

In this issue... Nothing stays the same, especially corporate governance and finance, the focus of the D&O insurance industry. Here are some illustrations of the changing landscape:

Current and Emerging

Passing into History

Policyholders focusing on compliance in the wake of Sarbanes-Oxley, using stock trading plans and demonstrating good governance to obtain a positive response from D&O insurers.

Policyholders getting inexpensive D&O insurance as a safety net for sloppy corporate governance and loose accounting practices.

Chicago Underwriting Group welcomes efforts by policyholders to differentiate themselves from their peers. The best run companies will get the best results.

Mutual funds as the latest symbol of corruption and insider dealing on Wall Street.

Mutual funds viewed as bastions of integrity in a mendacious financial world.

By employing market timing techniques, and allowing after-hours trading for selected preferred customers, mutual funds have let down millions of ordinary investors.

Significant corporate malfeasance in Europe.

"It can't happen here" European attitude to egregious corporate fraud.

The Parmalat and Ahold scandals, by their sheer financial magnitude, the extent of the alleged corruption, and the former stature of the companies, showed that financial fraud in Europe can match anything in America. More concerns for D&O carriers.

Eliot Spitzer, New York Attorney General, in pursuit of financial fraud wherever he finds it.

The SEC as the traditional watch-dog of the financial community.

With his aggressive approach to prosecuting corruption, Eliot Spitzer has shown up the SEC's enforcement arm as weak, and possibly too close to the people it is meant to be monitoring.

John Thain appointed CEO of the New York Stock Exchange.

Richard Grasso, long-time NYSE leader and protector of the old ways, dismissed.

When details of his lucrative compensation package became public, Richard Grasso was forced to resign, opening the door to much needed reforms of the NYSE trading practices that he had resisted. Excessive compensation could trigger the next wave of D&O litigation.



Old Republic Insurance Company carries the following ratings:

A. M. Best:	A+ (Superior)
Standard & Poor's:	AA (Security Circle)
Moody's:	Aa2
Weiss Ratings:	A- (Excellent)

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