


AFL

A NEXTGEN
COMPANY



Public D&O Case Studies

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 AFL Insurance Brokers

Introduction

After several years of record-breaking levels of Securities Class Action (SCA) filings, in combination with the current global pandemic, pressure on an already hardened and saturated D&O marketplace is set to continue for the foreseeable future. This accompanied by the significant emergence of event driven litigation, unfavourable legislative rulings and capacity shortfall means that underwriting discipline and rates will continue to harden throughout 2021 and very possibly beyond.



The main factors impacting D&O rates at this time include significant levels of SCA filings, a saturated legacy settlement pipeline, Covid-19 & its impact on global economies and commerce, #MeToo, inclusivity & diversity movements, cyber & privacy security and catastrophes.

Underwriters are undertaking portfolio corrections which includes a focus on coverage, retentions, capacity and pricing, more commonly a combination of all four - in particular, D&O renewals for foreign filers are experiencing the greatest changes to their D&O programs including retention and premium movement to unforeseen levels.

In this difficult trading environment, it is important to partner with a broker who is experienced with hard market conditions, impactful, has a detailed understanding of the market and able to effectively work closely with established underwriting relationships to deliver complex solutions.

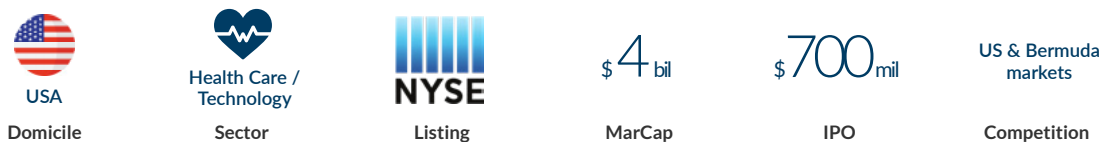
AFLs Financial & Professional Solutions team is made up of exactly these ingredients and have proven to be successful in minimising the impact to D&O insurance programs since the turning of the market – to evidence this expertise we have provided several select examples of recent successes so that we can clearly demonstrate how and where we can add value to you, your client and the entire placement process.

Case Studies & Placement Examples

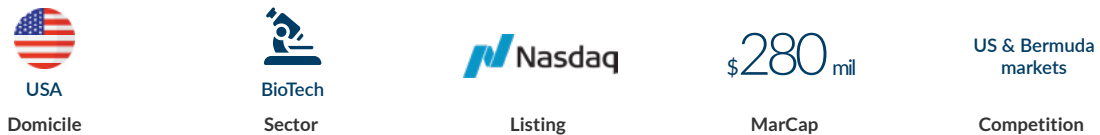
IPO



We were influential in assisting our retail partner in securing the appointment to handle this IPO and were able to secure \$15m of ABC capacity in London at a competitive rate.



Placed \$10m of excess ABC limits in the London market for this large and complex IPO.



We were approached by our retail broker to secure new Side A DIC capacity 3 days before renewal after the insured had just provided notice of an SEC Investigation and Books & Records matter. The client had also incurred a 40% stock drop the day before inception. We were able to provide a solution for a new Side A DIC layer with a prominent London carrier.



Our team were able to provide competitive Side A only terms for the Insured who was conducting various trial phases pre-FDA approval. Furthermore, we also secured the most competitive option for Side B and C coverage during the clients IPO process against stern competition from US, Canadian and Bermudan markets.



\$284 mil
MarCap

\$55 mil
IPO

Marsh
Competition

We were approached a matter of weeks ahead of the targeted SPAC IPO date. The Insured had become disenchanted with performance of their existing broker which had resulted in less favourable terms and a very inefficiently structured & expensive D&O programme.

After closer review of the placement and taking time to establishing a detailed knowledge of claims performance within the sector, our team were able to re-structure the placement resulting in a cost saving to the Insured in excess of \$250,000.

Public Company



\$311 mil
MarCap

Marsh
Competition

Executed a \$35m ABC and Side A DIC placement with London carriers, securing appointment.



\$18 bn
MarCap

US & Bermudan
Markets
Competition

We successfully secured a primary option with a leading London carrier enabling our local retailer to leverage local markets into a position they needed in order to provide the most competitive solution possible which totalled \$300m in both ABC and Side A DIC limits, utilising US, London and Bermudan capacity.



\$657 mil
MarCap

US & Bermudan
Markets
Competition

Placed new excess ABC and Side A DIC capacity with London and Bermudan carriers.



Greece

Domicile



Shipping

Sector



Listing

\$ 1 bn

MarCap

AON

Competition

We were appointed as a secondary competing broker having only been allocated with a small number of markets. We successfully secured an option to compete with the incumbent brokers terms, eventually leading to us being appointed by the Insured.



Monaco

Domicile



Shipping

Sector



Listing

\$ 176 mil

MarCap

Incumbent Broker

Competition

This particular Insured was experiencing a difficult renewal given the significant increases in both pricing and retention being applied to foreign filers. We restructured their ABC and Side A DIC programme to achieve the most competitive pricing possible.



Greece

Domicile



Shipping

Sector



Listing

\$ 1 bn

MarCap

Willis

Competition

Appointed by the Insured as a secondary competing broker 4 weeks ahead of inception. A complex placement of four separate US listings across each operating entity - we offered material savings via a combined aggregate option with A rated London carriers.



Cyprus

Domicile



Shipping

Sector



Listing

\$ 7 mil

MarCap

Other London Brokers

Competition

After the client had appointed various other London brokers, in an attempt to secure favourable renewal terms, the client was at a loss at the cost of their upcoming D&O program. We leverage our market relationships to secure a competitive option for the Insured.



Australia
Domicile



Mining
Sector



ASX
Listing

\$ 17 mil

MarCap

Local
Australian Markets

Competition

Obtained a competitive alternative renewal pricing and coverage option for our client who was operating in a difficult and volatile sector.



Cayman Islands
Domicile



Manufacturing
Sector



Listing

\$ 44 mil

MarCap

Paragon Brokers

Competition

We were approached 2 weeks out from inception whereby the London broker was only able to provide an option through the incumbent carrier which was extremely punitive. Using our broad market relationships, we were able to provide an alternative option which saved the client over \$30,000 per million, subsequently securing appointment.



Marshall Islands
Domicile



Shipping
Sector



Listing

\$ 159 mil

MarCap

AON

Competition

We were approached 3 days from inception whereby the London broker provided renewal pricing that exceeded the higher end of a pre-estimated pricing range by some margin. We were able to provide an alternative option with a mix of new and alternative markets, importantly resulting in an option that fell within the pre-estimated pricing range and thus securing AFL the appointment and order.



Australia
Domicile



Mining
Sector



ASX
Listing

\$ 5 mil

MarCap

Millers

Competition

Appointed by our retailer due to our expertise in distressed D&O placements, our client was experiencing financial difficulties at a time where many local carriers were refusing to offer Securities Claims coverage.

The incumbent broker who had been marketing the account for a number of months was unable to secure renewal terms. Once we were approached, we were able to re-frame the risk in a more favourable manner and offer the client a primary option through a well-known and respected London carrier.



AFL

Creative, be inventive and open minded in our thinking.

Determined, never give up and enjoy the challenge.

Excellent, take pride in everything we do.

NEXTGEN



Broker at **LLOYDS**

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AFL Insurance Brokers is registered as a company in England & Wales (Reg No. 03575050). Our registered address is 8 Lloyd's Avenue, London EC3N 3EL and is authorised and regulated by the Financial Conduct Authority. Our FCA Register number is 308657 and this information can be checked on the FCA Register at <https://register.fca.org.uk/> or by telephoning 0800 111 6768.