 40% of it</i>	63
<i>A substantial proportion of the Austrian market is underwritten outside of Austria itself</i>	66
Penetration levels	66
<i>There is most scope to increase penetration rates among unlisted enterprises of a sufficient size</i>	66
Underwriter market shares and specialisms.....	67
<i>Chubb and AIG are the underwriters most regularly used by brokers of D&O cover in Austria</i>	67
<i>... with six insurers likely to account for around 85% of a fairly concentrated market</i>	68
<i>... albeit the specific client focus of each is somewhat different</i>	69
<i>Some local insurers have created partnerships for D&O insurance with international specialists</i>	70
Key brokers and broker specialisms	70
<i>GrECo JLT is likely to be the leading broker of D&O insurance in Austria</i>	70
<i>... with specialist competitors such as Infinco and Von Lauff und Bolz also present</i>	71
Trends in claims and key risks	71
<i>Both claims ratios and claims frequency are understood to have been increasing</i>	71
<i>... especially among banking institutions</i>	71
<i>Defence costs account for an estimated 55% of all D&O claims paid out in Austria</i>	71
Future outlook.....	72
<i>Liability risks are rising and Austria could eventually reach levels of litigation already seen in Germany</i>	72
4.0 BELGIUM	74
Introduction	74
Regulatory background.....	74
<i>Belgian 'sociétés anonymes' have traditionally operated with a unitary board system</i>	74
<i>Even slight negligence is sufficient to trigger a director's liability</i>	74
<i>Minority shareholders' actions on behalf of a company are extremely rare</i>	75
Number of insurable entities	75
<i>Belgium's core target market for D&O cover has declined slightly in recent years</i>	75
Market value, growth and segmentation.....	76
<i>... although the value of premiums written moved up by around EUR 10 million from 2010 to 2014</i>	76

D&O INSURANCE IN EUROPE

... driven by higher penetration levels, especially among smaller and medium-sized companies	77
Around 6% of the total market value is due to enterprises outside of the core target market	78
... and just over a third to companies in the manufacturing and primary sectors	78
A comparatively large percentage of business is underwritten by insurers based outside of Belgium	81
Penetration levels	81
Around 160 publicly listed companies in Belgium have taken out D&O insurance	81
... and almost 3,000 unlisted ones with annual revenues of more than EUR 10 million	81
Underwriter market shares and specialisms.....	82
AIG is the only D&O underwriter used regularly by all of the brokers interviewed	82
... and another four providers are likely to hold a market share in excess of 5%.....	83
... with the second, third and fourth positions closely contested by competing underwriters.....	84
Two underwriters, including one indigenous Belgian player, focus on providing D&O cover to SMEs.....	85
Key brokers and broker specialisms	85
As well as Aon and Marsh, Van Breda Risk & Benefits is a leading broker of D&O insurance in Belgium	85
Trends in claims and key risks	85
Companies active in countries with more litigious cultures than Belgium cause most concern	85
Insolvency-linked claims in the construction sector have risen in recent years but may have peaked.....	85
Future outlook.....	86
Most market participants anticipate that premium rates will stagnate or even fall slightly	86
5.0 FRANCE.....	88
Introduction	88
Regulatory background.....	88
Stock corporations in France can be set up using either of two formats	88
Rules concerning directors' duties apply to all types of company in broadly similar ways	88
The burden of proof in management liability lawsuits lies with the claimant	89
Shareholders can bring lawsuits on behalf of the company	89
... and may also find it attractive to initiate criminal proceedings against directors.....	89
Number of insurable entities	90
The core target market for D&O insurance in France is composed of close to 30,000 corporate enterprises	90
As in some other countries, the number of publicly listed firms has declined somewhat in recent years	90
Market value, growth and segmentation.....	91
The French D&O insurance market rose in value by around EUR 40 million between 2010 and 2014	91
... easily outpacing both the French economy and the wider general liability insurance sector	91
Trends in premium rates have been uneven among financial institutions, depending upon perceived risk	91
Around one third of the French market value is due to unlisted corporate enterprises	92
... and a not dissimilar proportion to the manufacturing and primary sectors	93
Most business underwritten outside of France is dealt with at Lloyd's of London.....	96
Penetration levels	96
A small minority of publicly listed companies still lacks D&O cover.....	96
Underwriter market shares and specialisms.....	97
One underwriter is used frequently for D&O cover by all brokers interviewed	97
... which means that it is also a very clear leader in terms of market share.....	98
ACE has begun to target SMEs and not-for-profit entities as customers for D&O policies	99
AXA serves larger corporate accounts through AXA Corporate Solutions, a separate division	99
... as does Allianz	100
Chubb and Liberty International Underwriters are long-established competitors in the French market	100
Key brokers and specialisms.....	100
Most D&O cover is bought via brokers although a small amount goes through both agents and banks	100
Marsh is likely to be the largest broker for D&O insurance in France, followed by Aon and Gras Savoye.....	100
Trends in claims and key risks	101
D&O insurance in France is likely to have been a profitable activity in recent years	101
... although some financial institutions are causing concern	101
... as are selected other sectors including agro-food companies, co-operatives and hospitals.....	101
Future outlook.....	102

D&O INSURANCE IN EUROPE

<i>The forecast market growth rate for 2014 to 2018 is very similar to that for 2010 to 2014</i>	102
<i>... with rising penetration rates offset by softening or stagnating premiums</i>	102
6.0 GERMANY	104
Introduction	104
Regulatory background.....	104
<i>Management board members in Germany are generally considered to face very significant liability risks</i>	104
<i>The great majority of lawsuits are started by supervisory boards</i>	104
<i>In the case of limited liability companies, D&O claims are often related to bankruptcy proceedings</i>	105
Number of insurable entities	105
<i>The number of insurable entities is growing in the case of unlisted entities but falling among listed ones</i>	105
<i>Very few non-corporate entities in Germany have taken out D&O insurance</i>	105
Market value, growth and segmentation.....	106
<i>The German D&O insurance market enjoyed robust growth between 2010 and 2014</i>	106
<i>... in spite of the fact that premiums rates have been falling for many policyholders</i>	107
<i>... if not for certain types of financial institution</i>	108
<i>Penetration rates are rising rapidly (albeit from a very low base) among not-for-profit entities</i>	108
<i>Around a half of the total market value is due to the manufacturing and primary sectors</i>	109
<i>Around 90% of the German D&O insurance market is underwritten in Germany itself</i>	112
Penetration levels	112
<i>Senior managers of publicly listed companies generally expect to be provided with D&O cover</i>	112
<i>There are likely to be well over 20,000 corporate enterprises with D&O insurance in Germany</i>	113
Underwriter market shares and specialisms.....	113
<i>Around 20 underwriters of D&O insurance are used by brokers in Germany</i>	113
<i>... with Allianz likely to be the market leader</i>	114
<i>AIG is re-building its position, especially among larger corporate clients</i>	115
<i>Chubb was one of the companies to first introduce D&O insurance to the German market</i>	116
<i>Underwriting agency VOV is especially strong in the SME market</i>	116
<i>DUAL Deutschland is an important co-insurer for larger risks in the German market</i>	116
<i>HCC and XL Group both focus primarily on large corporate risks</i>	116
<i>... while Hiscox has pioneered D&O insurance products for start-up companies</i>	116
<i>Relatively new entrants include Catlin, CNA, Markel, Mitsui Sumitomo, QBE and W.R. Berkley</i>	117
<i>Many savings banks are insured by public sector insurance companies</i>	117
Key brokers and broker specialisms	117
<i>A few insurers make D&O cover available via their agency networks</i>	117
<i>Gebrüder Klose is a notable specialist working with captive brokers of large German companies</i>	117
<i>Hendricks & Co. is likely to intermeditate the largest number of D&O policies in Germany</i>	118
Trends in claims and key risks	118
<i>The D&O insurance market remains profitable but has experienced rising claims in recent years</i>	118
<i>... especially among companies with annual revenues of more than EUR 50 million</i>	118
<i>... and certain types of investment fund</i>	119
<i>Defence costs account for around 65% of all D&O claims paid out in Germany</i>	119
Future outlook.....	120
<i>The consensus of opinion is that premium rates for D&O cover will bottom out in 2015</i>	120
<i>A debate to reform management liability is underway in Germany</i>	121
7.0 ITALY	122
Introduction	122
Regulatory background.....	122
<i>Stock corporations ('società per azioni') can opt for either a one-tier or two-tier board structure</i>	122
<i>Directors' civil liability cannot generally be restricted or limited through contractual agreements</i>	122
<i>Minority shareholders can bring an action against the directors on behalf of the company</i>	123
<i>Shareholder class actions introduced in 2007 have not had a major impact on the D&O market</i>	123
Number of insurable entities	123
<i>The number of publicly listed firms in Italy moved up quite substantially between 2010 and 2014</i>	123
<i>... but the much higher number of large unlisted companies significantly less so</i>	123

D&O INSURANCE IN EUROPE

Market value, growth and segmentation.....	124
<i>D&O insurance is becoming an increasingly important component of the general liability sector.....</i>	124
<i>... driven by higher awareness of liability risks among Italian managers.....</i>	125
<i>Many smaller D&O accounts are perceived to be exposed to insolvency-related risks.....</i>	125
<i>Unlisted corporate enterprises account for a majority of the market value, albeit a narrow one.....</i>	125
<i>... and financial institutions for a sizeable proportion of the total.....</i>	126
<i>Overseas underwriting capacity is quite important to the Italian D&O insurance market.....</i>	129
Penetration levels.....	129
<i>There is substantial scope to increase penetration rates, even among listed companies.....</i>	129
Underwriter market shares and specialisms.....	130
<i>The great majority of brokers work with AIG, ACE and Chubb on a regular basis for D&O insurance.....</i>	130
<i>... although these competitors are not all in the top three by market share.....</i>	131
<i>Zurich benefits from its strong position in the wider commercial lines market in Italy.....</i>	132
<i>Considered as a single entity, Lloyd's of London is probably ranked sixth in the Italian D&O market.....</i>	133
Key brokers and broker specialisms.....	133
<i>Brokers are dominant as distributors although there is some competition from other channels.....</i>	133
<i>A number of indigenous brokers are important in the SME market.....</i>	133
<i>... and wholesale brokers (such as AEC Master Broker) are also significant in this arena.....</i>	133
Trends in claims and key risks.....	133
<i>Claims frequency has risen in recent years, in part as a result of insolvencies among SMEs.....</i>	133
<i>... and some financial institutions continue to cause concern.....</i>	134
<i>Defence costs account for close to two thirds of all D&O claims paid out in Italy.....</i>	135
Future outlook.....	135
<i>Growth in D&O insurance premiums will easily exceed that of the wider commercial lines market in Italy.....</i>	135
<i>... even if premium rates remain broadly stable for the majority of non-financial accounts.....</i>	135
8.0 NETHERLANDS.....	137
Introduction.....	137
Regulatory background.....	137
<i>A two-tier board structure is mandatory for larger stock corporations.....</i>	137
<i>In the case of insolvency, liquidators have the right to sue directors.....</i>	138
Number of insurable entities.....	138
<i>The core target audience for D&O cover shrunk by around 600 enterprises between 2010 and 2014.....</i>	138
Market value, growth and segmentation.....	139
<i>... although this did not prevent the market value from posting reasonable growth.....</i>	139
<i>... causing it to comfortably outpace the wider market for general liability insurance.....</i>	140
<i>The value of the Dutch market splits quite evenly between listed and unlisted enterprises.....</i>	140
<i>... and the split by business sector is not untypical of that seen elsewhere in Europe.....</i>	141
<i>A fairly substantial proportion of D&O insurance cover is underwritten outside of the Netherlands.....</i>	144
Penetration levels.....	144
<i>There is very limited scope to increase penetration rates among listed enterprises.....</i>	144
<i>... but much more among larger unlisted ones.....</i>	145
Underwriter market shares and specialisms.....	145
<i>Three underwriters of D&O insurance are used on a regular basis by over a half of brokers.....</i>	145
<i>... although these are not the top three when ranked by market share.....</i>	146
<i>The two largest players both offer EUR 25 million in capacity in the primary segment.....</i>	147
<i>Chubb is especially strong among smaller and medium-sized enterprises.....</i>	148
<i>... and Markel is also targeting this audience with simplified lower-cost policies.....</i>	148
Key brokers and broker specialisms.....	148
<i>Major banks are more important as distributors of D&O cover than elsewhere in Europe.....</i>	148
<i>... although brokers are dominant overall.....</i>	148
Trends in claims and key risks.....	148
<i>While claims activity has risen, D&O insurance has remained a profitable activity in aggregate.....</i>	148
<i>The construction sector has seen an increase in insolvency-related claims which may have peaked.....</i>	149
<i>Large financial institutions are thought to be well-protected from possible future external shocks.....</i>	149

D&O INSURANCE IN EUROPE

Future outlook.....	150
<i>Real terms market value growth of 1.9% is predicted from 2014 to 2018.....</i>	150
<i>... although the number of policies issued may rise more rapidly.....</i>	150
9.0 SPAIN.....	152
Introduction.....	152
Regulatory background.....	152
<i>Stock corporations are characterised by a unitary board system but are typically divided into committees.....</i>	152
<i>Shareholders representing 5% of the share capital can sue directors on behalf of the company.....</i>	152
<i>... although shareholder action is not the only way to start legal proceedings against directors.....</i>	153
<i>D&O insurance falls under the relevant provisions of the 'Ley de Contrato de Seguros'.....</i>	153
Number of insurable entities.....	153
<i>Recession has caused a contraction in the number of insurable entities in Spain.....</i>	153
Market value, growth and segmentation.....	154
<i>... but the market value has achieved rapid growth since 2010.....</i>	154
<i>... easily outpacing the economy as a whole and the wider market for general liability insurance.....</i>	155
<i>Premium rates have increased for the construction industry and for financial institutions.....</i>	155
<i>Publicly listed firms are likely to account for over a half of the total D&O insurance market in Spain.....</i>	156
<i>... and financial institutions for a very substantial part of it.....</i>	156
<i>The great majority of premiums are earned by underwriters based in Spain.....</i>	159
Penetration levels.....	159
<i>There remains scope to increase penetration, even among publicly listed companies.....</i>	159
<i>... as well as among firms with an annual turnover in excess of EUR 10 million.....</i>	159
Underwriter market shares and specialisms.....	160
<i>Four underwriters are utilised on a regular basis by brokers for D&O insurance.....</i>	160
<i>... with AIG employed by nearly all of them.....</i>	161
<i>Four insurers are likely to hold a market share of between 10% and 15%.....</i>	162
<i>Markel has developed D&O products specifically designed for several niche segments.....</i>	162
<i>MAPFRE is likely to generate substantial business through its agency network and via banks.....</i>	163
Key brokers and broker specialisms.....	163
<i>Brokers are not the only significant distribution channel for D&O insurance in Spain.....</i>	163
<i>... albeit larger accounts are mainly served by Aon, Marsh and Willis.....</i>	163
Trends in claims and key risks.....	163
<i>Claims ratios and frequency have been climbing from a very low base in recent years.....</i>	163
<i>... in part as a consequence of problems in the construction and financial sectors.....</i>	164
<i>... although Spain's economy turned in an improved performance in 2014.....</i>	164
<i>Defence costs account for a substantial proportion of all D&O claims paid in Spain.....</i>	164
Future outlook.....	165
<i>In real terms, a compound annual rate of growth of 7% is forecast for the period from 2014 to 2018.....</i>	165
<i>... driven mainly by increasing penetration rather than higher premium rates.....</i>	165
10.0 SWEDEN.....	167
Introduction.....	167
Regulatory background.....	167
<i>The law relating to company structure was defined most recently by the 'Aktiebolagslagen' of 2006.....</i>	167
<i>Although not specifically provided for, executive management teams are often set up in large companies.....</i>	167
<i>Shareholders representing 10% of a company's equity can initiate a lawsuit against the management.....</i>	168
Number of insurable entities.....	168
<i>There have been contrasting growth trends in the number of listed and large unlisted enterprises in Sweden.....</i>	168
Market value, growth and segmentation.....	169
<i>D&O insurance makes up a relatively high proportion of the Swedish general liability insurance market.....</i>	169
<i>Moderate growth has occurred in spite of falling premium rates for virtually all client groups.....</i>	170
<i>Publicly listed companies account for a very clear majority of the D&O insurance market in Sweden.....</i>	170
<i>... and financial institutions for over 40% of it.....</i>	171
<i>Some larger risks are co-insured through underwriting capacity outside of Sweden itself.....</i>	174
Penetration levels.....	174

D&O INSURANCE IN EUROPE

<i>Not all listed companies in Sweden are covered for D&O insurance</i>	174
<i>A total of close to 2,500 corporate enterprises are likely to have taken out D&O cover</i>	174
Underwriter market shares and specialisms	175
<i>At least a dozen underwriters of D&O insurance are active in the Swedish market</i>	175
<i>... but it is dominated by four of them</i>	176
<i>Länsförsäkringar focuses mainly on providing D&O cover to smaller enterprises</i>	177
Key brokers and broker specialisms	177
<i>... and is one of the few players selling through distribution channels other than brokers</i>	177
<i>Aon, JLT, Marsh and Willis are likely to account for more than a half of the broker-intermediated market</i>	178
Trends in claims and key risks	178
<i>The Swedish market for D&O insurance has tended to be characterised by low claims ratios</i>	178
<i>Companies active in the US or with international exposures are underwritten most tightly</i>	178
Future outlook	179
<i>Between 2014 and 2018, the Swedish market will make further steady progress</i>	179
11.0 SWITZERLAND	181
Introduction	181
Regulatory background	181
<i>Swiss stock corporations do not have to be structured with a two-tier board model</i>	181
<i>In certain circumstances, both directors and other managers may be held personally liable</i>	181
<i>... and they cannot contractually limit their liability towards their company</i>	182
<i>There are no provisions under Swiss law dealing specifically with D&O insurance</i>	182
Number of insurable entities	182
<i>The number of publicly listed companies in Switzerland has fallen slightly since 2010</i>	182
<i>... although unlisted enterprises with an annual turnover above EUR 10 million have grown in number</i>	182
Market value, growth and segmentation	183
<i>The Swiss D&O insurance market is well-developed but delivering little growth</i>	183
<i>... having previously risen in value in the wake of the bankruptcy of Swissair in 2001</i>	184
<i>Stagnation has come about in part through sharply falling premium rates</i>	184
<i>Publicly listed companies account for slightly over a half of the total Swiss market value</i>	185
<i>... with around 30% due to the manufacturing and primary sectors</i>	186
<i>Lloyd's of London has significant representation in the Swiss market</i>	189
Penetration levels	190
<i>A rising proportion of unlisted entities with annual revenues above EUR 10 million is buying D&O cover</i>	190
<i>... meaning that there are around 2,800 insured firms in this category</i>	190
Underwriter market shares and specialisms	191
<i>Four underwriters are regularly used for D&O insurance by more than a half of brokers surveyed</i>	191
<i>... and nine are believed to hold a market share of 5% or more</i>	191
<i>Zurich is likely to be the market leader in Switzerland by a narrow margin</i>	192
<i>AXA is strong among SMEs while ACE is mainly focused on large corporate customers</i>	193
<i>As in other countries, Allianz is active through both AGCS and its local insurance business</i>	193
<i>Several indigenous underwriters are known to reinsure most or all of their D&O portfolio</i>	193
Key brokers and broker specialisms	193
<i>Brokers account for the lion's share of distribution of D&O insurance</i>	193
<i>... with Kessler, Aon and Funk Gruppe likely to be the most influential</i>	194
Trends in claims and key risks	194
<i>Switzerland is characterised by comparatively low claims ratios for D&O insurance</i>	194
<i>... partly because claims notifications tend to be settled at an early stage</i>	194
Future outlook	195
<i>Market growth may be driven by achieving higher penetration among uninsured SMEs</i>	195
12.0 UK	197
Introduction	197
Regulatory background	197
<i>There are two main types of corporate entity of interest in the context of management liability</i>	197
<i>... although the introduction of limited liability partnerships created a third</i>	197

D&O INSURANCE IN EUROPE

<i>Company law in the UK is defined mainly by the Companies Act of 2006</i>	197
<i>The UK Corporate Governance Code is also significant in the context of D&O insurance</i>	198
<i>The normal limitation period for breach of fiduciary duty is six years</i>	198
<i>Minority shareholders can bring claims on behalf of the company</i>	198
<i>Costs related to official investigations are an important trigger for D&O claims in the UK</i>	199
Number of insurable entities	199
<i>There has been some growth in the number of publicly listed corporate enterprises since 2010</i>	199
<i>... but much more among unlisted companies with substantial annual revenues</i>	199
<i>The number of limited liability partnerships in the UK has now reached a substantial level</i>	200
Market value, growth and segmentation	201
<i>The value of the UK D&O insurance market is likely to have broken through GBP 500 million in 2014</i>	201
<i>... and has been rising as a proportion of the wider general liability insurance sector</i>	201
<i>... but relatively low insolvency-related claims among SMEs have limited growth in the market value</i>	202
<i>... as has competition among underwriters, especially for non-financial accounts</i>	202
<i>A comparatively high proportion of D&O premiums in the UK is attributable to publicly listed companies</i>	203
<i>... and financial institutions account for the lion's share of the total market value</i>	203
Penetration levels	206
<i>A small percentage of publicly listed enterprises has yet to take out D&O cover</i>	206
<i>... and a much larger percentage of unlisted ones with sufficient revenues to make them core targets</i>	206
Underwriter market shares and specialisms	207
<i>At least 30 underwriters of D&O insurance compete in the broker channel in the UK</i>	207
<i>... although three are likely to hold more than a half of the market value between them</i>	208
<i>Chubb's 'MASTERPLUS' policy is especially popular among privately held companies</i>	209
<i>Beyond the top seven underwriters, the UK market structure appears to fragment rapidly</i>	210
Key brokers and broker specialisms	210
<i>AXA, DUAL and W.R. Berkley have all introduced online quotation systems for D&O insurance</i>	210
<i>The leading brokers of D&O cover in the UK are mainly the leading brokers of commercial lines in general</i>	210
Trends in claims and key risks	211
<i>D&O insurance in the UK is profitable and has not seen any great increase in the value of claims paid</i>	211
<i>... in spite of concerns in certain sectors, especially large banking institutions</i>	211
<i>Middle market financial institutions are considered to be relatively sound risks</i>	211
<i>Enforcement of regulations is a primary driver of claims in UK D&O insurance</i>	211
<i>Defence costs are likely to account for over three quarters of the value of all D&O claims paid in the UK</i>	212
Future outlook	212
<i>The value of the market is predicted to grow in both nominal and real terms up to 2018</i>	212
<i>... but first-time buyers will not influence this greatly as these are mainly smaller organisations</i>	213
13.0 APPENDIX	214
Brokers and insurers participating in the survey	214
Austria	214
Belgium	214
France	214
Germany	214
Italy	214
Netherlands	215
Spain	215
Sweden	215
Switzerland	215
UK	215

LIST OF GRAPHICS / TABLES

0.0 EXECUTIVE SUMMARY	1
1.0 INTRODUCTION	10
2.0 EUROPEAN OVERVIEW	15
Number of insurable entities in Europe segmented between corporate enterprises, non-incorporated enterprises and not-for-profit entities, 2014	17
Number of insurable entities in Europe segmented between corporate enterprises, non-incorporated enterprises and not-for-profit entities, 2014 (table).....	18
Number of corporate and non-incorporated enterprises in Europe segmented between the financial services sector, the non-financial services sector and the manufacturing / primary sector, and by country, 2014	19
Number of corporate and non-incorporated enterprises in Europe segmented between the financial services sector, the non-financial services sector and the manufacturing / primary sector, and by country, 2014 (table).....	20
Number of publicly listed companies in Europe, segmented by country, 2010 and 2014	21
Number of publicly listed companies in Europe, segmented by country, 2010 and 2014 (table).....	21
Number of unlisted corporate enterprises with revenues above EUR 10 million in Europe, segmented by country, 2010 and 2014	22
Number of unlisted corporate enterprises with revenues above EUR 10 million in Europe, segmented by country, 2010 and 2014 (table)	23
Gross written premiums for D&O insurance in Europe, segmented by country, 2014	24
Compound annual growth in gross written premiums for D&O insurance in Europe, segmented by country, 2010 to 2014.....	25
Gross written premiums for D&O insurance in Europe, segmented by country, 2010 and 2014 (table)	26
Ratio of gross written premiums for D&O insurance to GDP in Europe, segmented by country, 2014.....	27
Ratio of gross written premiums for D&O insurance to gross written premiums for total liability insurance in Europe, segmented by country, 2010 and 2014	28
Segmentation of D&O insurance premiums between publicly listed corporate enterprises, unlisted corporate enterprises and other organisations in Europe, segmented by country, 2014	30
Segmentation of D&O insurance premiums between publicly listed corporate enterprises, unlisted corporate enterprises and other organisations in Europe, segmented by country, 2014 (table).....	31
Segmentation of D&O insurance premiums between the financial services sector, the non-financial services sector and the manufacturing / primary sector in Europe, segmented by country, 2014.....	33
Segmentation of D&O insurance premiums between the financial services sector, the non-financial services sector and the manufacturing / primary sector in Europe, segmented by country, 2014 (table) ..	34
Ratio of D&O insurance premiums to gross value added in the financial services sector in Europe, segmented by country, 2014	35
Ratio of D&O insurance premiums to gross value added in the non-financial services sector in Europe, segmented by country, 2014	36
Ratio of D&O insurance premiums to gross value added in the manufacturing / primary sector in Europe, segmented by country, 2014	37
Ratio of D&O insurance premiums to gross value added in the financial services sector, the non-financial services sector and the manufacturing / primary sector in Europe, segmented by country, 2014.....	38
Ratio of D&O insurance premiums to gross value added the financial services sector, the non-financial services sector and the manufacturing / primary sector in Europe, segmented by country 2014 (continued)	39
Segmentation of D&O insurance premiums in Europe between business underwritten domestically and business underwritten abroad, segmented by country, 2014.....	41
Segmentation of D&O insurance premiums in Europe between business underwritten domestically and business underwritten abroad, segmented by country, 2014 (table)	42

D&O INSURANCE IN EUROPE

Proportion of publicly listed corporate enterprises with D&O insurance in Europe, segmented by country, 2014	43
Proportion of publicly listed corporate enterprises with D&O insurance in Europe, segmented by country, 2014 (table).....	44
Proportion of unlisted corporate enterprises with revenues above EUR 10 million with D&O insurance in Europe, segmented by country, 2014	45
Proportion of unlisted corporate enterprises with revenues above EUR 10 million with D&O insurance in Europe, segmented by country, 2014 (table)	46
Frequency of usage of specific D&O insurance underwriters by brokers in Europe, 2014	48
Frequency of usage of top D&O insurance underwriters by brokers in Europe, segmented by country, 2014	50
Estimated market shares of D&O insurance premiums of underwriters in Europe, 2014	51
Estimated market shares of gross written premiums of the three largest D&O insurance underwriters in Europe, segmented by country, 2014	52
Segmentation of claims costs between defence costs and other claims costs in Europe in a typical year, segmented by country.....	54
Segmentation of claims costs between defence costs and other claims costs in Europe in a typical year, segmented by country (table)	55
Forecast compound annual growth in gross written premiums for D&O insurance in Europe, segmented by country, 2014 to 2018	57
Forecast growth in gross written premiums for D&O insurance in Europe, segmented by country, 2018 (table)	58
3.0 AUSTRIA.....	59
Number of insurable entities segmented by legal structure, size and sector in Austria, 2014.....	61
Premiums for D&O insurance and the percentage of the total general liability insurance market that this represents in Austria, 2010 and 2014	62
Segmentation of D&O insurance premiums in Austria between publicly listed corporate enterprises, unlisted corporate enterprises and other organisations, 2014.....	63
Segmentation of D&O insurance premiums in Austria between the financial services sector, the non-financial services sector and the manufacturing / primary sector, 2014	64
Ratio of D&O insurance premiums to gross value added in the financial services sector, the non-financial services sector and the manufacturing / primary sector in Austria, 2014 (table)	65
Ratio of D&O insurance premiums to gross value added in the financial services sector, the non-financial services sector and the manufacturing / primary sector in Austria, 2014	65
Segmentation of D&O insurance premiums in Austria between underwriters based in Austria and underwriters based abroad, 2014	66
Proportion of publicly listed corporate enterprises and unlisted corporate enterprises with revenues above EUR 10 million with D&O insurance in Austria, 2014	67
Frequency of usage of specific insurance underwriters by major brokers of D&O insurance in Austria, 2014	68
Estimated market shares of D&O insurance premiums of underwriters in Austria, 2014.....	69
Segmentation of claims costs between defence costs and other claims costs in Austria in a typical year	72
Forecast premiums for D&O insurance in Austria, 2018	73
4.0 BELGIUM	74
Number of insurable entities segmented by legal structure, size and sector in Belgium, 2014.....	76
Premiums for D&O insurance and the percentage of the total general liability insurance market that this represents in Belgium, 2010 and 2014	77
Segmentation of D&O insurance premiums in Belgium between publicly listed corporate enterprises, unlisted corporate enterprises and other organisations, 2014.....	78
Segmentation of D&O insurance premiums in Belgium between the financial services sector, the non-financial services sector and the manufacturing / primary sector, 2014	79
Ratio of D&O insurance premiums to gross value added in the financial services sector, the non-financial services sector and the manufacturing / primary sector in Belgium, 2014 (table).....	80

D&O INSURANCE IN EUROPE

Ratio of D&O insurance premiums to gross value added in the financial services sector, the non-financial services sector and the manufacturing / primary sector in Belgium, 2014	80
Segmentation of D&O insurance premiums in Belgium between underwriters based in Belgium and underwriters based abroad, 2014	81
Proportion of publicly listed corporate enterprises and unlisted corporate enterprises with revenues above EUR 10 million with D&O insurance in Belgium, 2014	82
Frequency of usage of specific insurance underwriters by major brokers of D&O insurance in Belgium, 2014	83
Estimated market shares of D&O insurance premiums of underwriters in Belgium, 2014	84
Segmentation of claims costs between defence costs and other claims costs in Belgium in a typical year	86
Forecast premiums for D&O insurance in Belgium, 2018	87
5.0 FRANCE	88
Number of insurable entities segmented by legal structure, size and sector in France, 2014	90
Premiums for D&O insurance and the percentage of the total general liability insurance market that this represents in France, 2010 and 2014	92
Segmentation of D&O insurance premiums in France between publicly listed corporate enterprises, unlisted corporate enterprises and other organisations, 2014	93
Segmentation of D&O insurance premiums in France between the financial services sector, the non-financial services sector and the manufacturing / primary sector, 2014	94
Ratio of D&O insurance premiums to gross value added in the financial services sector, the non-financial services sector and the manufacturing / primary sector in France, 2014 (table)	95
Ratio of D&O insurance premiums to gross value added in the financial services sector, the non-financial services sector and the manufacturing / primary sector in France, 2014	95
Segmentation of D&O insurance premiums in France between underwriters based in France and underwriters based abroad, 2014	96
Proportion of publicly listed corporate enterprises and unlisted corporate enterprises with revenues above EUR 10 million with D&O insurance in France, 2014	97
Frequency of usage of specific insurance underwriters by major brokers of D&O insurance in France, 2014	98
Estimated market shares of D&O insurance premiums of underwriters in France, 2014	99
Segmentation of claims costs between defence costs and other claims costs in France in a typical year	102
Forecast premiums for D&O insurance in France, 2018	103
6.0 GERMANY	104
Number of insurable entities segmented by legal structure, size and sector in Germany, 2014	106
Premiums for D&O insurance and the percentage of the total general liability insurance market that this represents in Germany, 2010 and 2014	107
Segmentation of D&O insurance premiums in Germany between publicly listed corporate enterprises, unlisted corporate enterprises and other organisations, 2014	109
Segmentation of D&O insurance premiums in Germany between the financial services sector, the non-financial services sector and the manufacturing / primary sector, 2014	110
Ratio of D&O insurance premiums to gross value added in the financial services sector, the non-financial services sector and the manufacturing / primary sector in Germany, 2014 (table)	111
Ratio of D&O insurance premiums to gross value added in the financial services sector, the non-financial services sector and the manufacturing / primary sector in Germany, 2014	111
Segmentation of D&O insurance premiums in Germany between underwriters based in Germany and underwriters based abroad, 2014	112
Proportion of publicly listed corporate enterprises and unlisted corporate enterprises with revenues above EUR 10 million with D&O insurance in Germany, 2014	113
Frequency of usage of specific insurance underwriters by major brokers of D&O insurance in Germany, 2014	114
Estimated market shares of D&O insurance premiums of underwriters in Germany, 2014	115

D&O INSURANCE IN EUROPE

Segmentation of claims costs between defence costs and other claims costs in Germany in a typical year	120
Forecast premiums for D&O insurance in Germany, 2018	121
7.0 ITALY	122
Number of insurable entities segmented by legal structure, size and sector in Italy, 2014	124
Premiums for D&O insurance and the percentage of the total general liability insurance market that this represents in Italy, 2010 and 2014	125
Segmentation of D&O insurance premiums in Italy between publicly listed corporate enterprises, unlisted corporate enterprises and other organisations, 2014.....	126
Segmentation of D&O insurance premiums in Italy between the financial services sector, the non-financial services sector and the manufacturing / primary sector, 2014	127
Ratio of D&O insurance premiums to gross value added in the financial services sector, the non-financial services sector and the manufacturing / primary sector in Italy, 2014 (table).....	128
Ratio of D&O insurance premiums to gross value added in the financial services sector, the non-financial services sector and the manufacturing / primary sector in Italy, 2014	128
Segmentation of D&O insurance premiums in Italy between underwriters based in Italy and underwriters based abroad, 2014	129
Proportion of publicly listed corporate enterprises and unlisted corporate enterprises with revenues above EUR 10 million with D&O insurance in Italy, 2014	130
Frequency of usage of specific insurance underwriters by major brokers of D&O insurance in Italy, 2014	131
Estimated market shares of D&O insurance premiums of underwriters in Italy, 2014.....	132
Segmentation of claims costs between defence costs and other claims costs in Italy in a typical year ...	134
Forecast premiums for D&O insurance in Italy, 2018	135
8.0 NETHERLANDS	137
Number of insurable entities segmented by legal structure, size and sector in the Netherlands, 2014....	139
Premiums for D&O insurance and the percentage of the total general liability insurance market that this represents in the Netherlands, 2010 and 2014	140
Segmentation of D&O insurance premiums in the Netherlands between publicly listed corporate enterprises, unlisted corporate enterprises and other organisations, 2014	141
Segmentation of D&O insurance premiums in the Netherlands between the financial services sector, the non-financial services sector and the manufacturing / primary sector, 2014	142
Ratio of D&O insurance premiums to gross value added in the financial services sector, the non-financial services sector and the manufacturing / primary sector in the Netherlands, 2014 (table)	143
Ratio of D&O insurance premiums to gross value added in the financial services sector, the non-financial services sector and the manufacturing / primary sector in the Netherlands, 2014.....	143
Segmentation of D&O insurance premiums in the Netherlands between underwriters based in the Netherlands and underwriters based abroad, 2014.....	144
Proportion of publicly listed corporate enterprises and unlisted corporate enterprises with revenues above EUR 10 million with D&O insurance in the Netherlands, 2014.....	145
Frequency of usage of specific insurance underwriters by major brokers of D&O insurance in the Netherlands, 2014.....	146
Estimated market shares of D&O insurance premiums of underwriters in the Netherlands, 2014	147
Segmentation of claims costs between defence costs and other claims costs in the Netherlands in a typical year.....	150
Forecast premiums for D&O insurance in the Netherlands, 2018	151
9.0 SPAIN	152
Number of insurable entities segmented by legal structure, size and sector in Spain, 2014.....	154
Premiums for D&O insurance and the percentage of the total general liability insurance market that this represents in Spain, 2010 and 2014	155
Segmentation of D&O insurance premiums in Spain between publicly listed corporate enterprises, unlisted corporate enterprises and other organisations, 2014.....	156
Segmentation of D&O insurance premiums in Spain between the financial services sector, the non-financial services sector and the manufacturing / primary sector, 2014	157

D&O INSURANCE IN EUROPE

Ratio of D&O insurance premiums to gross value added in the financial services sector, the non-financial services sector and the manufacturing / primary sector in Spain, 2014 (table)	158
Ratio of D&O insurance premiums to gross value added in the financial services sector, the non-financial services sector and the manufacturing / primary sector in Spain, 2014	158
Segmentation of D&O insurance premiums in Spain between underwriters based in Spain and underwriters based abroad, 2014	159
Proportion of publicly listed corporate enterprises and unlisted corporate enterprises with revenues above EUR 10 million with D&O insurance in Spain, 2014	160
Frequency of usage of specific insurance underwriters by major brokers of D&O insurance in Spain, 2014	161
Estimated market shares of D&O insurance premiums of underwriters in Spain, 2014	162
Segmentation of claims costs between defence costs and other claims costs in Spain in a typical year	165
Forecast premiums for D&O insurance in Spain, 2018	166
10.0 SWEDEN	167
Number of insurable entities segmented by legal structure, size and sector in Sweden, 2014	169
Premiums for D&O insurance and the percentage of the total general liability insurance market that this represents in Sweden, 2010 and 2014	170
Segmentation of D&O insurance premiums in Sweden between publicly listed corporate enterprises, unlisted corporate enterprises and other organisations, 2014	171
Segmentation of D&O insurance premiums in Sweden between the financial services sector, the non-financial services sector and the manufacturing / primary sector, 2014	172
Ratio of D&O insurance premiums to gross value added in the financial services sector, the non-financial services sector and the manufacturing / primary sector in Sweden, 2014 (table)	173
Ratio of D&O insurance premiums to gross value added in the financial services sector, the non-financial services sector and the manufacturing / primary sector in Sweden, 2014	173
Segmentation of D&O insurance premiums in Sweden between underwriters based in Sweden and underwriters based abroad, 2014	174
Proportion of publicly listed corporate enterprises and unlisted corporate enterprises with revenues above EUR 10 million with D&O insurance in Sweden, 2014	175
Frequency of usage of specific insurance underwriters by major brokers of D&O insurance in Sweden, 2014	176
Estimated market shares of D&O insurance premiums of underwriters in Sweden, 2014	177
Segmentation of claims costs between defence costs and other claims costs in Sweden in a typical year	179
Forecast premiums for D&O insurance in Sweden, 2018	180
11.0 SWITZERLAND	181
Number of entities by legal structure and sector in Switzerland, 2014	183
Premiums for D&O insurance and the percentage of the total general liability insurance market that this represents in Switzerland, 2010 and 2014	185
Segmentation of D&O insurance premiums in Switzerland between publicly listed corporate enterprises, unlisted corporate enterprises and other organisations, 2014	186
Segmentation of D&O insurance premiums in Switzerland between the financial services sector, the non-financial services sector and the manufacturing / primary sector, 2014	187
Ratio of D&O insurance premiums to gross value added in the financial services sector, the non-financial services sector and the manufacturing / primary sector in Switzerland, 2014 (table)	188
Ratio of D&O insurance premiums to gross value added in the financial services sector, the non-financial services sector and the manufacturing / primary sector in Switzerland, 2014	188
Segmentation of D&O insurance premiums in Switzerland between underwriters based in Switzerland and underwriters based abroad, 2014	189
Proportion of publicly listed corporate enterprises and unlisted corporate enterprises with revenues above EUR 10 million with D&O insurance in Switzerland, 2014	190
Frequency of usage of specific insurance underwriters by major brokers of D&O insurance in Switzerland, 2014	191
Estimated market shares of D&O insurance premiums of underwriters in Switzerland, 2014	192

D&O INSURANCE IN EUROPE

Segmentation of claims costs between defence costs and other claims costs in Switzerland in a typical year	195
Forecast premiums for D&O insurance in Switzerland, 2018.....	196
12.0 UK	197
Number of insurable entities segmented by legal structure, size and sector in the UK, 2014.....	200
Premiums for D&O insurance and the percentage of the total general liability insurance market that this represents in the UK, 2010 and 2014	202
Segmentation of D&O insurance premiums in the UK between publicly listed corporate enterprises, unlisted corporate enterprises and other organisations, 2014.....	203
Segmentation of D&O insurance premiums in the UK between the financial services sector, the non-financial services sector and the manufacturing / primary sector, 2014	204
Ratio of D&O insurance premiums to gross value added in the financial services sector, the non-financial services sector and the manufacturing / primary sector in the UK, 2014 (table)	205
Ratio of D&O insurance premiums to gross value added in the financial services sector, the non-financial services sector and the manufacturing / primary sector in the UK, 2014.....	205
Segmentation of D&O insurance premiums in the UK between underwriters based in the UK and underwriters based abroad, 2014	206
Proportion of publicly listed corporate enterprises and unlisted corporate enterprises with revenues above EUR 10 million with D&O insurance in the UK, 2014.....	207
Frequency of usage of specific insurance underwriters by major brokers of D&O insurance in the UK, 2014	208
Estimated market shares of D&O insurance premiums of underwriters in the UK, 2014.....	209
Segmentation of claims costs between defence costs and other claims costs in the UK in a typical year	212
Forecast premiums for D&O insurance in the UK, 2018	213
13.0 APPENDIX	214