

AIG and Chubb were ranked either one or two in virtually every asset class. However, ranking was much more widely divided when viewed by business class. AEGIS, for example, accounted for 41% of policies and 89% of premium volume in the Utilities sector. XL accounted for 65% of premiums in Education, while AIG dominated the Durable Goods sector with 28% of policies and 56% of the premiums.

Among excess insurers, XL was ranked first in both policy count (13.8%) and percent of premium (12.3%). In terms of policy count, Chubb ranks second, and Old Republic ranks third. In share of premium, AIG ranks second, and Chubb ranks third.

Appendix A contains a listing of all insurance markets writing direct D&O insurance of which we are aware. Three new markets were added to this year's list — Ariel Re, IronPro and Freedom Specialty (Scottsdale).

EXHIBIT 54
Primary Market Share by Policy Count

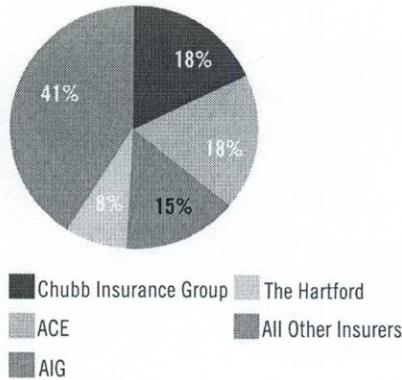


EXHIBIT 55
Primary Market Share by Premium Volume

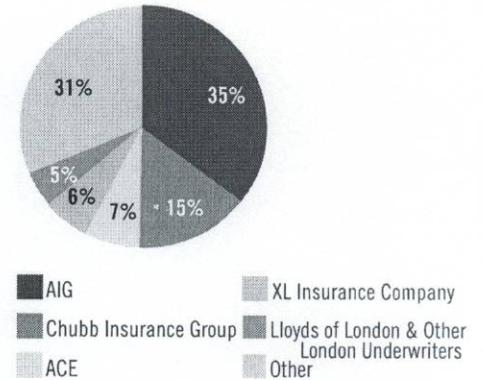


EXHIBIT 56
Leading Primary Insurer by Insured's Asset Size

Asset Size	Insurer	Percent of Policy Count	Percent of Premium Volume
\$0 - \$6 million	ACE	26%	10%
	Chubb Insurance Group	15%	16%
	AIG	11%	26%
	The Hartford	9%	8%
	W.R. Berkley	8%	6%
\$6 million - \$10 million	Chubb Insurance Group	18%	26%
	ACE	18%	11%
	The Hartford	8%	7%
	AIG	7%	12%
	W.R. Berkley	6%	8%
	CNA Insurance Companies	5%	4%
	Travelers	5%	2%
\$10 million - \$50 million	Chubb Insurance Group	20%	12%
	AIG	19%	40%
	ACE	14%	9%
	The Hartford	10%	5%
	W.R. Berkley	9%	9%
\$50 million - \$100 million	AIG	22%	35%
	Chubb Insurance Group	18%	9%
	W.R. Berkley	10%	12%
	The Hartford	8%	5%
	XL Insurance Company	6%	8%
	ACE	6%	3%

EXHIBIT 56 (continued)

Leading Primary Insurer by Insured's Asset Size

Asset Size	Insurer	Percent of Policy Count	Percent of Premium Volume
\$100 million - \$400 million	AIG	32%	40%
	Chubb Insurance Group	19%	15%
	ACE	8%	11%
	W.R. Berkley	6%	4%
\$400 million - \$1 billion	Chubb Insurance Group	27%	23%
	AIG	26%	37%
	Travelers	10%	6%
	Lloyd's of London and Other London Underwriters	5%	9%
	Old Republic	5%	8%
	XL Insurance	5%	6%
	The Hartford	5%	2%
\$1 billion - \$2 billion	AIG	24%	46%
	Chubb Insurance Group	24%	12%
	Lloyd's of London and Other London Underwriters	10%	15%
	XL Insurance	10%	8%
	Houston Casualty	8%	4%
	ACE	6%	6%
	Zurich Insurance Company	6%	4%
\$2 billion - \$5 billion	AIG	33%	44%
	Chubb Insurance Company	23%	22%
	Lloyd's of London and Other London Underwriters	7%	7%
	The Hartford	7%	7%
	Travelers	7%	5%
	Great American Insurance	7%	4%
\$5 billion - \$10 billion	AIG	27%	53%
	Chubb Insurance Group	9%	11%
	ACE	9%	8%
	Houston Casualty	9%	7%
	The Hartford	9%	7%
	Zurich Insurance Company	9%	5%
	Travelers	9%	3%
	CNA Insurance	9%	3%
Over \$10 billion	AIG	28%	21%
	Chubb Insurance Group	22%	14%
	AEGIS	19%	45%
	Travelers	9%	5%
	ACE	6%	5%
	The Hartford	6%	3%

EXHIBIT 57
Leading Primary Insurers by Business Class

Business Class	Insurer	Percent of Policy Count	Percent of Premium Volume
Banking	Travelers	23%	25%
	AIG	21%	32%
	Chubb Insurance Group	21%	23%
	XL Insurance Company	7%	5%
Biotechnology & Pharmaceuticals	AIG	25%	49%
	W.R. Berkley	19%	11%
	Chubb Insurance Group	18%	13%
	ACE	13%	4%
	The Hartford	11%	3%
Durable Goods	AIG	28%	56%
	Chubb Insurance Group	25%	12%
	Travelers	9%	9%
	ACE	9%	0%
	Lloyds of London & Other London Underwriters	5%	8%
	The Hartford	5%	0%
Education	Philadelphia Insurance Group	22%	4%
	Great American Insurance	17%	1%
	Chubb Insurance Group	11%	22%
	Travelers	11%	2%
	AIG	11%	2%
	XL Insurance Company	6%	65%
	The Hartford	6%	%
	ACE	6%	0%
Governmental & Other Nonprofit	Chubb Insurance Group	19%	27%
	CNA Insurance Companies	11%	5%
	Travelers	9%	6%
	ACE	8%	8%
	AIG	7%	12%
Health Services	Chubb Insurance Group	21%	22%
	AIG	15%	49%
	ACE	13%	2%
	The Hartford	10%	2%
	Zurich Insurance	6%	8%
	CNA Insurance Company	6%	2%

EXHIBIT 57 (continued)

Leading Primary Insurers by Business Class

Business Class	Insurer	Percent of Policy Count	Percent of Premium Volume
Merchandising	ACE	26%	23%
	Chubb Insurance Group	18%	17%
	AIG	16%	25%
	The Hartford	9%	5%
	Great American Insurance Group	6%	6%
Nonbanking Financial Services	Chubb Insurance Group	30%	27%
	Houston Casualty	17%	10%
	The Hartford	14%	9%
	AIG	11%	12%
Nondurable Goods	AIG	21%	45%
	ACE	21%	3%
	Chubb Insurance Group	15%	20%
	W.R. Berkley	11%	7%
Other	Chubb Insurance Group	23%	23%
	The Hartford	14%	16%
	Houston Casualty	14%	6%
	ACE	11%	18%
	AIG	9%	17%
	XL Insurance	9%	13%
Personal & Business Services	ACE	31%	9%
	AIG	15%	45%
	The Hartford	10%	3%
	Chubb Insurance Group	8%	9%
	W.R. Berkley	8%	9%
Petroleum, Mining, Agriculture	AIG	16%	21%
	Chubb Insurance Group	16%	9%
	Travelers	16%	2%
	ACE	13%	1%
	XL Insurance Company	9%	24%
	The Hartford	6%	15%
	Navigators Insurance	6%	3%

EXHIBIT 57 (continued)

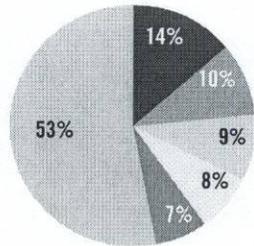
Leading Primary Insurers by Business Class

Business Class	Insurer	Percent of Policy Count	Percent of Premium Volume
Real Estate, Construction	Chubb Insurance Group	15%	5%
	CNA Insurance Company	15%	0%
	AIG	11%	34%
	Zurich Insurance Company	9%	11%
	Lloyd's of London and Other London Underwriters	7%	9%
	Great American Insurance	7%	8%
	ACE	7%	2%
	XL Insurance Company	7%	1%
Technology	ACE	27%	10%
	Chubb Insurance Group	17%	15%
	AIG	14%	35%
	The Hartford	8%	4%
	W.R. Berkley	8%	4%
	Lloyd's of London and Other London Underwriters	7%	12%
Transportation & Communications	AIG	24%	37%
	Chubb Insurance Group	19%	17%
	ACE	16%	2%
	XL Insurance Company	8%	22%
	The Hartford	6%	3%
	Lloyd's of London and Other London Underwriters	6%	1%
Utilities	AEGIS	41%	89%
	Chubb Insurance Group	18%	1%
	AIG	12%	7%
	Lloyd's of London and Other London Underwriters	12%	0%
	Zurich Insurance	6%	2%
	ACE	6%	0%

EXHIBIT 58
Market Share for Excess Insurers

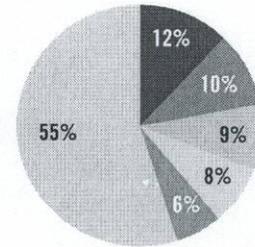
Insurer	Policy Count	Count Percent	Count Rank	Premium Volume	Premium Percent	Premium Rank
ACE	106	6.0%	7	\$ 12,711,803	5.5%	6
AIG	136	7.7%	4	23,381,034	10.0%	2
Allied World Assurance Co.						
— AWAC	37	2.1%	16	6,110,922	2.6%	15
Arch Capital	42	2.4%	14	4,885,446	2.1%	20
AXIS Financial	50	2.8%	12	11,165,776	4.8%	8
Chubb Insurance Group	178	10.1%	2	19,848,913	8.5%	3
CNA Insurance Companies	22	1.2%	19	3,435,914	1.5%	21
Corporate Officers & Directors						
Assurance	5	0.3%	25	1,100,950	0.5%	25
Crum & Forster Group	4	0.2%	26	199,050	0.1%	26
Darwin Professional Underwriters	16	0.9%	22	1,360,337	0.6%	24
Energy Insurance Mutual Limited	9	0.5%	24	7,515,701	3.2%	12
Great American Insurance Group	17	1.0%	21	1,517,276	0.7%	23
The Hartford	110	6.2%	6	14,366,256	6.2%	5
Houston Casualty	38	2.2%	15	5,323,518	2.3%	19
Hudson Insurance Group	119	6.7%	5	11,953,268	5.1%	7
Liberty International	99	5.6%	8	8,143,010	3.5%	11
Lloyd's of London and Other						
London Underwriters	46	2.6%	13	7,371,637	3.2%	13
Navigators Insurance	70	4.0%	10	5,393,588	2.3%	17
Old Republic	154	8.7%	3	18,734,068	8.0%	4
RLI	22	1.2%	19	2,229,195	1.0%	22
Royal Insurance Company	16	0.9%	22	6,147,653	2.6%	14
Travelers	90	5.1%	9	10,946,976	4.7%	9
W.R. Berkley	70	4.0%	10	5,379,117	2.3%	18
XL Insurance Company	243	13.8%	1	28,618,973	12.3%	1
Zurich Insurance Company	28	1.6%	18	6,054,886	2.6%	16
Other	37	2.1%	16	9,021,482	3.9%	10
All Insurers	1,764	100%		\$ 232,916,749	100%	

EXHIBIT 59
Excess Market Share by
Policy Count



XL Insurance Company
 AIIG
 Chubb Insurance Group
 Hudson Insurance Group
 Old Republic
 All Other Insurers

EXHIBIT 60
Excess Market Share by
Premium Volume



XL Insurance Company
 Old Republic
 AIIG
 The Hartford
 Chubb Insurance Group
 All Other Insurers

INSURANCE BROKERS

Last year saw changes in D&O broker rankings. Woodruff-Sawyer, ranked number three in 2006, now ranks number one in both policy count (707) and percent of policies written (24.5%). William Gallagher Associates retained its number two ranking with a total of 656 policies and 22.7% of survey participants. Armfield Harrison & Thomas likewise retained its number three spot with 650 policies representing 22.5% of participants. ABD Insurance, ranked number one last year, is now in fourth position with 545 policies (18.9% participants).

Armfield Harrison & Thomas ranked first among nonprofit survey participants. William Gallagher was first among private organizations with Woodruff-Sawyer a close second. Carpenter Moore was first among public companies with Woodruff-Sawyer again a close second.

EXHIBIT 61

D&O Broker Rankings Ranking by Number of Retail* Accounts as Primary Broker

	Policy Count	Policy Percent	Count Rank
ABD Insurance and Financial Services	545	18.9%	4
Wells Fargo	25	0.9%	8
Aon	14	0.5%	10
Armfield Harrison & Thomas	650	22.5%	3
Carpenter Moore	199	6.9%	5
Hays Group	1	0.0%	15
Hilb Rogal & Hamilton	2	0.1%	14
Holmes Murphy	1	0.0%	15
John L. Wortham & Son	1	0.0%	15
Lockton	4	0.1%	13
Marsh	16	0.6%	9
McGriff, Seibels & Williams	6	0.2%	11
Sullivan Group	32	1.1%	6
William Gallagher Associates	656	22.7%	2
Willis	5	0.2%	12
Woodruff-Sawyer & Company	707	24.5%	1
Integro	1	0.0%	15
Other	26	0.9%	7
All Brokers	2,891	100.0%	—

*Wholesale brokers' activities are not measured here.

EXHIBIT 62
Leading Brokers by Asset Size

Asset Size	Insurer	Policy Percent
\$0 - \$6 million	Woodruff-Sawyer & Company	30%
	William Gallagher Associates	26%
	ABD Insurance and Financial Services	25%
	Armfield Harrison & Thomas	13%
\$6 million - \$10 million	Armfield Harrison & Thomas	55%
	William Gallagher Associates	18%
	ABD Insurance and Financial Services	13%
	Woodruff-Sawyer & Company	10%
\$10 million - \$50 million	William Gallagher Associates	30%
	Woodruff-Sawyer & Company	28%
	ABD Insurance and Financial Services	21%
	Armfield Harrison & Thomas	10%
	Carpenter Moore	9%
\$50 million - \$100 million	Woodruff-Sawyer & Company	35%
	William Gallagher Associates	27%
	ABD Insurance and Financial Services	16%
	Carpenter Moore	15%
\$100 million - \$400 million	Woodruff-Sawyer & Company	33%
	William Gallagher Associates	26%
	ABD Insurance and Financial Services	20%
	Carpenter Moore	19%
\$400 million - \$1 billion	Carpenter Moore	31%
	Woodruff-Sawyer & Company	31%
	ABD Insurance and Financial Services	18%
	William Gallagher Associates	14%
\$1 billion - \$2 billion	Woodruff-Sawyer & Company	35%
	ABD Insurance	21%
	Carpenter Moore	15%
	William Gallagher Associates	13%

EXHIBIT 62 (continued)

Leading Brokers by Asset Size

Asset Size	Insurer	Policy Percent
\$2 billion - \$5 billion	Carpenter Moore	27%
	Marsh	19%
	Aon	15%
	Woodruff-Sawyer & Company	15%
	ABD Insurance and Financial Services	8%
	Lockton	8%
\$5 billion - \$10 billion	Carpenter Moore	25%
	Woodruff-Sawyer & Company	25%
	Aon	25%
	Marsh	13%
	Lockton	13%
Over \$10 billion	Marsh	19%
	Woodruff-Sawyer & Company	16%
	Aon	16%
	McGriff, Seibels & Williams	13%
	Carpenter Moore	13%
	Willis	6%
	ABD Insurance and Financial Services	6%

EXHIBIT 63

Leading Brokers by Business Class

Business Class	Insurer	Percent
Banking	Woodruff-Sawyer & Company	33%
	Armfield Harrison & Thomas	18%
	ABD Insurance and Financial Services	18%
	William Gallagher Associates	13%
	Carpenter Moore	10%
	Marsh	5%
Biotechnology & Pharmaceuticals	William Gallagher Associates	63%
	ABD Insurance and Financial Services	16%
	Woodruff-Sawyer Company	14%
Durable Goods	Woodruff-Sawyer & Company	37%
	ABD Insurance and Financial Services	16%
	Carpenter Moore	14%
	William Gallagher Associates	9%
	Armfield Harrison & Thomas	7%
	Aon	5%
	Willis	5%
Education	Marsh	6%
	ABD Insurance and Financial Services	76%
	Armfield Harrison & Thomas	12%
	Carpenter Moore	6%
Governmental & Other Nonprofit	Armfield Harrison & Thomas	65%
	ABD Insurance	23%
Health Services	Woodruff-Sawyer & Company	31%
	ABD Insurance and Financial Services	29%
	William Gallagher Associates	17%
	Carpenter Moore	10%
Merchandising	Woodruff-Sawyer & Company	51%
	Carpenter Moore	15%
	ABD Insurance and Financial Services	14%
	William Gallagher Associates	9%
Nonbanking Financial Services	Woodruff-Sawyer & Company	38%
	William Gallagher Associates	36%
	ABD Insurance and Financial Services	10%
	Carpenter Moore	7%
	Armfield Harrison & Thomas	6%

EXHIBIT 63 (continued)

Leading Brokers by Business Class

Business Class	Insurer	Percent
Nondurable Goods	Woodruff-Sawyer & Company	42%
	ABD Insurance and Financial Services	23%
	Carpenter Moore	18%
	William Gallagher Associates	8%
Other	Woodruff-Sawyer & Company	51%
	ABD Insurance and Financial Services	29%
	William Gallagher Associates	18%
Personal & Business Services	Woodruff-Sawyer & Company	56%
	ABD Insurance and Financial Services	13%
	Carpenter Moore	13%
	William Gallagher Associates	8%
	Armfield Harrison & Thomas	7%
Petroleum, Mining, Agriculture	ABD Insurance and Financial Services	38%
	Carpenter Moore	22%
	Woodruff-Sawyer & Company	19%
	William Gallagher Associates	9%
	McGriff, Seibel & Williams	6%
Real Estate, Construction	ABD Insurance and Financial Services	42%
	Woodruff-Sawyer & Company	36%
	Wells Fargo	7%
	William Gallagher Associates	7%
Technology	William Gallagher Associates	28%
	Woodruff-Sawyer & Company	25%
	ABD Insurance and Financial Services	20%
	Armfield Harrison & Thomas	19%
	Carpenter Moore	8%
Transportation & Communications	ABD Insurance and Financial Services	33%
	William Gallagher Associates	23%
	Woodruff-Sawyer & Company	21%
	Carpenter Moore	16%
Utilities	William Gallagher Associates	18%
	McGriff, Seibels & Williams	18%
	ABD Insurance and Financial Services	18%
	Marsh	12%
	Woodruff-Sawyer & Company	12%
	Aon	6%
	Armfield Harrison & Thomas	6%
	Wells Fargo	6%
	Willis	6%

EXHIBIT 64

Leading Brokers by Ownership

Business Class	Insurer	Percent
Nonprofit	Armfield Harrison & Thomas	61%
	ABD Insurance and Financial Services	26%
	William Gallagher Associates	5%
Private	William Gallagher Associates	32%
	Woodruff-Sawyer & Company	31%
	ABD Insurance and Financial Services	21%
	Armfield Harrison & Thomas	13%
Public	Carpenter Moore	31%
	Woodruff-Sawyer & Company	30%
	William Gallagher Associates	20%
	ABD Insurance and Financial Services	12%

CLAIMS

Survey participants were asked to provide information on D&O liability claims over the past 10 years.

As of 2007, 317 of the 2,927 participants reported 558 claims over the last 10 years. This is down substantially from the 395 participants that reported a total of 1,290 claims for the previous 10 years in last year's survey. As a result, we recommend that readers use caution in comparing results with prior years.

As in previous years, the survey measured both claim susceptibility and frequency. Claim susceptibility is the percentage of participants that reported one or more claims in the previous 10 years. Claim frequency is the average number of claims per participant over the 10-year period.

When grouped by asset size, for-profit participants reported that claim susceptibility in 2007 was 13%, down from 16% in 2006. Claim frequency for 2007 was 0.23, compared to 0.28 for 2006.

EXHIBIT 65

Claim Incidence by Asset Size — For-Profit Only

Participant Size	Susceptibility	Frequency
Up to \$100 million	9%	0.14
\$100 million - \$400 million	28%	0.44
\$400 million - \$1 billion	33%	0.82
\$1 billion - \$2 billion	27%	0.60
\$2 billion - \$5 billion	34%	1.10
\$5 billion - \$10 billion	18%	0.27
Over \$10 billion	50%	1.15
All Size Groups	13%	0.23

Nonprofits reported a claim susceptibility of 3%, compared to 4% in 2006. Claim frequency for nonprofits was down sharply from 1.18 in 2006 to 0.05 in 2007.

When grouped by business class, claim susceptibility across all business classes was 11%, down from 14% in 2006. By business sectors, Utilities was the most susceptible with 50% reporting at least one claim. Governmental & Other Nonprofits were least susceptible with just 3% reporting claims. Claim frequency when measured in terms of all business classes was 0.19, compared to 0.45 the year before.

Regardless of the type of ownership, susceptibility has been trending down. For example, claim susceptibility at public companies was 35% in 2005, 31% in 2006 and 24% in 2007. Susceptibility at private companies was 10% in 2005, 9% in 2006 and 8% in 2007. Susceptibility at nonprofits was 6% in 2005, 4% in 2006 and 3% in 2007.

EXHIBIT 66

Claim Incidence by Asset Size — Nonprofit Only

Participant Size	Susceptibility	Frequency
Up to \$100 million	3%	0.05
\$100 million - \$1 billion	29%	0.29
Over \$1 billion	20%	0.20
All Size Groups	3%	0.05

EXHIBIT 67

Claim Incidence by Business Class

	Susceptibility	Frequency
Banking	9%	0.18
Biotechnology & Pharmaceuticals	9%	0.11
Durable Goods	17%	0.34
Education	17%	0.17
Governmental & Other Nonprofit	3%	0.05
Health Services	12%	0.40
Merchandising	16%	0.28
Nonbanking Financial Services	18%	0.58
Nondurable Goods	16%	0.27
Personal & Business Services	11%	0.24
Petroleum, Mining, Agriculture	9%	0.15
Real Estate, Construction	11%	0.15
Technology	13%	0.18
Transportation & Communications	12%	0.12
Utilities	50%	0.94
Other	7%	0.16
All Business Classes	11%	0.19

Claim frequency remained a mixed bag. In 2007, public company participants reported a claim frequency of 0.420, while private companies and nonprofits reported claim frequencies of 0.146 and 0.051, respectively.

Regardless of ownership, employees and shareholders are the two leading D&O claimant groups, followed by other third parties and competitors.

Of the claims reported by participants, 46% have been closed, while 54% remain open. Of the closed claims, 3% were closed by litigation; 29% were closed by settlement, and 14% were dropped by claimants. Of the open claims, 53% are awaiting trial, and 1% are pending appeal.

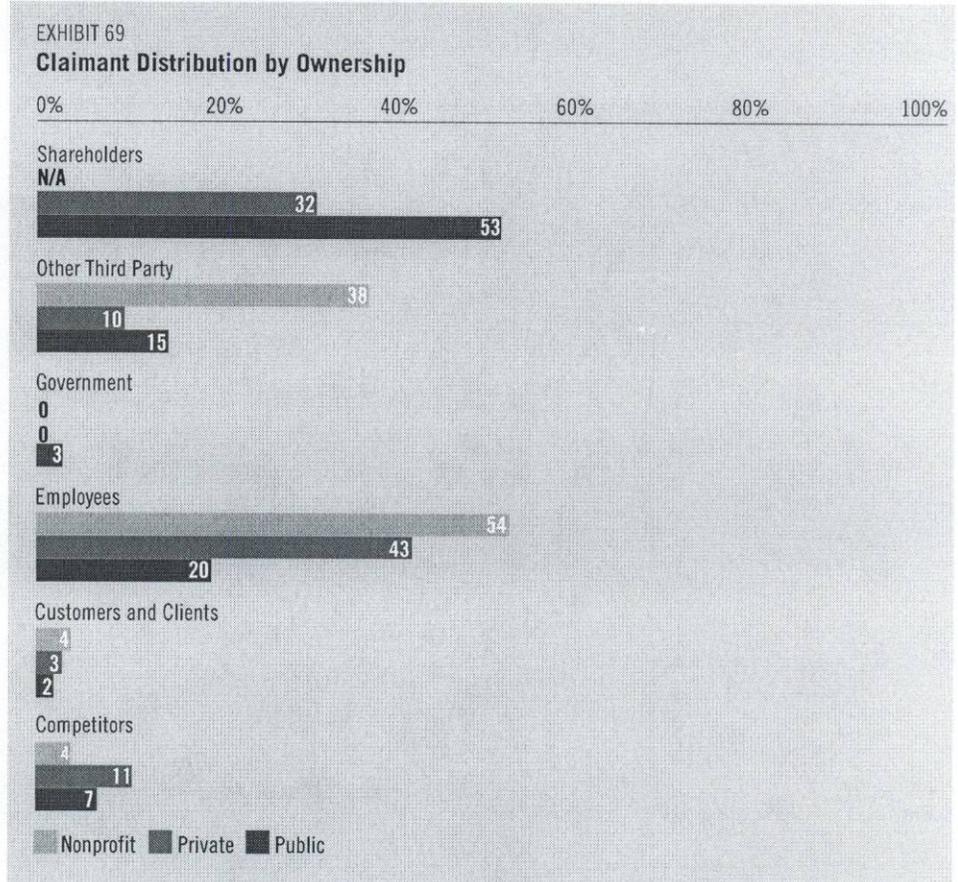
Participants reported changes in the indemnification of D&O claims. The survey found partial indemnification in 10% of cases, compared to 4% in 2006. Full indemnification was reported in 63% of cases, compared to 32% in 2006. Twenty-two percent of cases in 2007 were undecided, compared to 60% in 2006.

EXHIBIT 68
Claim Trends by Ownership

	Susceptibility			Frequency		
	2005	2006	2007	2005	2006	2007
Public	35%	31%	24%	0.618	0.569	0.420
Private	10%	9%	8%	0.178	0.141	0.146
Nonprofit	6%	4%	3%	1.532	1.160	0.051

Payments to claimants increased significantly from a median of \$54,000 in 2006 to \$234,000 in 2007. Average payments increased from \$4,256,187 to \$12,230,881. Governmental/Other claimants rose dramatically from a median \$325,000 in 2006 to \$16,750,000. Average payments to Governmental/Other claimants jumped from \$360,969 to \$13,818,125.

Median defense costs increased from \$44,409 in 2006 to \$334,126. Average defense costs rose sharply from \$800,360 to \$2,130,121. However, median defense costs for repeat participants were \$400,000 in 2006, dropping to \$327,577 in 2007. Average defense costs for repeat participants went from \$1,984,736 in 2006 to \$2,219,912 in 2007.



Survey respondents reported that the average defense cost for a case closed by litigation was \$1,595,651. The average cost of cases closed by settlement was \$2,016,487. The average defense cost of claims dropped by claimants was \$504,375.

The top three D&O claim allegations by shareholders were inadequate/inaccurate disclosure, 28%; general breach of fiduciary duty, 24%; and stock or other public offering, 13%. By far, the leading D&O claim allegation by employees was wrongful employee dismissal or termination, which figured in 44% of cases at private companies, 38% of cases at public companies and 50% of cases at nonprofits. Indeed, wrongful employee dismissal accounted for 13.8% of all D&O claims.

EXHIBIT 70
Disposition of D&O Claims

Status	Percent of All Claims	Percent of Closed Claims
Closed Claims		
Closed by litigation	3%	7%
Closed by settlement	29%	63%
Dropped by claimants	14%	31%
Total Closed	46%	—
Open Claims		
Still open, awaiting trial	53%	—
Tried but being appealed	1%	—
Total Open	54%	—

EXHIBIT 71
Indemnification of D&O Claims
(excludes claims where entity is the only defendant)

Partial indemnification	10%
Full indemnification	63%
Undecided	22%
No indemnification	6%

EXHIBIT 72

Payments to Claimants by Type of Claimant

Claimant Class	Median	Average
Employees/Unions/Physicians	\$ 75,000	\$ 146,078
Competitors/Suppliers/Contractors	75,000	87,000
Customers/Clients/Students	—	—
Governmental/Other	16,750,000	13,818,125
Shareholders/Investors	1,600,000	26,456,948
All Claimants	\$ 234,000	\$12,230,881

EXHIBIT 73

Defense Costs by Type of Claimant

(excludes claims closed with no payment to claimant)

Claimant Class	Median	Average
Employees/Unions/Physicians	\$ 34,752	\$ 158,698
Competitors/Suppliers/Contractors	233,565	420,026
Customers/Clients/Students	62,311	809,701
Governmental/Other	638,113	3,768,747
Shareholders/Investors	800,000	3,042,159
All Claimants	\$334,126	\$2,130,121