



SAPPHIRE UNDERWRITING

Directors &
Officers Liability
Basic concepts
and why are we
at the stage of
D&OMG!

IIG Development Day 15 November 2021
Sapphire Underwriting Limited is regulated by
the GFSC



Basic Concepts.....



SAPPHIRE
UNDERWRITING

POLICY / COVERAGE TYPES:

Side A

Side A (DIC)

Side A&B

A,B,C

A&B, Entity EPL, Corporate Liability (MLP)

POSI



Basic Coverage info

Cover	Description	Who is the insured?	What is at risk?
Side A	Protects assets of individual directors and officers for claims where the company is not legally or financially able to fund indemnification	Individual officer	His/her personal assets
Side B	Reimburses public or private company to the extent that it grants indemnification and advances legal fees on behalf of directors/officers	Company	Its corporate assets
Side C	Extends cover for public company (the entity, not individuals) for securities claims only	Company	Its corporate assets



Why has the Market Hardened in such a fashion?



SAPPHIRE UNDERWRITING

Lloyd's Commercial D&O Risk Code Report (Excluding Expenses)

YoA	Gross Gross Premium (GP)	Gross Paid Claims (PC)	Outstanding Claims (OS)	Net Paid Claim Ratio (PR)	Net Incurred Claim Ratio (IR)
2001	0	0	0	0.0	0.0
2002	0	0	0	0.0	0.0
2003	0	0	0	0.0	0.0
2004	37,503,952	-10,133,206	-349,829	34.1	35.3
2005	59,150,461	-15,787,590	-221,619	34.2	34.7
2006	69,566,444	-27,182,014	-233,437	51.1	51.5
2007	77,261,648	-22,056,375	-876,872	37.3	38.8
2008	81,165,274	-16,448,985	-1,828,977	26.5	29.4
2009	106,837,105	-33,126,129	-2,945,936	39.6	43.2
2010	132,045,132	-45,793,221	-6,120,264	43.9	49.7
2011	143,592,582	-141,422,010	-21,829,318	124.8	144.0
2012	136,534,180	-44,935,645	-53,732,916	42.0	92.3
2013	136,481,423	-32,069,793	-33,442,413	29.6	60.5
2014	158,206,079	-113,847,335	-45,126,577	93.6	130.7
2015	153,064,566	-104,389,436	-46,438,159	87.4	126.3
2016	225,433,928	-70,079,318	-54,525,328	40.5	72.0
2017	277,382,291	-39,329,150	-118,957,576	18.8	75.5
2018	290,996,027	-12,208,696	-26,762,407	5.4	17.3
2019	310,312,154	-4,471,730	-14,582,861	1.8	7.7
2020	19,081,394	-446,949	-2,404	2.8	2.8



What next for D&O



What drives Insurer appetite....



2021 The year that was...
Car Crash or Opportunity?



How do insurers rate a risk...basic
concepts...



SAPPHIRE
UNDERWRITING

