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A Newsletter from Chicago Underwriting Group

Underwriters of D&O and Professional Liability Insurance

In this issue ... our D&O underwriting preferences are revisited.

Securities Class Action lawsuit filings: some history and realities

Keeping count of Securities Class Action (SCA) lawsuits has always been something of a challenge because, as Kevin LaCroix points out in his [July 4 D&O Diary blog](#), different data sources use different methods of computation.

Notwithstanding disparities in collection methodology, the [Stanford Securities Class Action Clearinghouse](#) web site remains a leader in federal SCA data collection. In Stanford's review of 4,207 filings since 1996, the industry sector most frequently targeted is technology, with 1,157 filings, or more than one in four of all filings. In Kevin LaCroix's own mid-year review of 2016 (which includes both federal and state filings), he shows the life sciences sector as having the highest number of filings for the year so far. Those filings, together with "high tech," represent slightly less than a third of all first half 2016 filings.

Whichever way the lawsuits are counted, it is clear that technology and life science companies have always presented, and continue to present, special challenges for D&O underwriters.

It is for those industry sectors that Chicago Underwriting Group has been providing an uninterrupted D&O market since 1983, offering solutions and demonstrating a commitment to these pioneering, innovative — and sometimes volatile— companies which have, in many ways, been the driver of the U.S. economy for at least the past three decades. This commitment by Chicago Underwriting Group can be measured by the fact that more than 60% of the NASDAQ Biotechnology Index, and more than 50% of the NASDAQ-100 Index buy a portion of their D&O insurance from Chicago Underwriting Group. We are proud of our historic and continued involvement in these turbulent sectors —but there is much more to our D&O underwriting profile and expertise.

The Full Story

It is easy and understandable to pigeonhole Chicago Underwriting Group as a "tech and bio-tech" carrier, but the reality is that our appetite for D&O extends far beyond that challenging niche, and that we welcome —and insure— applicants from across the spectrum of American business.

To reinforce your understanding of our market appetite, we have updated and simplified our D&O Underwriting Preference guide, to better reflect and explain our wide-ranging capabilities. The guide, which many readers will have seen before, is reproduced below, and can also be found on our [web site](#). We therefore encourage you to consider Chicago Underwriting Group for virtually all the business in your public company and private D&O portfolio, as we provide excess limits for private companies, with streamlined follow-form coverage.

D&O Underwriting Preferences

Subject to change at any time.

| Coverage & Limits | Yes | Pass |
|--|--|--|
| <p>Primary D&O <i>Form ORUG-95</i></p> <p>Up to \$15,000,000 in a single layer, or split between multiple layers.</p> | <p>All classes, except those in the "pass" column.</p> | <ul style="list-style-type: none"> - Hedge Funds - Investment Advisors - Global Money Center Banks - Private Equity Partnerships |
| <p>Excess D&O <i>Form ORUG-91</i></p> <p>Public Company – Up to \$15,000,000 in a single layer, or split between multiple layers.</p> <p>Private Company – Up to \$15,000,000 in a single layer, or split between multiple layers.</p> | <p>All classes, except those in the "pass" column.</p> <p>Private Companies (including Excess D&O, Fiduciary, and Employment Practices Liability).</p> | <ul style="list-style-type: none"> - Hedge Funds - Investment Advisors - Global Money Center Banks - Private Equity Partnerships |
| <p>Side A Only <i>Can be in addition to any ABC participation.</i></p> <p>Up to \$25,000,000: in a single layer, or split between multiple layers.</p> <p>Lead Side A / DIC <i>Form ORUG-93</i></p> <p>Excess Side A <i>Form ORUG-92</i></p> <p>Independent Director Liability: <i>By endorsement</i></p> | <p>All classes considered for lead and excess Side A-Only, except Hedge Funds.</p> | |

Policies are issued on behalf of Old Republic Insurance Company. Products may not be available in every state. State variations may apply.

Chicago Underwriting Group: A D&O market-maker for more than 30 years

Insurance contracts are underwritten by Old Republic Insurance Company, rated A+ (Superior) by A.M. Best, A2 Stable by Moody's, and A+ Stable by Standard and Poor's.

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