



**Directors & Officers/Other Professional
Lines Insurance Program
Board of Directors Open Item 16
September 15, 2011**

Ken Van Laar

Key Renewal Results

- Gallagher performed policy audit on D&O Coverage
 - 17 new enhancements added to policy forms
- Increased Limits for D&O Coverage
 - \$5M Increase in Limits
- Total Premium reduced \$50K D&O, E&O, Employment Practices and Cyber.

State Fund Renewal Summary

State Fund 2011 Renewal Summary

Coverage	Prior Limits	New Limits	Prior Premium	New Premium	Coverage Comments
Directors & Officers Liability	\$25mm (\$ 5mm Side-A)	\$30mm (\$10mm Side-A)	357,359	326,738	Added \$5mm of new Side-A limit, reduced rate per \$million cost by 24%; introduced 17 new endorsements containing more than 20 key enhancements to policy form
Errors & Omissions (E&O)	\$10mm	\$10mm	535,500	508,300	Reduced premiums by 5%; provided positive clarification on exclusionary reserving wording as respects reserving
Employment Practices	\$10mm	\$10mm	127,032	127,032	Staved off premium increase despite market movements and claims trends
Cyber Risk	\$10mm 3rd Party \$ 2mm 1st Party \$10mm "Reputational Harm" \$ 2mm Crisis Management	\$10mm 3rd Party \$ 2mm 1st Party 5mm "Reputational Harm" \$ 5mm Crisis Management	137,375	143,050	Increased Crisis Management coverage, with \$3mm of new limits for notification costs, credit monitoring, etc.; expanded consumer redress cover; increased M&A threshold; improved notice of claim
Managed Care E&O	\$ 5mm	\$ 5mm	61,656	61,656	Preserved flat renewal and all coverage grants of value in a rising marketplace

D&O Renewal Program

2011 D&O Renewal Program

