



***Quarterly D&O Claim Trends:  
Quarter 3 of 2013***

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# Quarterly D&O Claim Trends: Quarter 3

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- **White Paper**
- Copy of these **slides**
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- **D&O lawsuits** (Advisen MSCAd large loss database)
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**THE D&O DIARY**

# Today's Moderator



**Jim Blinn**, Executive Vice President and Principal,  
Advisen Ltd.

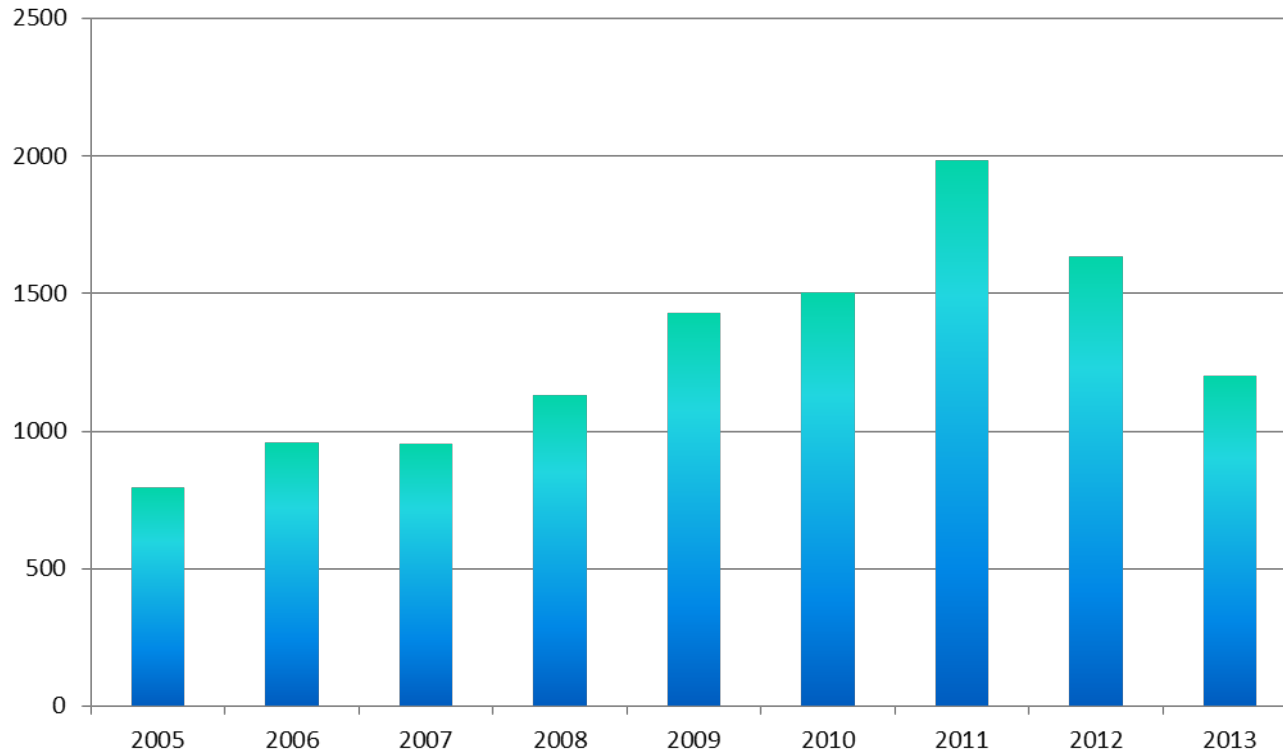
# New Case Classification System

Old Category	Old Type	New Category	New Type
Securities	Books & Records Violations	Corporate Capital Risks	Books & Records Violations
Securities	Breach of Fiduciary Duties: Class Action	Shareholder Risks	Merger Objection
Securities	Breach of Fiduciary Duties: Securities	Shareholder Risks	Breach of Fiduciary Duties: Securities
Securities	Collective Action	Shareholder Risks	Collective Action
Securities	Creditor Derivative	Shareholder Risks	Creditor Derivative
Securities	Derivative Action	Corporate Capital Risks	Derivative Action
Securities	Derivative Shareholder Action	Shareholder Risks	Derivative Shareholder Action
Securities	Proxies and Solicitation Violations	Corporate Capital Risks	Proxies and Solicitation Violations
Securities	Securities Class Action	Shareholder Risks	Securities Class Action
Securities	Securities Fraud	Shareholder Risks	Securities Individual Actions
Securities	Securities Fraud	Corporate Capital Risks	Capital Regulatory Actions

# Key Findings

- Total filings and new enforcement actions down 4 percent from the previous quarter
  - 268 total events: lowest quarterly total since prior to 2009
  - 2013 on pace for lowest annual total since prior to financial crisis
- The number of merger objection cases continued to decline falling 23 percent from the previous quarter
- Capital regulatory actions was the leading type of new securities filing in Q3
  - Capital regulatory actions includes a majority of cases that were formerly classified as securities fraud
- SCA suits filings increased
- Financial services sector remained leading source of new filings
- Total number of settlements down, but average value up
- SCA settlements remained most significant source of large losses with average settlement of \$66.2 million for quarter

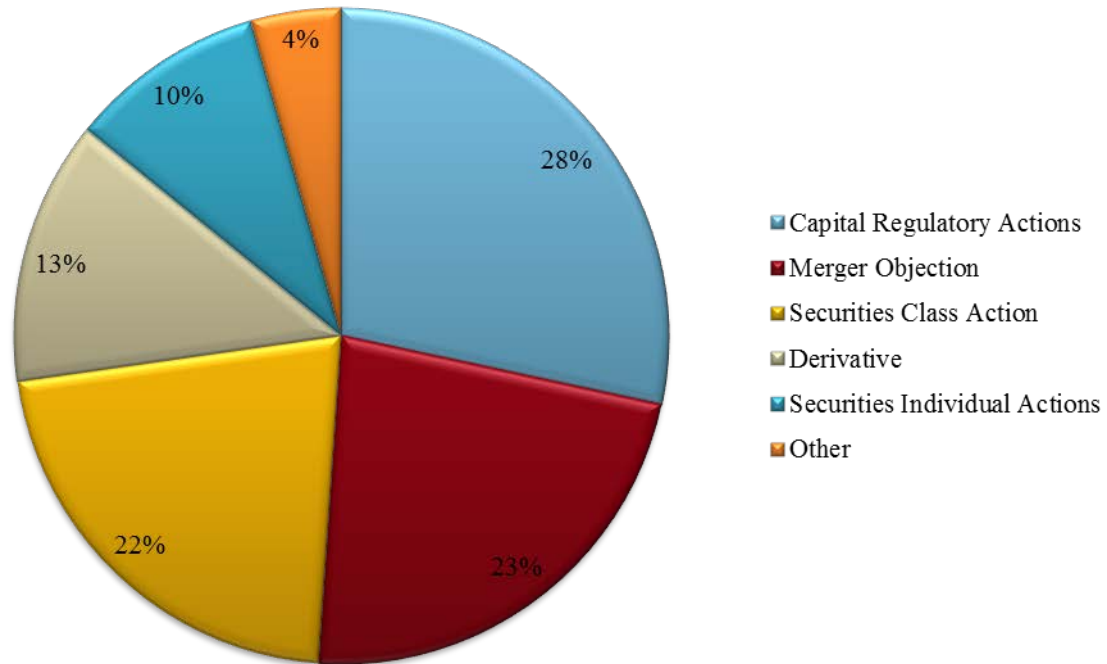
# Filings and Enforcement Actions



Source: Advisen MSCAd™

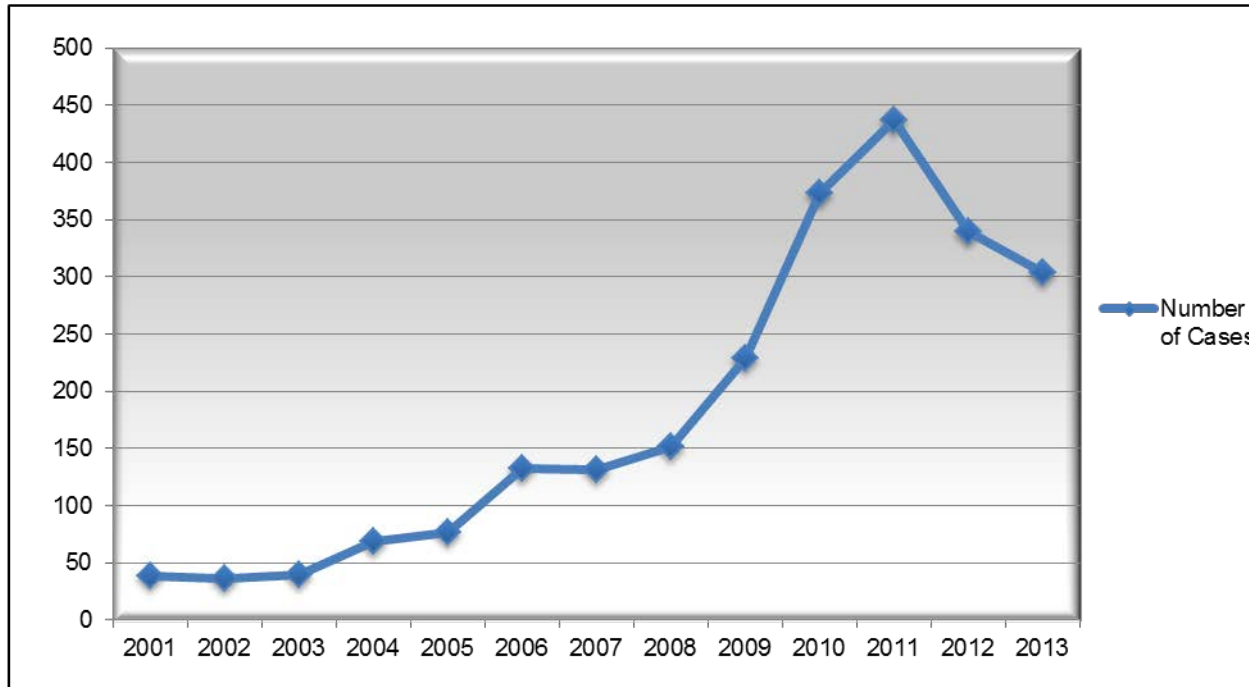


# Suits by Type



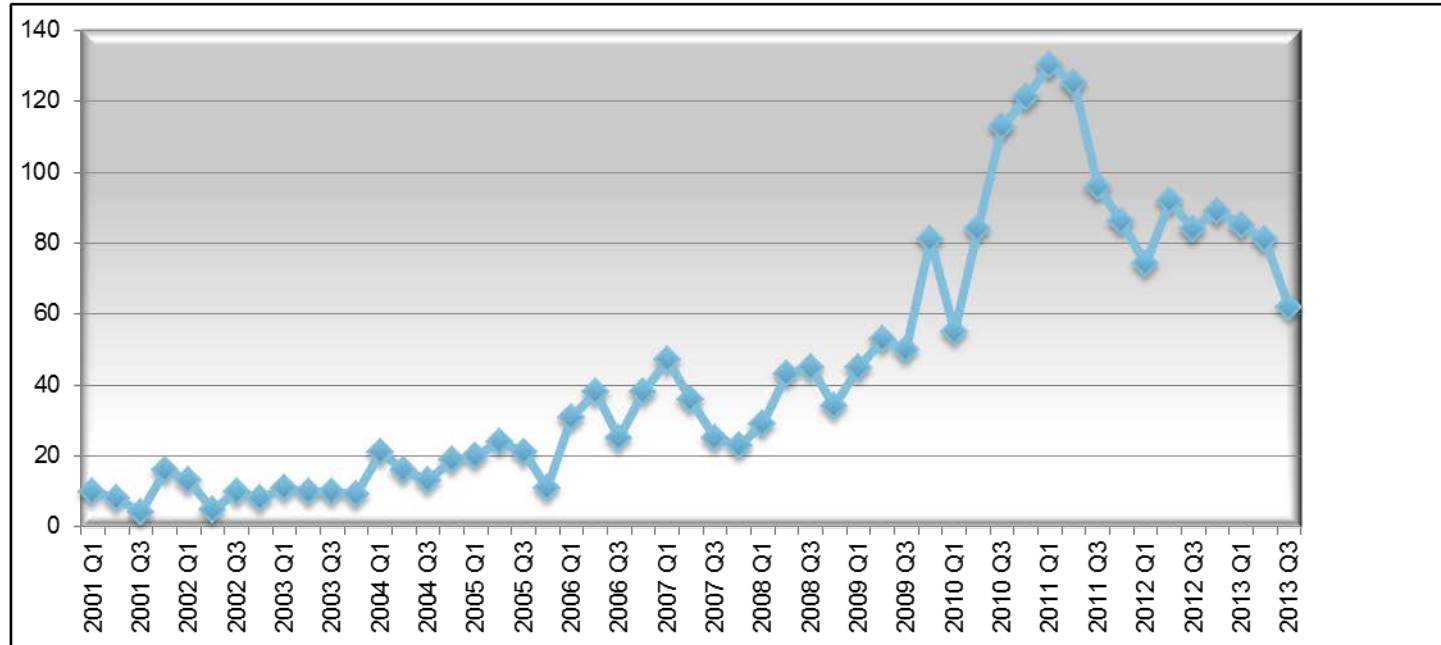
Source: Advisen MSCAd™

# Merger Objection Cases Annualized



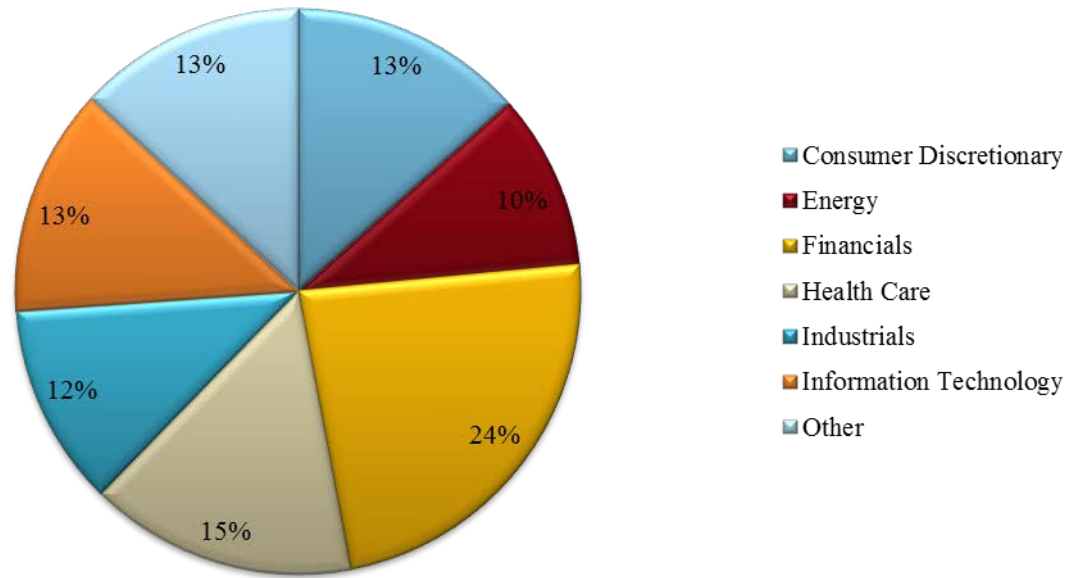
Source: Advisen MSCAd™

# Merger Objection Cases by Quarter



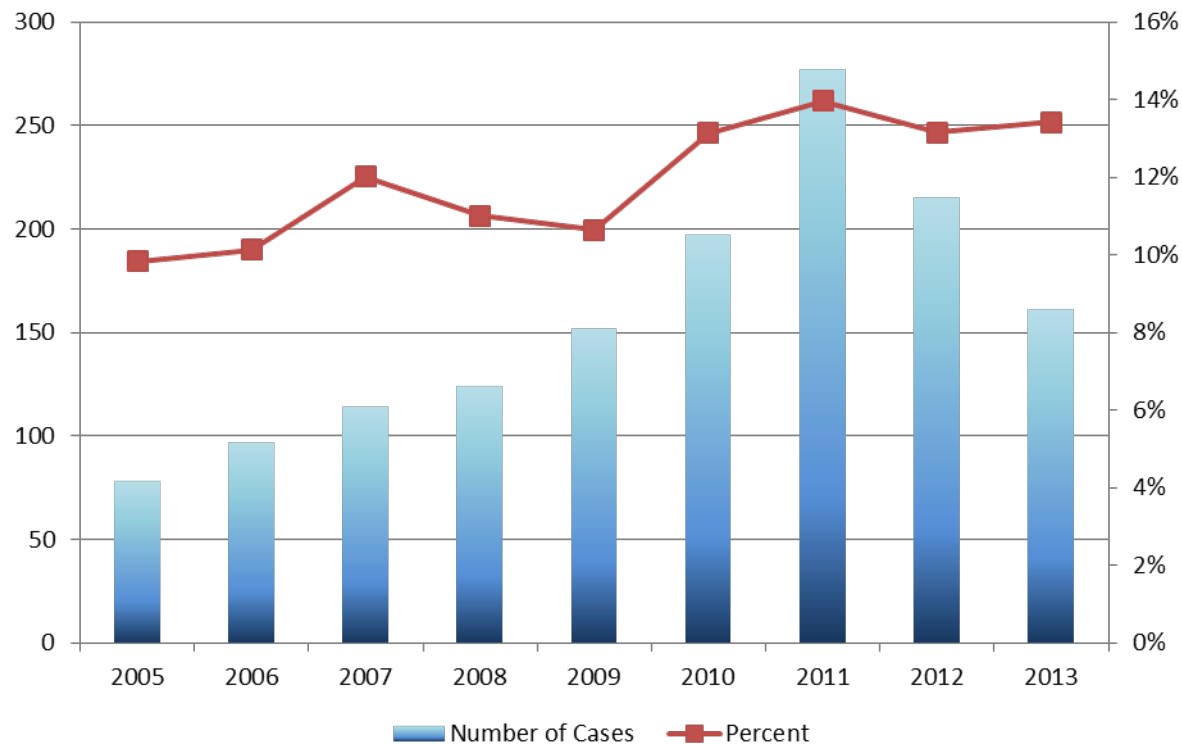
Source: Advisen MSCAd™

# Suits by Industry



Source: Advisen MSCAd™

# Non-US Companies



Source: Advisen MSCAd™

# Today's Panelists



**Richard Dziedziula**, Vice President, Directors and Officers, Financial Lines Claims, AIG



**Kevin LaCroix**, Executive Vice President, RT ProExec, a division of RT Specialty



**Joseph O'Neil**, Partner, Peabody and Arnold

# Today's Panelists



**Richard Dzedziula**, Vice President, Directors and Officers, Financial Lines Claims, AIG

Richard Dzedziula is currently Vice President, Directors and Officers, Financial Lines Claims at AIG. He has been in this role since 2009. Prior to his current position, he was an Assistant VP in Financial Institutions at AIG. He started at AIG in 2003 as a Complex Claim Director and was promoted to Senior Complex Claim Director before assuming his role in Financial Institutions.

Prior to his time at AIG, he has held a succession of positions in the public and private sectors, practicing as an Assistant District Attorney in Kings County, New York; Senior Counsel in the Legal Department at Prudential Securities and lastly, Vice President and Chief Compliance Officer at BNY Investment Center, an affiliate of the Bank of New York.

He attended Georgetown University in Washington D.C. and earned a Bachelor of Science Degree in Business Administration. He attended St. John's University School of Law in New York and earned a J.D. degree.

# Today's Panelists



**Kevin LaCroix**, Executive Vice President, RT ProExec, a division of RT Specialty

Kevin M. LaCroix is an attorney and Executive Vice President, RT ProExec, Beachwood, Ohio, a division of R-T Specialty, LLC. RT ProExec is an insurance intermediary focused exclusively on management liability issues.

Kevin has been involved in directors' and officers' liability insurance issues for over 25 years. He began his career as a coverage attorney and partner at the Washington, D.C law firm of Ross, Dixon and Bell. More recently, Kevin served as President of Genesis Professional Liability Managers, a D&O underwriter and part of the Berkshire Hathaway group of companies.

Kevin is also the author of the Internet weblog, The D&O Diary, <http://www.dandodiary.com>, "a periodic journal containing items of interest from the world of directors' and officers' liability, with occasional commentary." In addition, Kevin is a columnist for the Insurance Journal. Kevin is a graduate of the University of Virginia and of the University of Michigan Law School.



# Today's Panelists



**Joseph O'Neil, Partner, Peabody and Arnold**

Joe O'Neil is an insurance coverage specialist whose experience includes litigating insurance coverage disputes, monitoring high profile litigation on behalf of insurers and negotiating insurance coverage disputes. Mr. O'Neil's expertise includes D&O, fidelity, general liability, professional liability, employment practices liability, and fiduciary liability insurance coverage. He formerly worked for Marsh, USA, Inc. in its D&O/Professional Liability area (FINPRO).

Mr. O'Neil is also on the Steering Committee for the New England Chapter of PLUS.

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# Many Thanks to our Speakers!



**Richard Dziedziula**, Vice President, Directors and Officers, Financial Lines Claims, AIG



**Kevin LaCroix**, Executive Vice President, RT ProExec, a division of RT Specialty



**Joseph O'Neil**, Partner, Peabody and Arnold

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## Getting the Edge on Workers Compensation: Corralling Rising Medical Costs

*Tuesday, December 10, 2013 at 11am EST*

<https://www1.gotomeeting.com/register/837398128>



The screenshot shows the Advisen website interface. At the top, there is a navigation bar with links for 'ADVISEN's Digital Insurance Platform', 'About Advisen', 'Corner Store', 'Front Page News', 'Alerts', 'Community', 'Login', and 'Contact'. Below this is a search bar. The main header features the 'ADVISEN's CORNER STORE' logo and a promotional banner for 'Productivity & Profitability for Employers' with a 'See Advisen's new information multiple access approach' link. A secondary navigation bar includes 'ADVISEN LTD.', 'TOPICAL REPORTS', 'ANALYTICS REPORTS', 'SALE'S REPORT', 'SOLUTIONS', 'INSURANCE NEWS', 'ADVISEN EVENTS', 'JOB & CAREERS', and 'ADVISEN RESOURCES'. The main content area is titled 'Industry Profile Report | More' and features a 'Webinars' section. This section includes a photo of a man looking at a computer screen, the heading 'Advisen Webinars', and a 'WEBINAR ARCHIVE' button. The text describes the webinars as weekly events produced by the Advisen Conference Programming Board, highlighting past topics like 'State of The Industry Reports' and 'The Role of The Risk Manager'.

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<http://events.Signup4.com/AdvisenCyberInsights2013>



*Date: Tuesday, November 12, 8:00 AM GMT*

<http://events.Signup4.com/AdvisenEuropeanDO2013>

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