

# Directors & Officers Liability

## MARKETPLACE INSIGHTS Q4 UPDATE



### WHAT TO EXPECT

- Continued softening of rates, however at a slower pace from the first half of 2024.
- New and existing insurers seeking opportunities to grow their books.
- Elevated risk monitoring of public companies by underwriters.
- Favourable market conditions provide a good opportunity for clients to review their program limits and structure and align both with their current risk profile and tolerance.

With new and existing insurers seeking opportunities in this space, we're seeing a continued decline in D&O rates in 2024, with moderate to substantial reductions, depending on conditions pre-renewal. D&O Pricing is softening at a faster rate than primary, and some insurers are increasing single layers or showing a willingness to add an additional layer in the higher excess tower. Other Insurers are looking for account rounding opportunities by quoting additional lines of specific coverage, such as crime, fiduciary and employment practices liability. The gradual workforce return to a "new normal," combined with a drop-off of lagging pandemic-era lawsuits has seen employment practices liability premiums stabilized.

Even as interest rates stabilize, D&O underwriters are increasingly demanding client balance sheets reflect and account for geo-political and macroeconomic risks. For public companies, expect D&O underwriters to be closely monitoring public disclosure practices and potential for litigation. In particular, heightened awareness of climate-related disclosure and material cybersecurity incident disclosure has insurers watching closely.

*"Clients with strong balance sheets, corporate governance and board effectiveness will continue to reap the benefits of a softening D&O market as we near the end of 2024. If your company has not taken advantage of broad coverage or additional limits in the past due to cost constraints, it may be the ideal time to reassess your D&O program"*

- Danielle Gorst

Partner and National Practice Leader,  
Iridium Risk Services

### RISK MITIGATION

We're keeping an eye on emerging risks and opportunities at the board level. The use of Artificial Intelligence, risk of material cyber breach, employee health and safety, regulatory environments and implications of Bill C-59 (Laws targeting "Greenwashing") are areas where risk monitoring and management are vital. More than ever, company directors and officers need to demonstrate they are savvy to economic, and geopolitical risks, and that they have a good working relationship between board and management.

LET US HELP YOU MANAGE YOUR RISK

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