D&O
LOOKING AHEAD

D&O Considerations for 2026

woodruffsawyer.com

WOODRUFF-SAWYER & CO.

Insurance Services | Risk Management | Employee Benefits

WOODRUFF SAWYER
A Gallagher Company

Table of Contents

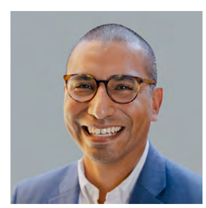
Expert Insights

Click below and see what advice our experts have for you as you plan for 2026.

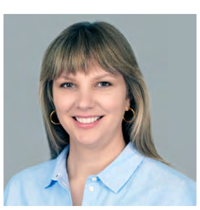
Susan
Time for a D&O Captive?

Walker
What to Expect with New SEC Leaders

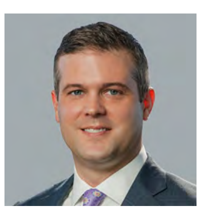
Jennifer
Capitalizing on an IPO Buyer's Market



Lenin
Keep Focusing on Disclosures and Compliance Controls



Jane
Hot Topics in the Foreign Filer Space



Jacob
AI in FinTech: Opportunities and Risks

Yelena
Coverage for Your SPAC IPO

Mike
Will Volatility Persist?

D&O Market Update

1.0 D&O Market Update

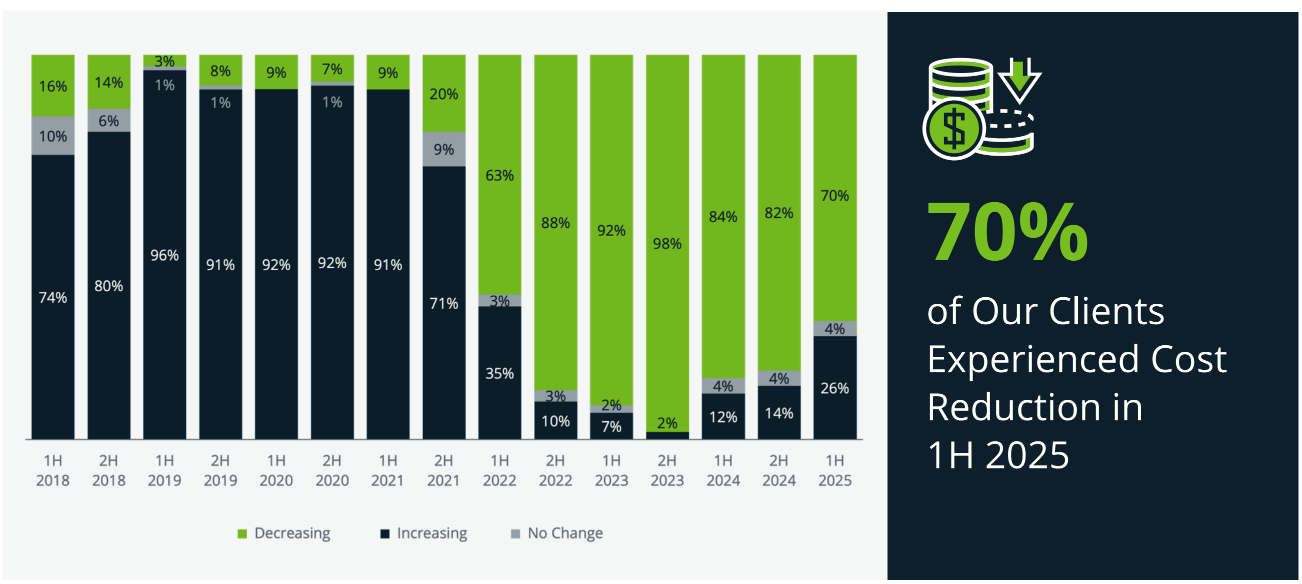
1.1 Rates for Public Companies

The directors & officers (D&O) insurance marketplace alternates between hard, soft, and stable cycles over time. Depending on the year, various factors dominate the headlines and attempt to explain and/or justify the forces behind the market's movements. What endures, however, is the fundamental need to protect companies' balance sheets and individual directors and officers from risks that are constant, and others that are emerging and evolving.

Now in its 13th edition, Woodruff Sawyer's *Looking Ahead Guide* helps clients stay informed on what's currently happening in the D&O landscape as well as where things may be headed. To do this, we tap into the wisdom and expertise of trusted industry experts who help us take on the challenging task of anticipating what lies ahead for the D&O industry. Now in its ninth year, our annual Underwriters Weigh In™ survey has accurately anticipated many of the new challenges that have unfolded, along with providing insights and thoughtful nuance regarding the topics that remain timeless.

In this year's *Guide*, and as always, we strive to help you see the risks and opportunities that lie ahead in 2026. To do this, we start with a review of the market trends in pricing, retentions, and litigation.

Public D&O Annual Renewal Results for Cost Change Over 7.5 Years*



*Data shows percentage of clients who experienced flat or change in renewal premiums for ABC program and does not indicate percentage premium increase or decrease. Percentages may not sum to 100% due to rounding.

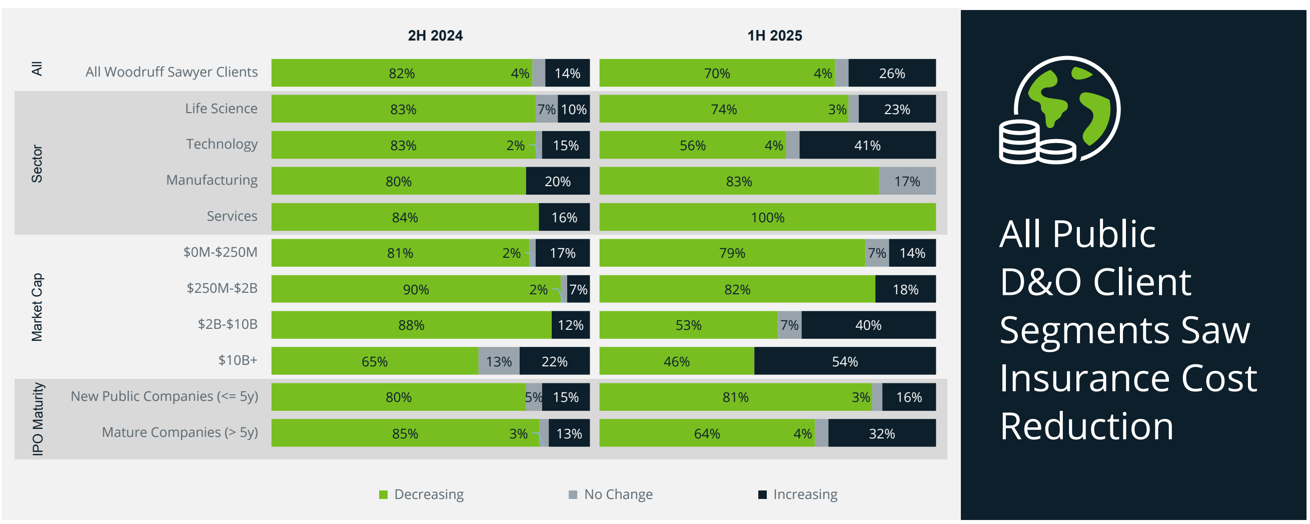
Source: Woodruff Sawyer Client Program Renewals

The public D&O rate environment remains fluid, with 70% of Woodruff Sawyer clients still seeing decreases in renewal premiums as of mid-2025. Among the 26% of clients who saw a rate increase, 33% experienced increases of less than 5% above their expiring premiums. Despite carriers' ongoing concerns that too much rate has come out of the market and pricing is too thin to be sustainable, clients continue to benefit from soft market conditions. Interestingly, we often see this regardless of whether a client's risk is modest or significant.

Market Results by Risk Profile

Each company's risk profile is unique; yet, clear pricing trends emerge when viewed by industry and market cap segments. While most companies received price relief, technology and life science sectors, as well as mid ($2B–$10B) and large ($10B+) market cap companies experienced the highest percentage of increases. This is an intuitive result given that these are the same segments facing a higher volume of securities class action filings, a point we'll discuss further in this section.

Public D&O Annual Cost Change by Business Segment in 2H 2024 and 1H 2025*



*Data shows percentage of clients who experienced flat or change in renewal premiums for ABC program and does not indicate percentage premium increase or decrease. Percentages may not sum to 100% due to rounding.

Source: Woodruff Sawyer Client Program Renewals

The favorable buying conditions we see now are largely driven by basic supply and demand dynamics. On the one hand, today's D&O market is awash with abundant capacity and carriers eager to retain their layers and get onto new programs. On the other hand, there's a shortage of insurance buyers, at least in part due to a lackluster IPO market. As was well documented, during the peak of the hard market, new capital and entrants flooded the D&O market. This fueled competition and gave buyers much-needed pricing relief.

Following a record-breaking year for IPOs in 2021, the market experienced a significant drop in IPO activity. Rising interest rates, increased market volatility, inflated valuations, and broad economic uncertainty continue to keep many new listings on the sidelines. Following feeble IPO years from 2022–2024, there was optimism that 2025 would open the way for a strong IPO window. While there have been notable and high-profile IPOs so far this year, 2025 has not produced the deluge of IPOs many hoped would arrive.

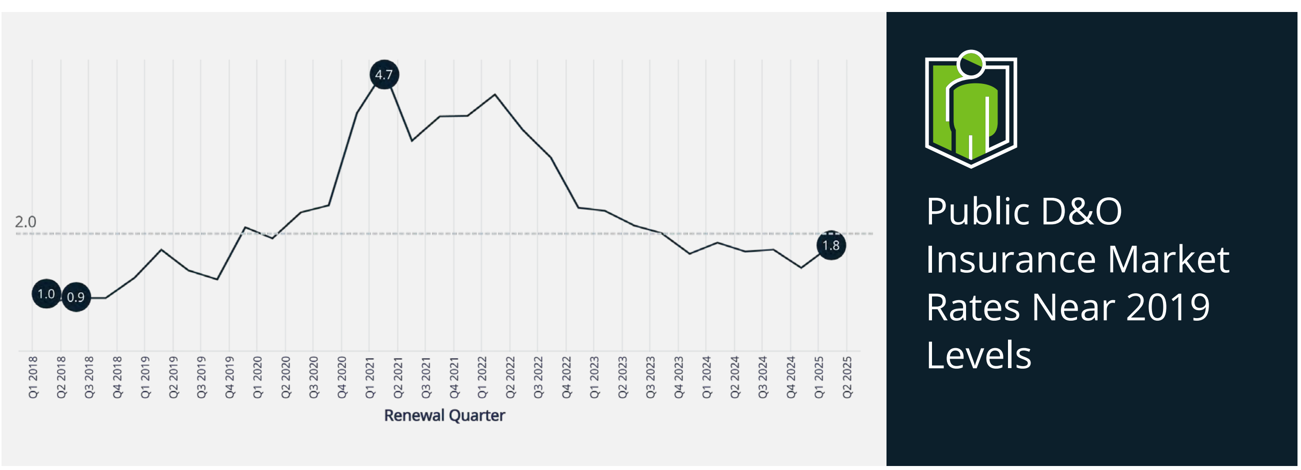
As reported in this year's edition of our *Woodruff Sawyer Guide to D&O Insurance for SPAC IPOs*, after a long cooling-off period, special purpose acquisition company (SPAC) IPOs are making a comeback. While this is an encouraging sign for companies seeking a more flexible pathway to public markets, overall deal volume and the capacity required remain low. As a result, like traditional IPOs, an improved SPAC environment will not significantly shift the demand side in the D&O insurance marketplace.

With abundant supply and limited demand, the imbalance will continue to benefit D&O insurance buyers for SPAC IPOs through the rest of 2025 and into 2026.

2025 Premium Rates Near Q1 2019 Levels

Woodruff Sawyer's Market Rate Pricing Index™ uses 2018, a pre-hard market year, as the baseline for subsequent changes in rate. In three short years, 2019–2021, D&O pricing for all companies rose sharply and peaked at 4.7 times the Q1 2018 level. A significant drop in rate began in Q2 2022. As of Q2 2025, premiums have continued to fall and now stand at 1.8 times the 2018 baseline. This puts pricing back to 2019 levels.

Public D&O Insurance Market Rate Index (Q1 2018 = 1.0)

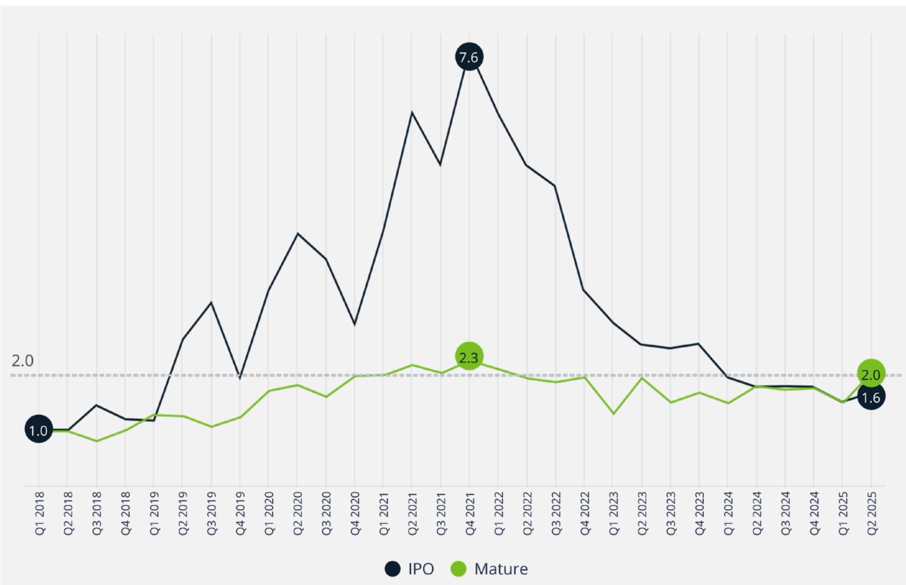


Source: Woodruff Sawyer Client Program Renewals

Mature Public Companies vs. IPO Companies

This analysis compares premium levels for mature public companies (companies that have been public for more than five years) to IPO companies (companies that have been public for fewer than three years). Where there was previously a large difference in pricing, IPO companies closed the pricing gap with mature public company peers in the first quarter of 2024 due to steep premium relief. That gain remains steady today. While the number of IPOs getting out to market in the past few years is small compared to 2021's record-breaking year, this shift has brought meaningful cost savings to recent IPO companies.

Public D&O Insurance Market Rate Index for IPO and Mature Public Companies*
(Q1 2018 = 1.0)



Pricing for IPO and Mature Public Companies Has Converged

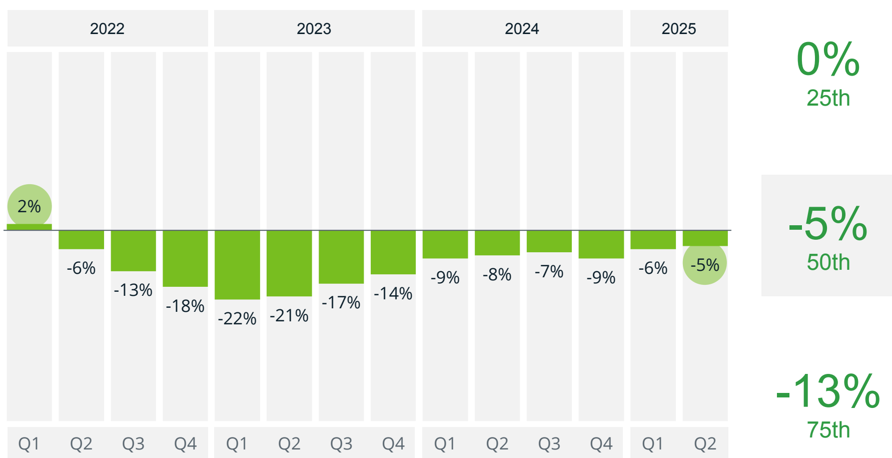
*Companies that have been public for 5+ years

Source: Woodruff Sawyer Client Program Renewals

Mature Company Premium Rates

Pricing continues to decline for mature public companies, though the rate of those decreases has steadily moderated. This trend is especially evident when focusing on pricing for the primary layer of coverage. In 2025, the median premium reduction in this segment is 5%. That's a notable shift from the high single-digit decreases seen in 2024 and the steeper 14%–22% median reductions experienced in 2023. The market appears to be stabilizing, even as buyers continue to benefit from favorable conditions.

Median Cost Change Trend for Mature Public Companies*



Annual Cost Reduction Experience Varies by Public Company Maturity

*Companies that have been public for 5+ years

Source: Woodruff Sawyer Client Program Renewals

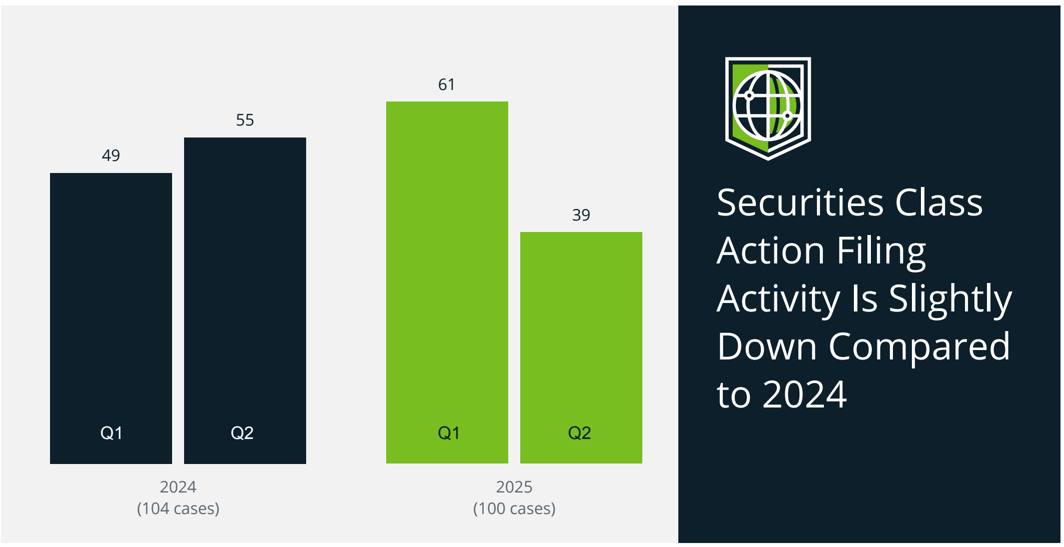
For the excess layers on D&O program towers, two dynamics are shaping the market. For starters, new entrants are still struggling to gain traction and market share. In a competitive soft market, these unproven carriers are rarely chosen for primary layers or for critical excess positions. That's because established carriers are aggressively moving down the tower to secure layers with more rate. As a result, buyers are seeing reductions across their total programs—but carrier appetite for the high excess layers could be close to capacity.

Rather than bind a cheap excess layer, some established carriers have been comfortable walking entirely away from deals. Two carriers, whose books consisted of high excess exposure, withdrew from the public company D&O space this year. The sustainability of excess rates in a still-crowded marketplace will hinge on how claims trends unfold later this year and in 2026.

Securities Class Action Filing Activity in 1H 2025 Slightly Down Compared to 1H 2024

In the first half of 2025, there have been 100 securities class action suits filed, which is slightly lower than the 104 suits filed in 1H 2024. The first quarter of this year was robust with 61 cases, but activity dropped by 36% in Q2, bringing the first half of 2025 in line with historic norms.

Securities Class Actions Filed*
1H 2024 vs. 1H 2025



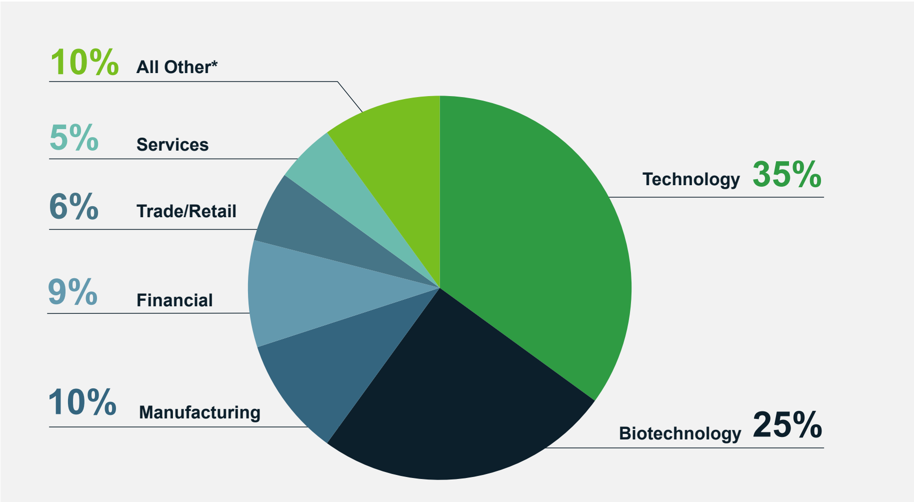
*For purposes of tracking issuer-related securities litigation, Databox focuses exclusively on securities class action lawsuits filed in US federal and state courts against public companies by holders of common or preferred stock. The count does not include pre-M&A class action suits or derivative suits.

Source: D&O Databox™ from Woodruff Sawyer, a Gallagher Company

Even with quarterly fluctuations, we project 2025 will close the year with approximately 200 total cases filed. Historically, the 1H of each year accounts for 51% of cases for the year, and 2H accounts for 49%. A 200-case total at year end is squarely in line with historic outcomes as well—the five-year average is 191 cases, and the 10-year average is 204.

The leading industries for suits filed are technology, biotechnology, and manufacturing, rankings which have remained unchanged since 2021. In 1H 2025, 60% of all filings were brought against technology and biotechnology companies, consistent with recent trends.

SCA Filings by Industry (1H 2025)

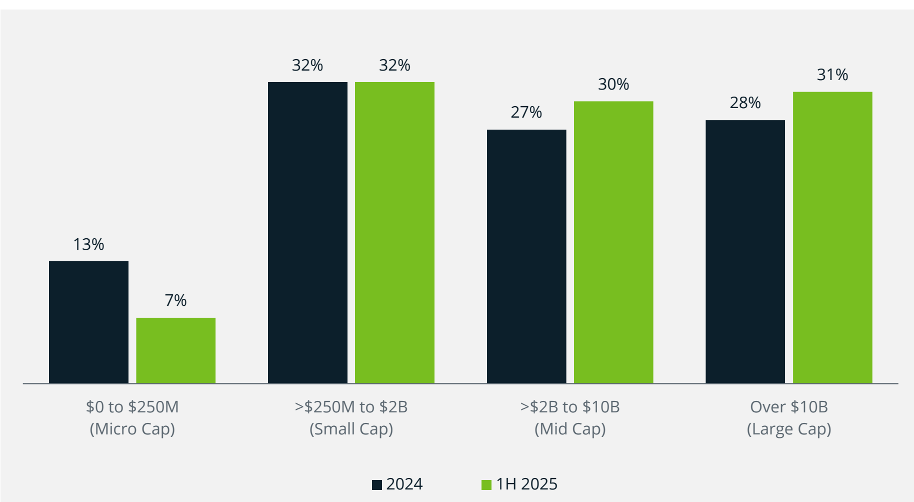


Technology Is Still #1 in SCA Filings

*All Other: Mining (4%), Energy (3%), Transportation (2%), Construction (1%)
Source: D&O Databox™ from Woodruff Sawyer, a Gallagher Company

So far this year, filings are evenly distributed between companies in the small-, mid-, and large-cap ranges. This trend diverges from what we saw in 2023, where large caps were increasingly targeted, and 2024, where small caps saw the largest jump.

Filings by Market Cap



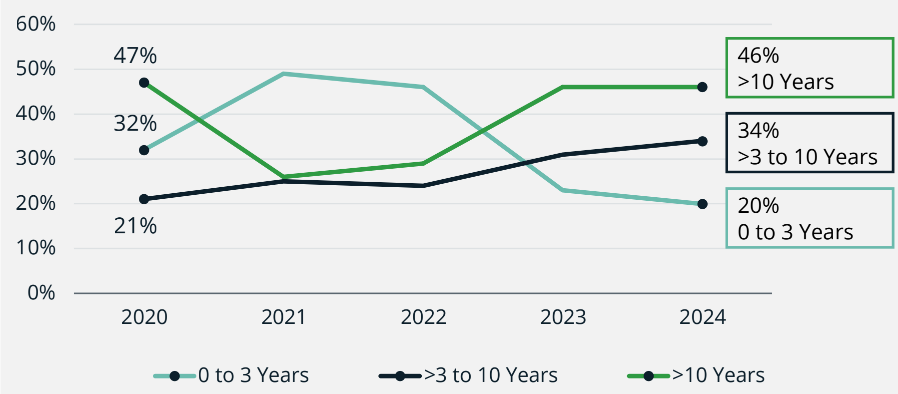
SCA Filings Are Evenly Distributed Across Small- to Large-Cap Companies

Source: D&O Databox™ from Woodruff Sawyer, a Gallagher Company

With fewer companies going public, filing activity has naturally shifted away from IPO and SPAC/de-SPAC companies and towards more mature companies. While plaintiffs prefer to focus on companies within the three-year Section 11 window, the limited pool of new issuers has led to more suits against high-profile and brand-name companies.

Filings by Years Trading on US Exchanges (Past Five Years: 2020 to 2024)

Source: D&O Databox™ from Woodruff Sawyer, a Gallagher Company



Lawsuits Against More Mature Companies Are on the Rise

Total Dollar Settlements Are Down—High-Dollar Settlements Remain in Play

In 2024, payouts reached a record high of $4.1 billion. Securities claims are long-tail risks; they take a long to time settle. So while comparing settlements in any given year is informative, it's critical to assess and view larger trends. While 2025 is unlikely to match 2024, the median settlement amount has not dropped compared to last year, and the 75th percentile amount currently exceeds that of the 10 prior years.

Settlement Dollars Paid Out (2015–2025)

	10 Years (2015 to 2024)	2024	1H 2025
Settlement $	$27B	$4.1B	$1.1B
Average	$32M	$52M	$28M
Median	$10M	$16M	$16M
75th Percentile	$27M	$43M	$33M

Large Settlements Continue in 1H 2025

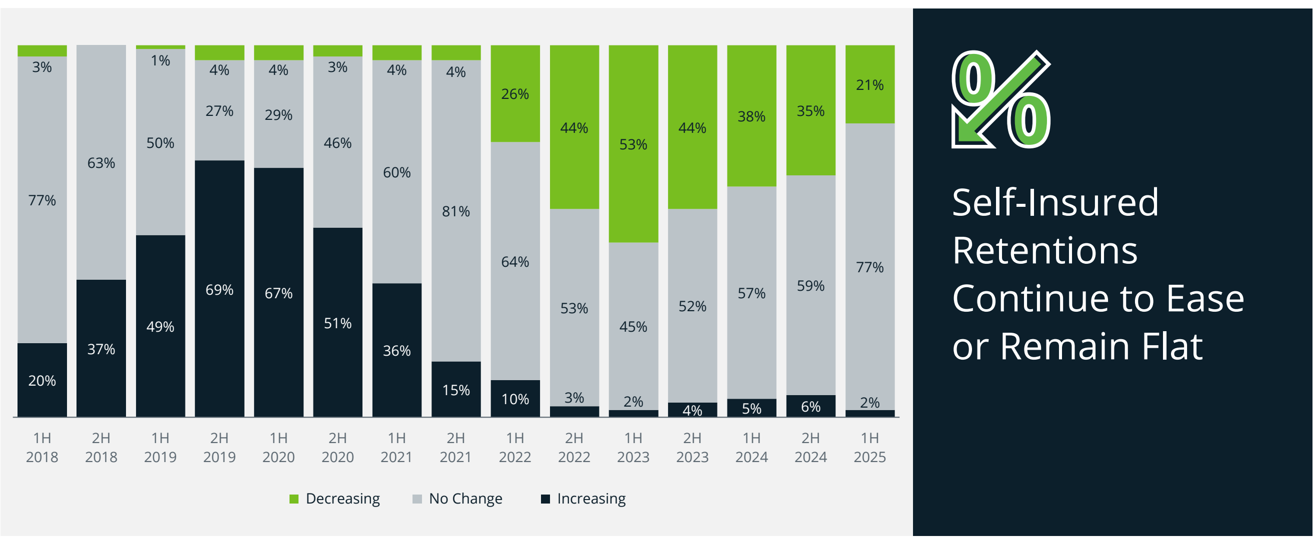
Source: D&O Databox™ from Woodruff Sawyer, a Gallagher Company

A D&O carrier's combined ratio measures underwriting profitability, which is driven by long-term loss development. TransRe and AM Best report that D&O claims from the 2016–2019 policy years have worsened, while more recent claims from 2020-2022 policy years look good and appear to be improving further. It's too early to judge the development of 2023–2024 claims. As a result, D&O carriers may send seemingly contradictory messages to the 2026 market: on the one hand, reporting lower recent loss numbers, while on the other pushing for rate increases due to emerging risks on the horizon.

1.2 Self-Insured Retention Trends

During the first half of 2025, 98% of Woodruff Sawyer public company D&O clients renewed with a flat or lower self-insured retention, in line with last year's results. We predict this trend will hold in 2026 given the results of this year's Underwriters Weigh In™ survey, in which 93% of underwriters expect retentions for mature public companies to stay the same or decrease.

Public D&O Annual Renewal Results for Retention Changes Over 7.5 Years*



*Data shows percentage of clients who experienced flat or change in retention and does not indicate percentage retention increase or decrease.

Source: Woodruff Sawyer Client Program Renewals

When it comes to newly public companies, underwriter sentiment remains the same as last year, with 60% predicting retentions will remain the same, and 17% anticipating an increase. Although carriers cite increased '33 Act exposure to justify higher retentions for new issuers, the lack of IPOs continues to keep pricing and retentions down. Carriers will use retentions as a lever to keep premiums in check, but that won't necessarily be a sustainable strategy for them if soft market conditions reign.

Hot Topics

We know from our Underwriters Weigh In™ survey that D&O insurance underwriters have a high degree of concern about the current threat environment. Are the issues that will dominate the D&O scene for the rest of 2025 and into 2026 that concerning? Yes, but . . . some elements of the D&O threat landscape are not all bad. Moreover, while there is an abundance of noise, there is also a good chance that some of the emerging threats coming into focus are more bark than bite.

2.0 Hot Topics

2.1 Yes, but . . . Part 1: Securities Class Action Lawsuit Settlements

Yes, we are continuing to see large settlements, with a notable 39% of settlements exceeding $20 million in the first half of 2025. That is, of course, bad news.

But . . . the good news is that we are not seeing the abundance of eye-popping settlements that we saw in 2024. In the first half of 2024, we saw 40 settlements totaling $2.1 billion. Settlements in the first half of 2025 compare favorably, with almost the same number of settlements but at just over half of the total amount paid: 41 settlements totaling $1.1 billion.

Settlements and Dismissals (1H 2024 vs. 1H 2025)

	1H 2024	1H 2025	
Settlements	40	41	3% Increase
Dismissals	39	68	74% Increase

Moreover, while it's not a big decrease, the rate of securities class action filings is trending down. Even better, in the first half of 2025, we've seen a significant increase in the rate of dismissals compared to the same period in 2024.

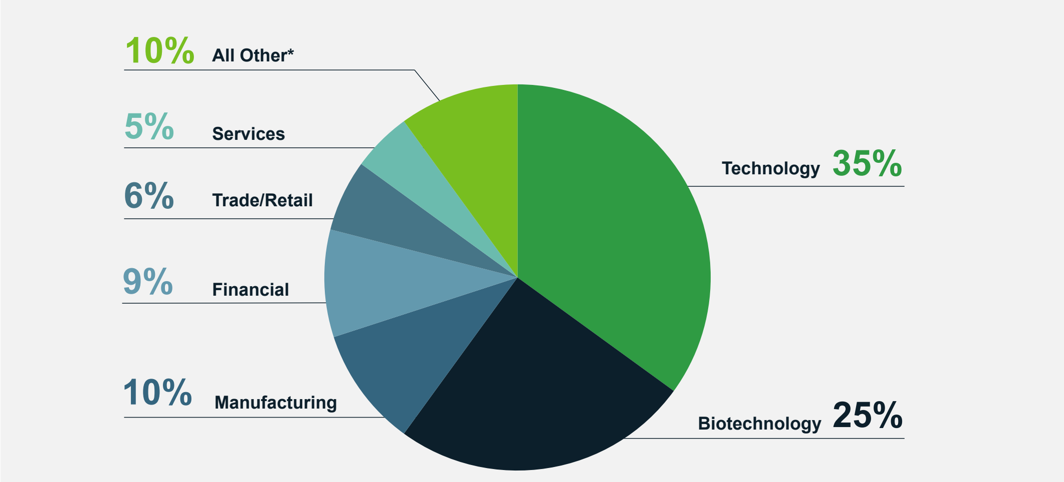
Our *D&O Databox™ Mid-Year Report* provides more details about the rate of securities class action lawsuit filings, including by industry and market capitalization.

Settlement Dollars Paid Out (2015–2025)

	10 Years (2015 to 2024)	2024	1H 2025
Settlement $	$27B	$4.1B	$1.1B
Average	$32M	$52M	$28M
Median	$10M	$16M	$16M
75th Percentile	$27M	$43M	$33M

Source: D&O Databox™ from Woodruff Sawyer, a Gallagher Company

SCA Filings by Industry (1H 2025)



*All Other: Mining (4%), Energy (3%), Transportation (2%), Construction (1%)
Source: Databox™

2.2 Yes, but . . . Part 2: Artificial Intelligence, Including Agentic AI

Yes, companies are more susceptible to securities class action lawsuits in the midst of major changes in technology. Rapid change makes it so much harder for companies to provide investors with unassailable disclosure.

And the change du jour? Artificial intelligence.

Frankly, the volume of AI chatter within companies—be it about internal ops or a company's actual business plan or strategy—doesn't just **seem** like it has ramped up incredibly quickly. It actually has.

> **The *Wall Street Journal* put it succinctly:**
>
> After largely failing to grasp the internet, social media, smartphones and e-commerce quickly enough to avoid significant pain, many businesses have already gotten onboard with AI.

The FOMO is real when it comes to AI. Unfortunately, FOMO doesn't always lead to the best decision-making.

Also, AI as a term spans an incredibly broad range of risks and opportunities. One we are particularly keeping an eye on is agentic AI.

We can all understand why companies have been so eager to embrace AI agents, especially for customer service. It's a dream to have agents that are always on and fast to respond.

However, what if these same agents trip into basing their analysis on incorrect data or if they start spreading misinformation? What a nightmare it will be that these agents are always on and fast to respond.

As a general matter, we humans are much less tolerant of mistakes made by computers compared to those made by humans. Moreover, the rate at which AI-driven mistakes have the potential to be propagated only amplifies the problem.

Indeed, we are already starting to see litigation (and legislation) on this topic. We'll surely see more in the future as companies rush to embrace the agentic AI opportunity.

The SEC specifically warned about AI-related disclosure problems back in 2024, and the plaintiffs' bar has been quick to bring some early disclosure suits.

But . . . does this have to become a larger and ever more problematic trend? No, particularly if companies can be thoughtful about their risk factor disclosures.

Taking a proactive approach to updating risk factors can go a long way to mitigating securities class action risk. A company might still be sued after a stock drop, but it will be much harder for plaintiffs to extract a huge settlement.

Best practices here will include monitoring the disclosures of other public companies (presumably by using AI) as well as being thoughtful about the cadence of updates.

What You Don't Disclose Can Hurt You:
The Power of Proactive Risk Factor Disclosures

Boards and management teams will also want to consider how AI has amplified the risk posed by malicious disinformation campaigns. Consider the May 2023 incident involving a fake picture of an explosion allegedly near the Pentagon. The picture went viral on social media, resulting in a (thankfully brief) dip in the stock market.

We have all seen the rapid improvement of AI-generated fake images and even videos. The old saw that "A lie can travel halfway around the world while the truth is putting on its shoes" has never been more true. Companies will want to be prepared for a communications sprint if needed.

Misinformation as a Material Risk: Governance, Response, and Insurance Considerations

2.3 Yes, but . . . Part 3: Expectations for Board Oversight (Derivative Suits)

Yes, for Delaware-incorporated companies, breach of fiduciary duty suits brought derivatively are increasingly problematic. The number of ultra-large settlements we've seen in the last 10 years dwarfs the number for the previous 10 years.

As a reminder, these settlements cannot be paid by the corporation on behalf of the directors and officers, something that makes them especially threatening.

Compounding the problem is that, unlike for securities class action suits, predicting potential financial exposure in derivative suit cases on an ex-ante basis is incredibly difficult.

But . . . it's worth stressing that, to date, there has been exactly one instance of a personal payment by independent directors in a breach of fiduciary duty suit, and that one happened 45 years ago. This is not just a great trivia question.* The paucity of cases is a function of the overwhelmingly protective nature of Delaware corporate law, coupled with D&O insurance, capital whose primary function is to protect directors and officers from personal liability.

This is also a place where a little board training and corporate hygiene can go a long way to protecting directors and officers who are working hard on behalf of their shareholders.

2.4 Yes, but . . . Part 4: Trade Policy

Yes, business prefers certainty, so the fast implementation of a myriad of new rules of any kind poses an especially difficult challenge for companies. This is all the more true when the changes apply to things like the international supply chain due to rapidly shifting trade policy.

**The famous Van Gorkum case concerning an M&A deal in 1980.*

Forecasting becomes more difficult in a volatile and uncertain environment.

This puts management and boards in a tough position. On the one hand, with few exceptions in corporate America, public companies are in the business of providing earnings guidance.

Earlier this year, we saw various reactions from public companies most impacted by rapid changes in trade policy, including things like withdrawing guidance and even providing dual-scenario guidance.

On the other hand, perhaps worse than giving no guidance is missing guidance. The latter is often a key element of a challenging securities class action fraud suit.

But . . . the toughest risk to recover from is the one that you don't see coming. The guidance risk is a clear and present danger, one that can be handled by taking a thoughtful approach.

The Corporate Guidance Tightrope:
Balancing Transparency & Risk

Seasoned management and boards will remember lessons learned from past moments of volatility, including most recently, the COVID-19 pandemic. That experience, coupled with getting solid advice not just from outside corporate counsel but also from outside litigation counsel, will help companies handle the challenge well.

2.5 It's Noisy, Part I: DE vs. NV vs. TX

In 2025, it is essentially corporate governance conference malpractice to fail to include whether Delaware companies should reincorporate in Nevada or Texas.

Listen to the Boardroom Governance Podcast:
Walker Newell & Lenin Lopez: Navigating D&O Risk, Delaware Exit, and Boardroom Litigation

A handful of disappointing cases for some influential billionaire founders have created what is arguably a tempest in a teapot. Notwithstanding those high-profile cases, the vast majority of fiduciary duty cases brought in Delaware Chancery Court still break in favor of the board.

Still, this tempest is significant for Delaware given how much the state depends on the corporate franchise taxes it receives from companies incorporated in Delaware. Understanding this, the Delaware legislature has gone out of its way to become even more business friendly.

But give Nevada and Texas full credit for striking while the iron is hot, including by taking steps to set up dedicated business courts of their own.

In the near term, and notwithstanding all the noise, this issue has not been a big driver of D&O litigation.

Looking ahead, the obvious question is this: Will all public companies ask their shareholders to let them re-domicile into Nevada or Texas? No.

Will some founders who want to become the next high-profile billionaire prefer to incorporate in Nevada or Texas? Yes, unless they realize that they might one day be a minority shareholder, in which case they might want to benefit from the protections Delaware affords to all shareholders.

What will this mean for director and officer liability? Over time, we should see fewer breach of fiduciary duty suits given that these Delaware-alternative regimes have the explicit goal of making such suits more difficult for shareholder plaintiffs. Above all else, the plaintiffs' bar is comprised of rational economic actors, not activists tilting at windmills.

Another consequence may be diminished demand for dedicated Side A insurance. Delaware-incorporated companies, even extremely large ones, tend to purchase dedicated Side A D&O insurance because they usually cannot indemnify their directors and officers for settlements of derivative suits. Companies incorporated in Nevada, however, have considerably more flexibility in this regard.

2.6 It's Noisy, Part 2: DEI Backlash

Many companies leaned into corporate diversity, equity, and inclusion (DEI) programs during the pandemic years, a time when corporate cultures were particularly strained with so many employees working remotely.

But the political pendulum has largely swung back. In some cases, the speed of the swing has turned the pendulum into a wrecking ball on these programs.

Boards are finding themselves having to fight a two-front war caught between forces that want these programs and those that believe these programs may promote illegal discrimination.

Despite the noise, however, there have been few DEI-related instances of real litigation brought against directors and officers. Further, the cases that have been brought have not been big winners for the plaintiffs' bar.

This is a wave of litigation that, in the end, has had only a marginal impact and seems to be on its way out.

2.7 It's Noisy, Part 3: Cyber Risk

Cyber risk remains a real and significant risk for companies, especially in our hyper-connected world. Whether it's potential attacks by external parties or internal sabotage or even mere mistakes, the threats to business are real.

One place where the noise is quieting at least a bit, however, may be when it comes to the SEC's focus on cyber disclosure.

Recall that the prior administration both implemented new cyber disclosure rules and took an expansive view of its enforcement powers. The latter notably included using internal control rules to pursue an enforcement action against a company that was the victim of a cyberattack.

The signals coming from the current administration are very different. For example, the SEC has pulled back proposed cyber rules for investment companies and investment advisors.

Industry groups and others are advocating the elimination or modification of the SEC rules mandating rapid disclosure of cyber incidents by issuers, something many issuers decried as problematic when the rules were first proposed.

Issuers may well get their way. This will not eliminate the obligations issuers have to disclose material events, but it will ameliorate the pressure to do so under a timeline of four business days. Instead, issuers can disclose information as events evolve and facts become known.

2.8 It's Noisy, Part 4: Foreign Corrupt Practices Act

Implemented in 1977, the Foreign Corrupt Practices Act (FCPA) has been a mainstay of Department of Justice (DOJ) enforcement actions—and corporate efforts to stamp out illegal foreign corruption. The advice on this topic has been thorough and consistent for a long time, in part because of the enthusiasm regulators have shown to prosecute violators.

The enthusiasm was at least partly financially motivated. In 2024 alone, the DOJ and the SEC collected over $1.28 billion in fines and penalties. The total for the prior decade, including 2024, is $12.46 billion.

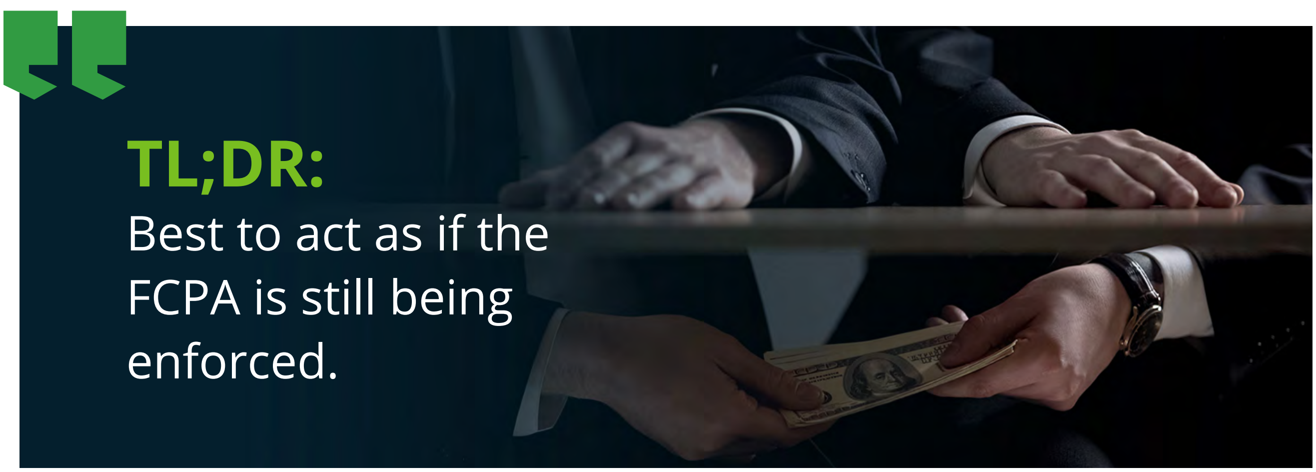
In a major change of policy, however, a February 2025 presidential executive order paused FCPA enforcement.

This executive action included the ordering of the attorney general to cease any new FCPA investigations and enforcement actions (and review existing ones).

At first, this can seem like a big deal. The reason this falls under the category of noise, however, is at least threefold. First, notwithstanding the executive order, the law itself has not been repealed. Enforcement may well be paused now, but presumably, enforcement could just as easily be resumed. Indeed, a recent DOJ memo does just this, albeit in a relatively restrained way.

Second, while the federal government may not be pursuing FCPA matters, any state with an anti-bribery law is still able to enforce these laws.

Third, many other countries have laws similar to the FCPA—and none of them have been suspended.



Underwriters Weigh In™ Survey

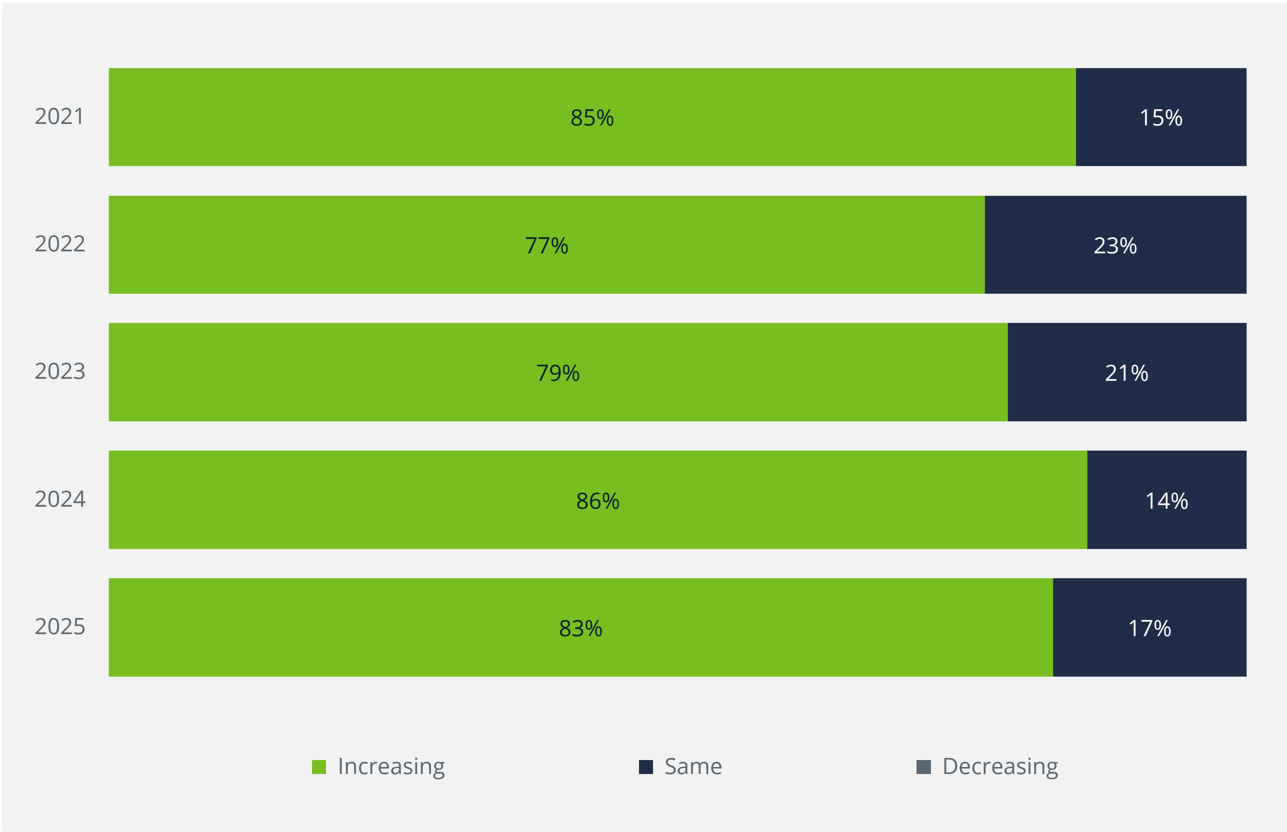
Good brokers are first and foremost advocates for their clients. As part of this advocacy, good brokers also listen to their insurance carrier partners to better understand their view of the world, including their current appetite for risk. Woodruff Sawyer is in conversation with insurance carriers every day. For this section of *Looking Ahead*, we surveyed more than 40 insurance carriers with whom we place D&O insurance worldwide. We asked questions about the current risk environment, risk appetite, and future pricing expectations.

As we have in past years, we asked underwriters to share their thoughts regarding their answer to each question if they wanted to do so.*

*Some underwriter comments have been edited for clarity and brevity.

Q1 Is D&O risk going up?

2025 Survey Results: **For yet another year, no underwriters think D&O risk is decreasing.**



Woodruff Sawyer Commentary

While some underwriters believe that, broadly speaking, 2024 and 2025 are similar, an overwhelming majority of underwriters believe that increasing complexity and global volatility will inevitably lead to more D&O claims. AI is a named driver for underwriter anxiety, with concerns ranging from AI washing to being the cause of M&A and bankruptcies.

Underwriter Comments

I think this question could be taken a few different ways. [If you are asking from a D&O perspective,] I don't think the risk of being litigated against will change much at all. If you're asking from an UW point of view, I think D&O risk will go up in the sense that rates have fallen dramatically, so the same amount of claims will lead to greater losses or [less] profit, thus making D&O risks higher when compared to that metric.

Complexity of many business models [combined] with the growth of AI will increase exposure.

Same trends as last year—no new catalyst

AI washing is increasingly becoming a significant exposure, especially as the proliferation of AI in business grows.

We are in an era of accelerating risk, with an ever-evolving landscape of exposures covering geopolitical tensions, the AI boom, tariffs, increased cyber threats, social inflation, [and] supply chain disruption. The list of exposures that are front and center for boardroom discussion continues to grow.

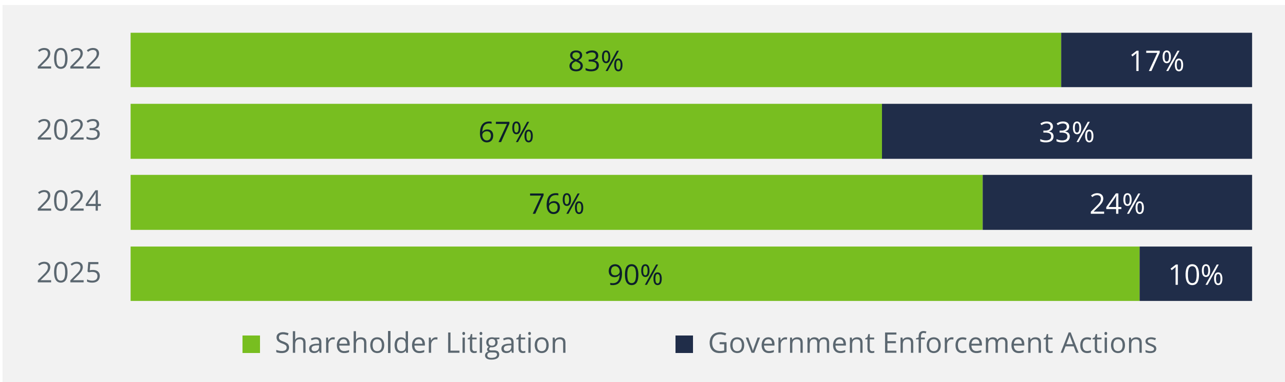
Large new tech (AI) exposures/expectations and lack of funding in the biotech sector, causing more bankruptcies and M&A.

Litigation funding [is] increasing the SCA filing rate.

It seems plaintiff firms will be able to find anything to hang their hats on in this environment.

Q2 As you look out into 2026, should companies be more worried about shareholder litigation or government enforcement actions?

2025 Survey Results: **Underwriters continue to think companies should be more worried about shareholder litigation.**



Woodruff Sawyer Commentary

What a difference a year makes. Insurance underwriters are clearly reacting to the stated priorities of the current administration.

> The existing administration is more concerned with smaller government and decreasing red tape than enforcement.

> Government enforcement will likely dial back a bit, and the gap will be filled by the plaintiffs' bar or state attorneys general.

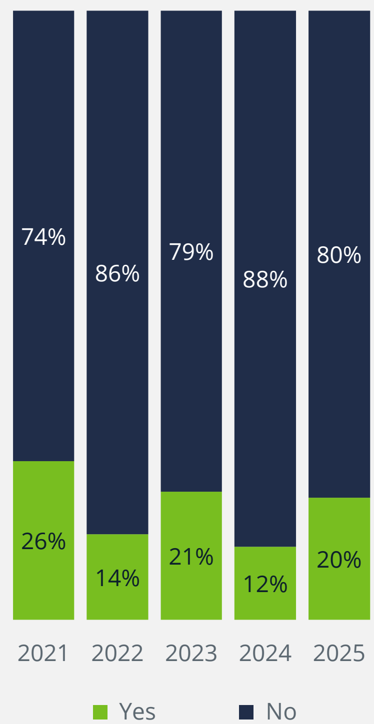
Underwriter Comments

> Seems based on the Trump administration's first few months, they're highly de-reg'ing the government and going after companies much less than the last few decades.

> Given the stance the new administration appears to be taking, the Jim Chanos quote that "Regulators and law enforcement are the financial archaeologists—they will tell you after the company has collapsed what the problem was" has never been more accurate.

Q3 Are companies as aware as they should be of the frequency and cost of D&O litigation?

2025 Survey Results: **80% of underwriters think that companies are not as aware of the frequency and cost of D&O litigation as they should be.**



Woodruff Sawyer Commentary

Underwriters recognize that some clients understand the true cost of litigation but generally feel that this is a place ripe for continuing education.

Underwriter Comments

"We're in a really bad rollercoaster ride of the D&O premium rates, and I don't believe D&Os realize we just hit the bottom of a big drop, we're about to go right back up again to a big peak....There seems to be a bad case of greed at every side.

"Unfortunately, not only do I believe that our clients are lacking the awareness of the true cost and frequency D&O litigation, but a lot of our own industry appear to be lacking, or possibly ignoring, the true cost.

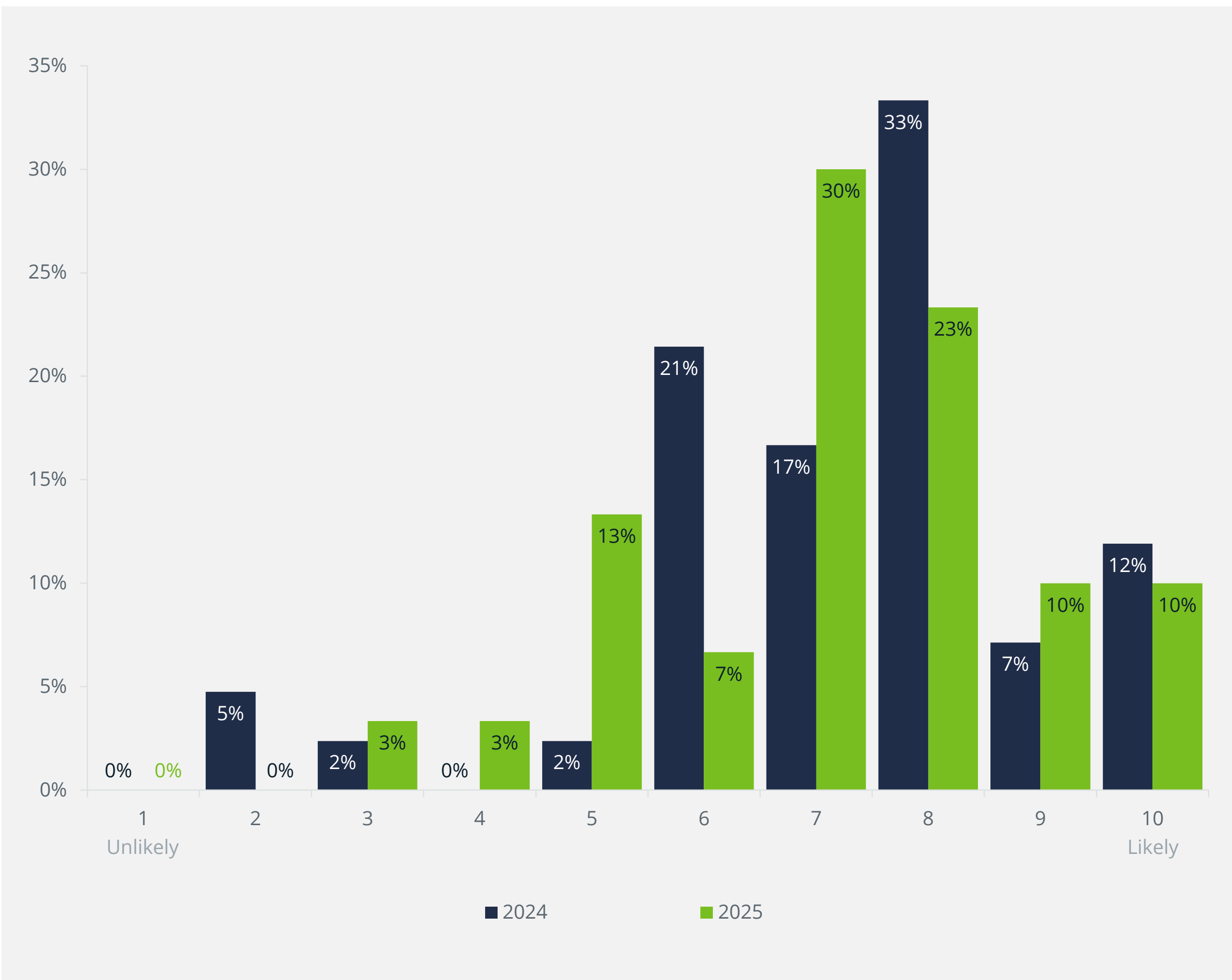
"Companies appear to be just as cost-focused as ever, despite the opportunity to move to higher-quality carriers in this soft market.

"Companies need to start doing a better job of thinking through their management of the litigation. Defense rates are approaching $3,000 an hour.

"There is always a natural optimism on the part of companies that they won't be a target, and if they are a target, they will get the case dismissed.

Q4 On a scale of 1 to 10, how likely are we to see a material amount of litigation and regulatory enforcement actions regarding “AI Washing” due to companies overhyping a product or service’s use of AI? 10 is 100% likely.

2025 Survey Results: **When we asked this question for the first time last year, the most popular answer was eight, so this year’s rating is down slightly from that but still at a relatively high level.**



Woodruff Sawyer Commentary

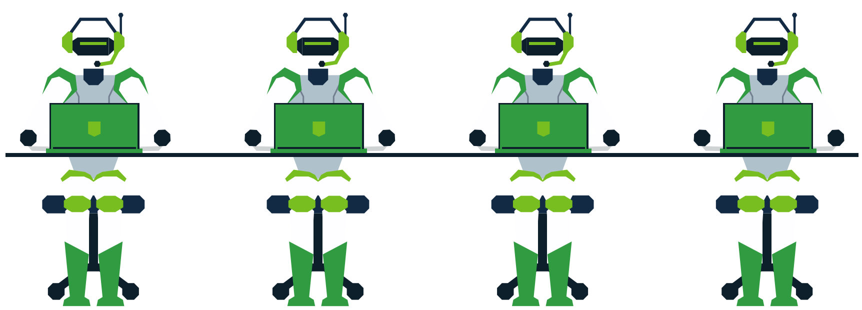
Carriers believe this is a serious risk. Based on their commentary, it's also clear they are resigned to the inevitability of these kinds of suits even though the severity has not yet materialized.

Underwriter Comments

> I don't like to revisit a risk for renewal and see their public filings laced with AI capabilities for products that used to be free of AI-pumping language.

> I am not convinced it will be the tidal wave that some are predicting but feel it will be an above-average issue that is litigated.

> We don't need 50 different AI chatbot companies, despite what the recent [MBA] grads will try to tell the VCs.



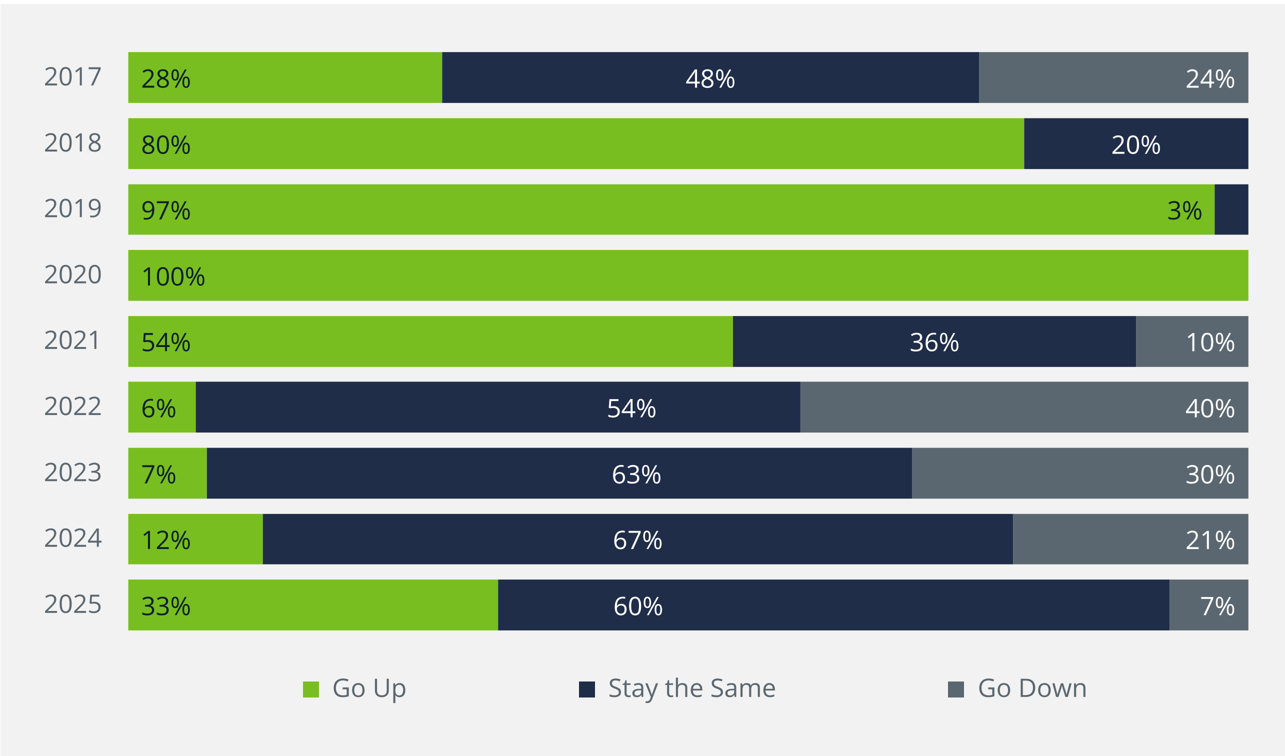
> It's already happening, and companies are doing ridiculous stuff like sticking AI on the end of their name with no real AI tech or strategy. The plaintiffs' bar is loving it as it makes it so easy to sue them.

> It feels like the bar to bring an allegation of AI washing is incredibly low, especially in the environment of short-seller reports garnering so much attention.

Q5

Industry-wide, do you expect D&O premium rates for mature public companies to go up, stay the same, or go down?

2025 Survey Results: **Two-thirds of underwriters expect D&O premiums to stay the same or go down.**



Woodruff Sawyer Commentary

Notably, the percent of carriers that expect rates to go up more than doubled YOY. However, the commentary leads us to believe that renewals in 2026 will be similar compared to the previous year.

Underwriter Comments

> They're already at rock bottom. If additional carriers exit the market, rates will increase.

> Flat is good, some of these risks have overcorrected and need rate.

> There are too many data points/metrics that show we've gone beyond the point of carriers sustaining profitability.

> I believe any rate adequacy that was achieved during the market correction in 2019–2021 has been fully eroded. This erosion has been amplified by the significant reduction in SIRs (despite rising costs of defense) and the expansion of entity coverage, which has yet to be priced for correctly.

> For more mature companies, we're already seeing stabilization of rates, and I would expect more solidification of stabilization.

> Decreases will be slower, possibly flat.

> The market continues to deal with an oversupply of insurance capacity. The effect is that risk is underpriced. Any attempts to push rate are undercut. Many carriers are in "wait it out" mode, which ensures the market will not change anytime soon.

> I don't see rates going up quite yet—but flat needs to be in play.

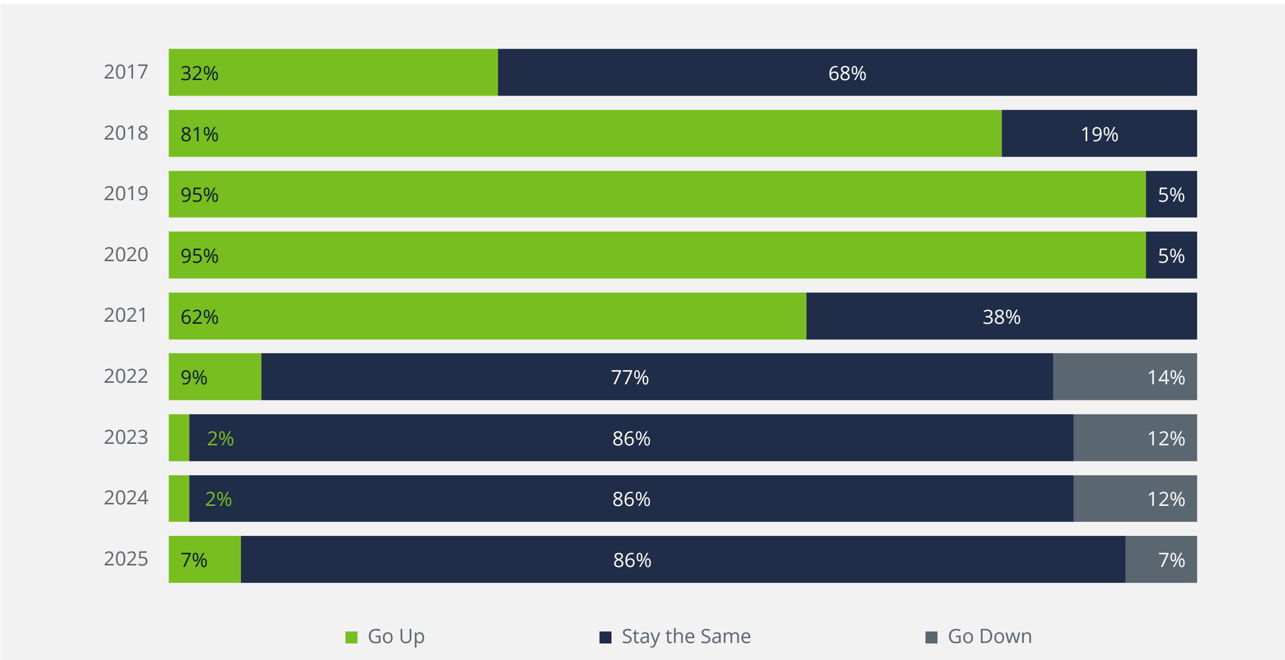
> The market still has another 1–2 years of softness ahead. The rate decreases will be smaller, but companies that want to save money will still be able to.

> Premium decreases... are where they are due to an oversupply of capacity, not rational risk-taking.

> Premiums for mature, stable, blue chip public companies have been hammered in the current soft market. While some of this is warranted, they are still susceptible to high-severity claims that are tough to underwrite; as such, mid-excess ABC layer premiums in particular are not sustainable. Carriers have and will continue to take the necessary increases here. With that said, primary premiums will be stable with <5% increases.

Q6 Industry-wide, do you expect D&O SIRs for mature public companies to go up, stay the same, or go down?

2025 Survey Results: **93% of underwriters expect D&O SIRs for mature public companies to stay the same or go down.**



Woodruff Sawyer Commentary

With few exceptions, the market is probably at a stable level for SIRs.

Most of the larger retentions from the previous hard market have been reduced, and the clients that have a large retention want to have a larger retention.

Underwriter Comments

Some carriers don't know how social inflation impacts defense costs.

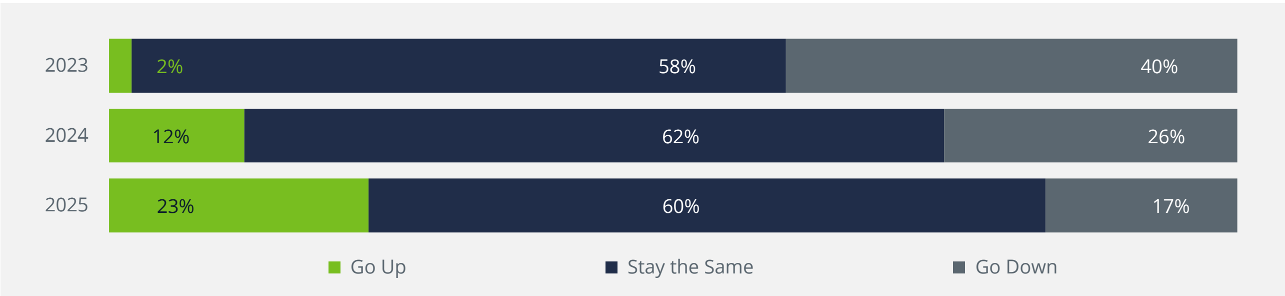
Haven't hit bottom yet, but close.

I think rates (premiums) will move first, SIRs are a secondary lever (in most cases).

They are probably already too low.

Q7 Industry-wide, do you expect D&O SIRs for **newly public** companies to go up, stay the same, or go down?

2025 Survey Results: **77% of underwriters expect D&O SIRs for newly public companies to stay the same or go down (versus 93% for mature public companies [per Q6]).**



Woodruff Sawyer Commentary

While the percentage of underwriters expecting to see higher SIRs almost doubled YOY, SIR stability is probably the name of the game.

> [T]he correction in SIR levels that was sought during 2019 to 2021 has been reversed and are now at minimum levels for the increased exposure [that] newly public companies present [relative to mature public companies].

Underwriter Comments

> As the SEC's resources get depleted and newly public companies start to cut corners, plaintiff firms will see far more opportunities to file claims. These companies shouldn't be getting SIRs of less than $5M or maybe $3.5M for smaller raises/valuations or non-tech industries.

> The SIRs are generally adequate for defense costs through MTD.

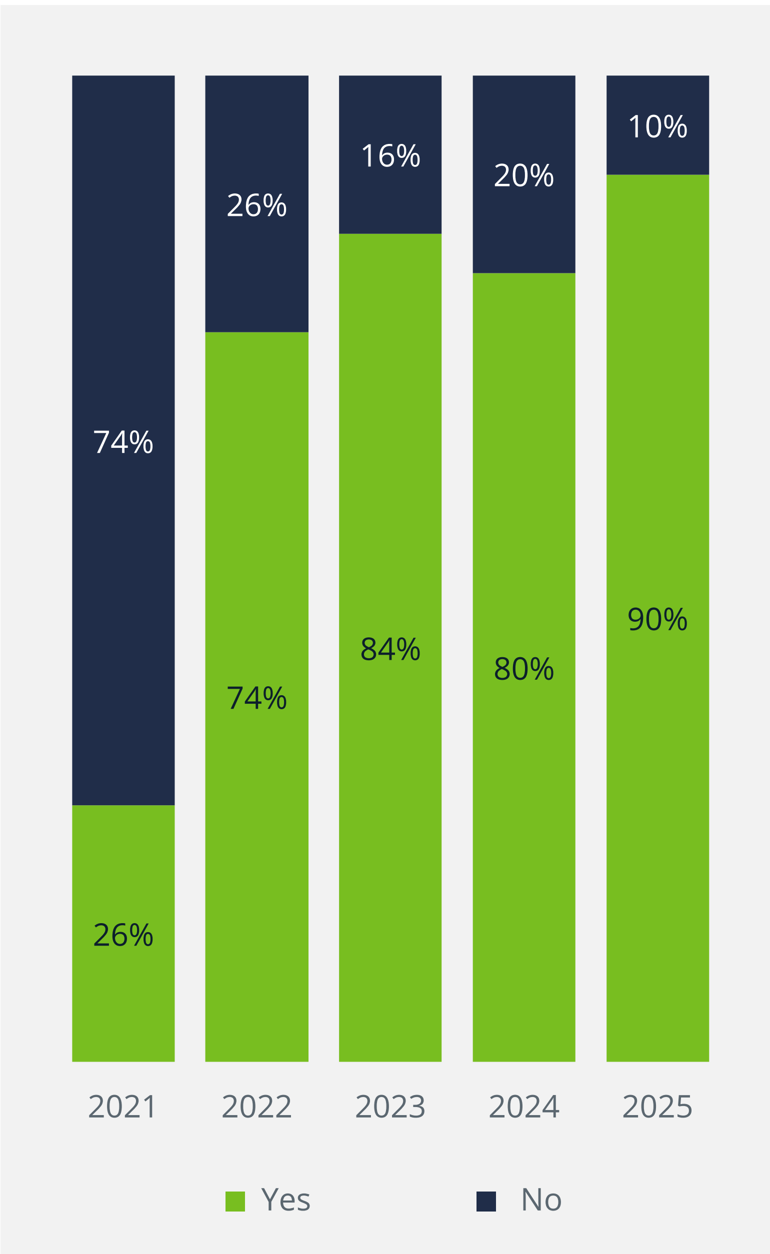
> The retentions on some of these IPOs are unsustainable.

> The IPO market is underpriced from a long historical point of view.... Something has to give, and I'd assume SIRs going up would be the first lever to push before charging more premium.

> Competition [from other carriers for new business] is putting pressure on retentions.

Q8 Will you quote the primary layer for most public companies?

2025 Survey Results: **90% of underwriters surveyed will quote the primary layer for most public companies and this is likely a big part of why we are still in a soft D&O market.**



Woodruff Sawyer Commentary

We are perplexed. On the one hand, the percent of carriers unwilling to quote primary halved. On the other hand, carrier sentiment about providing competitive primary quotes is strikingly negative. This may suggest that incumbents are quoting aggressively in order to retain their clients.

Underwriter Comments

Typically, we have quoted primary with moderately aggressive pricing. We can still quote primary but generally find premiums to be well below what is needed for profitability.

We feel primary is the best place to be on any tower, not only because we value having that relationship with the clients, but due to the erosion in ILFs and expansion of entity coverage, it's now difficult to achieve adequate returns on excess positions, with the exception of Side A layers.

Getting 400 primary indications is a waste of time if you're not going to move the account.

We will quote the primary, but given the market conditions, we do not expect to be competitive.

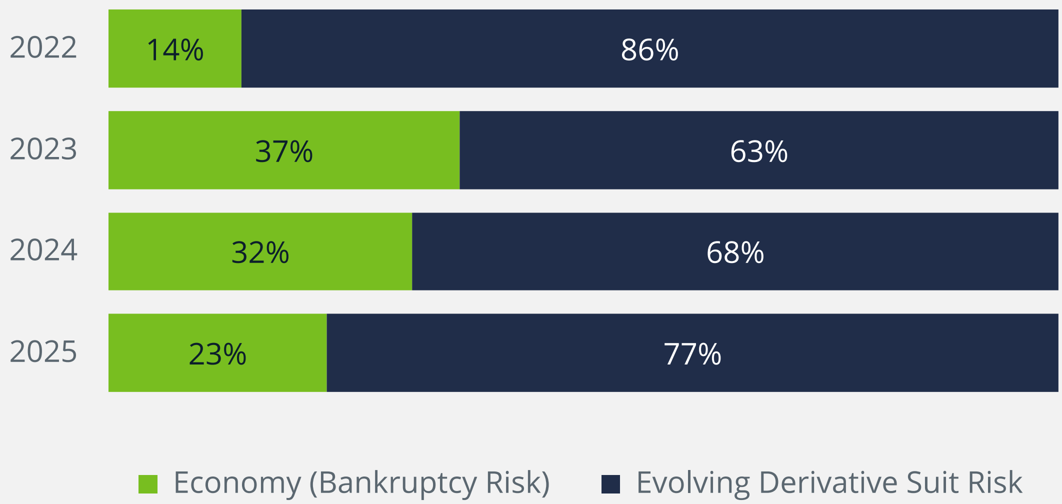
Given the low movement rates of primary layers and the sheer number of competitors, even if a layer does seem like it will move, we need to be mindful of how much time we commit to quoting business that we have a very low chance of winning.

We typically quote the primary but as the market further softens, our pricing is remaining stable and less likely to win out.

The carrier I work for has plenty of capacity to offer, we need just to be paid appropriately.

Q9 As you think about quoting Side A in 2026, do you anticipate being more concerned about the economy (bankruptcy risk) or evolving derivative suit risk?

2025 Survey Results: **Evolving derivative suit risk continues to be the larger concern for underwriters.**



Woodruff Sawyer Commentary

Notwithstanding carrier concerns about the global economy as expressed in reaction to question 1, carriers as a group are more concerned about the way in which the derivative suit threat is evolving, making it more difficult to underwrite.

Underwriter Comments

> Bankruptcy risk is so much easier to anticipate than derivatives. I can't worry about a black box (derivatives) all the time, need to use judgement as the deals come up.

> While not perfect, it's generally easier to handicap bankruptcy risk. It's much more difficult to underwrite to derivate risk (both from a frequency and severity perspective)....

> I think the BK's will stay roughly the same, but derivatives could go on a tear....

> You can underwrite to bankruptcy likelihood, whereas derivatives can hit healthy companies.

> Bankruptcy risk is avoidable with solid underwriting acumen.

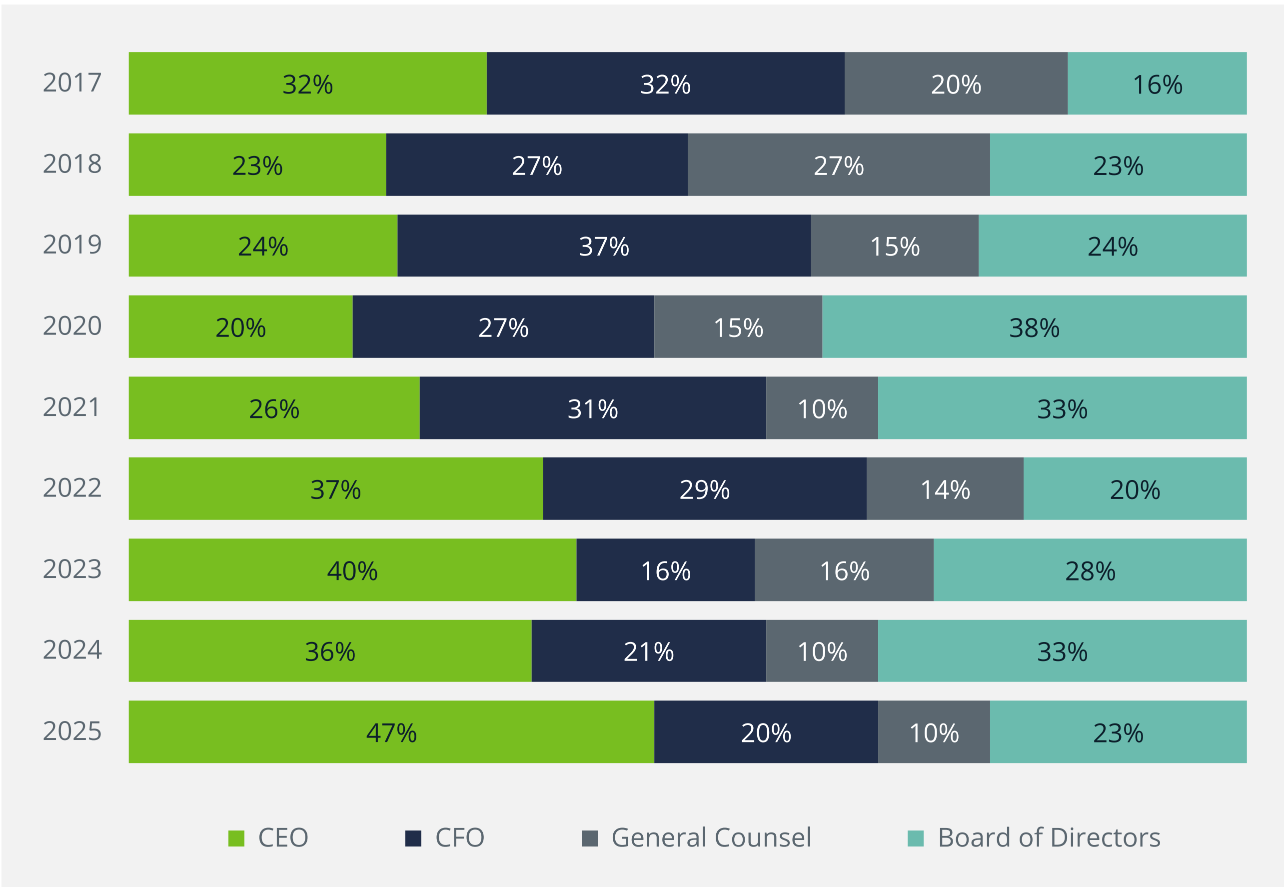
> Series of unfavorable rulings out of Delaware continue to hurt carriers.

> Side A is not the low exposure cover it used to be, and rates need to reflect this. Side A pricing should never go back to what it was prior to 2020.

> I am more concerned about the derivative suits due to severity.

Q10 Who is the most critical person at a company when you think about mitigating D&O risk?

2025 Survey Results: **For the third year in a row, underwriters think it's the CEO who is the most critical person at a company when it comes to mitigating D&O risk.**



Woodruff Sawyer Commentary

The survey results point to the importance of a singular strong executive at the top. Much of the commentary, however, actually focused on the CFO and the board.

Underwriter Comments

It seems the worst situations happen when companies financially become more desperate. If a CFO can mitigate that part of risk, the remaining issues are more business-related that happen [when] acting in good faith, as opposed to desperate bad actors when the house is crumbling financially acting more criminally.

Don't put celebrities on your board unless it's a pizza business and [a major sports star] is available.

As the ultimate governing body of any company, the most critical role is the board.

The biggest issue a company faces is how quickly they can work out that the facts around their business have changed and how quickly they can communicate this to investors. The CFO is absolutely critical when it comes to managing this process.

I think the board has the ultimate opportunity to choose the leaders. If they want higher-risk (from a D&O liability perspective) leaders because they think they are the best for the company, that's perfectly rational. Underwriters just need to price the business accordingly.

CEO sets the tone. Everything else flows from that.

[I]t starts with the CFO.

Bonus Question: What do you wish you could tell D&O insurance buyers about 2026?

Underwriter Comments

We are at the stage in the cycle where Wile E. Coyote has run off the cliff but hasn't fallen yet.... The issue that buyers will face in the near future will not be in the lower layers but the higher layers. As carriers pull out of the market due to losses or a lack of critical mass, the price to get carriers to step in will be substantial.

Carriers that quote cheap today will be out of the market in a couple years. Who do you want handling your claim—a stalwart or a fair-weather player?

Clients often say that they are performing well, so their premium should go down. We don't underwrite the last 12 months; we underwrite the next 12 months. And if you have been doing well, your market cap is likely greater, and so your risk is also greater.

Carriers got their pound of flesh in the hard market and D&O buyers understandably responded with lack of loyalty in the soft market. Both carriers and buyers need to meet in the middle and return to a sustainable relationship mindset so we can weather the current uncertain environment (policy, geopolitical, macroeconomic, etc.) together.

If you want to avoid uncomfortable budget conversations in 3 to 5 years' time, then celebrate a flat D&O renewal in 2026!

At current rates, public D&O is not a profitable business.

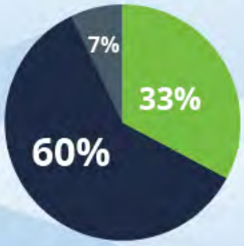
Carriers that price badly pay claims badly. If you lower the quality of your tower to save on premium, are you confident these carriers will be around to pay your claim in 5 years?

2026 should be an interesting year as we see how the reinsurance negotiations could impact some of our more aggressive competitors.

D&O LOOKING AHEAD 2026

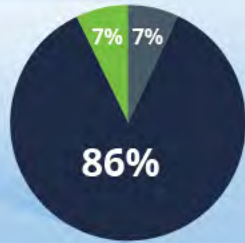
Underwriters Weigh In™ Survey

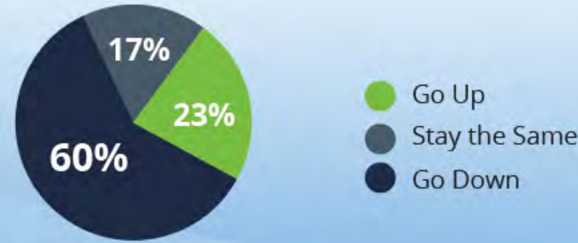
D&O Premiums



67% of underwriters expect D&O premiums to stay the same or go down.

Self-insured Retentions



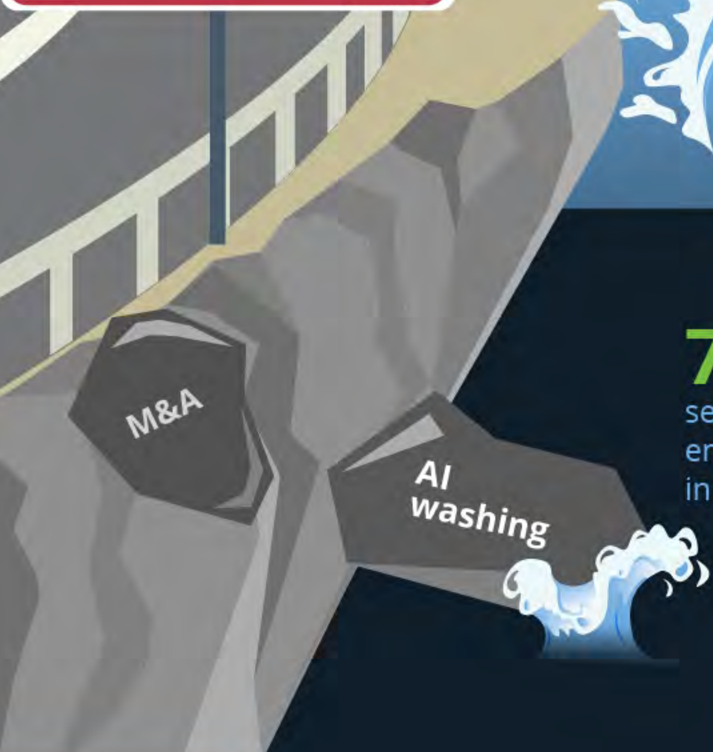


93% of underwriters expect D&O SIRs for **mature public companies** to stay the same or go down.

77% of underwriters expect D&O SIRs for **newly public companies** to stay the same or go down.

80%

of underwriters think that companies are not as aware of the frequency and cost of litigation as they should be.



AI WASHING

73% of underwriters rate the likelihood of seeing a material amount of litigation and regulatory enforcement actions because of companies engaging in AI washing as seven or higher.

WOODRUFF SAWYER
A Gallagher Company

Expert Insights

Susan

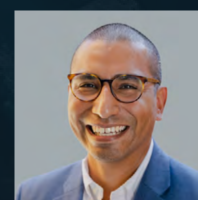
Time for a D&O Captive?

Walker

What to Expect with New SEC Leaders

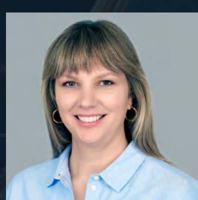
Jennifer

Capitalizing on an IPO Buyer's Market



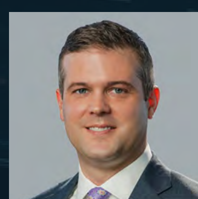
Lenin

Keep Focusing on Disclosures and Compliance Controls



Jane

Hot Topics in the Foreign Filer Space

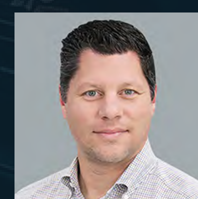


Jacob

AI in FinTech: Opportunities and Risks

Yelena

Coverage for Your SPAC IPO



Mike

Will Volatility Persist?

4.0 Expert Insights

4.1 Time for a D&O Captive?

Q:

Should we consider using a creative solution such as a D&O insurance captive if we are incorporated in Delaware?

A:

The captive discussion is a muted one now, given that the D&O market is generally favorable with abundant capacity. Things are less rosy for certain high-profile segments such as financial institutions with digital assets, generative AI companies, or in some cases industries that ride along with the AI wave (think semiconductors and more recent volatility in that sector). A company's specific claims history can also factor into renewal results.

If a company wants to self-insure more of the risk, the first move is to migrate to commercially available "Broad Form A-Side only" coverage. These programs don't protect the company's balance sheet but do serve as excellent personal protection for individual directors and officers during a catastrophic event. The next transition to a captive can be effective for a small subset of the "A-only" population—that is to say, companies that have an outsized risk profile and are not enjoying the competitive soft market rates, or companies that want more capacity than is reliably available in the commercial marketplace. Standing up a captive solution allows for more control and consistency. Of course, the downside is the infrastructure and capital commitments required to support the captive.

Susan Miner

Senior Vice President,
Management Liability

Read Susan's Bio >

Learn More:

- D&O Captives
- What Is a Captive and When Is It Right for You?
- D&O Game Changer: Delaware Approves Using Captives for D&O Insurance
- Standalone Side A, Difference in Conditions Policies

4.2 What to Expect with New SEC Leaders

Q:

What should companies, directors, and officers expect from SEC Enforcement in the coming year?

A:

Former Chair Gary Gensler was perhaps the most aggressive leader in the US Securities and Exchange Commission (SEC)'s history. For businesses and executives facing enforcement scrutiny, investigations were often invasive and difficult to shake, even in the absence of any wrongdoing, and the SEC filed boundary-pushing cases in federal court.

As new SEC leaders begin to make their mark, the regulatory picture looks much different. Procedural reforms mean that frontline SEC lawyers will have less discretion to pursue investigations unless agency leaders are on board. Skepticism toward corporate penalties—seen as unfairly penalizing shareholders—means that it will be less common for public companies to face big fines. And aggressive disclosure theories—around cybersecurity, executive compensation, and internal controls—will be decidedly out of vogue.

Significant risk remains, however, for businesses and their leaders. To use a term of art, "regulators gonna regulate." For some companies, officers, and directors, this will still mean disruptive, intrusive, and expensive investigations. A lighter regulatory burden gives companies welcome room to breathe—and it would be wise to use some of this room to ensure that you have a robust compliance program.

Walker Newell
Senior Vice President,
Management Liability

Read Walker's Bio >

Learn More:

Looking Into the SEC Future for Financial Services Companies

Whiplash: The (Brief and Tragic?) Life of the SEC's Cyber Disclosure Rules

4.3 Capitalizing on an IPO Buyer's Market

Q:

With the IPO drought lifting, how should I approach planning for D&O coverage to optimize results in the current market?

A:

IPO buyers continue to experience a highly favorable D&O market: Coverage terms are broad and pricing is competitive. We continue to see an abundance of carrier capacity. The lack of new business opportunities for insurers to write for newly public companies has led to a surge among all insurers to quote any IPO primary layer quickly and competitively. Carriers hope to secure the primary position or a low excess position on the tower because pricing for higher excess layers on IPO programs can become very low.

To capitalize on this IPO buyer's market, work with a seasoned broker to educate and engage the market early, even if you are not entirely sure whether your company will execute an IPO within the next 12 months. Also, meet with your broker to ensure you develop an appropriate budget for the entire D&O program. Although uncertain in the early stages of planning, providing your broker with valuation guidance will enable you to review benchmarking and program design models for limits and pricing. This becomes imperative as you begin to recruit directors and other executives into the organization, as they will inquire about the current private company coverage and plans for the public company's D&O coverage.

Jennifer Sharkey

Managing Director, Executive and Financial Risk, Gallagher

View Jennifer's LinkedIn page>

Learn More:

Guide to D&O Insurance for IPO and Direct Listing Companies

4.4 Keep Focusing on Disclosures and Compliance Controls

Q:

Given that some US federal regulatory agencies are signaling a potential shift toward more limited oversight and reduced enforcement, is there an opportunity to relax our posture on the detail and tone of our corporate disclosures and the rigor of our compliance programs?

A:

Signals of a lighter regulatory touch shouldn't be mistaken as a green light to materially scale back your disclosures and compliance controls. Certainly D&O insurance underwriters will continue to closely evaluate the strength of a company's governance, compliance culture, and disclosure practices when assessing D&O risk.

A well-structured governance framework, as well as consistent and transparent disclosures, can lead to more favorable policy terms, including lower premiums and reduced self-insured retentions. On the other hand, perceived weaknesses or sudden shifts in governance practices may raise red flags, trigger additional underwriter scrutiny, and result in less favorable terms or exclusions.

Perhaps more importantly, a strong disclosure and compliance posture helps to serve as the first line of defense in the face of litigation. Plaintiffs' firms will often scrutinize public filings, statements, and other disclosures for any inconsistencies, omissions, or vague language, particularly in the case of a significant drop in your company's stock price. As a result, the best course in most cases, especially when navigating the winds of regulatory change, will be to maintain disclosure and compliance discipline.

Ultimately, while this environment does present an opportunity to refine and streamline processes, any rollbacks should be well-reasoned, documented, and defensible.

Lenin Lopez
Senior Vice President,
Management Liability

Read Lenin's Bio >

Learn More:

- Misinformation as a Material Risk: Governance, Response, and Insurance Considerations
- What You Don't Disclose Can Hurt You: The Power of Proactive Risk Factor Disclosures
- Calm Before the Storm: Building Crisis Resilience for Boards and Management Teams

4.5 Hot Topics in the Foreign Filer Space

Q:

What has changed over the past year in the foreign filer market and what are expectations for 2026?

A:

The good news is that we still have a competitive US D&O insurance market for foreign IPOs, with an abundance of capacity in 2025. We are seeing more IPO activity, and companies have been able to build ample limits at competitive prices.

On the other hand, insurance carriers writing D&O insurance for foreign private issuers (FPIs) are concerned about litigation, geopolitical unrest, and AI adoption. With heightened tensions and conflicts around the world, companies that have direct exposure or face potential supply chain disruption may see more questions from D&O underwriters around their disclosures of these risks.

D&O underwriters are also paying close attention to companies' adoption of AI given Europe's developing posture when it comes to AI governance and technology oversight. We also see AI washing as a new source of litigation.

Another topic we are watching closely is any potential changes to the FPI disclosure regime. D&O insurance carriers underwriting FPIs may benefit from increased disclosure. On the other hand, as those of us who study the subject know, more disclosure requirements can also lead to more opportunities for the plaintiffs' bar to bring frivolous but costly-to-defend securities class action suits alleging disclosure failures.

Jane Njavro

Senior Vice President, Management Liability

Read Jane's Bio >

Learn More:

Foreign Private Issuers: Time to End the Free Lunch?

4.6 AI in FinTech: Opportunities and Risks

Q:

How are insurers responding to the risks and innovations introduced by AI-driven FinTech solutions?

A:

The growing use of AI in FinTech presents both opportunities and risks that insurance underwriters are closely monitoring.

On the opportunity side, AI enables FinTech companies to offer more personalized services, such as analyzing spending habits and financial goals to anticipate customer needs. AI can also improve 24/7 support and access to tailored products. Insurance underwriters generally view these enhancements positively, with no significant impact on insurance pricing or availability.

However, risks are emerging—particularly concerning AI washing, which is to say any instance in which a company may overstate its AI capabilities. This is especially relevant for D&O liability coverage, notably for public companies or those with investment adviser or broker-dealer licenses. Underwriters are tracking AI mentions in earnings calls to assess consistency and potential exposure and looking more closely at adviser and broker-dealer marketing materials.

While underwriting guidelines haven't drastically changed, insurers are asking more detailed questions about AI oversight and controls. Lenders using AI in underwriting models, and investment firms using AI in marketing or client interactions, should expect increased scrutiny. Overreliance on AI without proper governance could affect insurance terms with most carriers taking a conservative (read: more costly and more exclusions) approach.

Jacob Decker

Senior Vice President,
Financial Institutions

Read Jacob's Bio >

Learn More:

AI and Insurance: Bridging Innovation and Insurance

Understanding AI's Impact on Insurance

Artificial Intelligence: Practical Considerations for Boards and Management Teams

4.7 Coverage for Your SPAC IPO

Q:

The SPAC market is heating up. For my SPAC IPO, can I get away with Side A-Only coverage or do I need to buy ABC?

A:

Generally, Side A-only coverage is attractive to many SPAC teams for two reasons: 1) it comes with zero self-insured retention (similar to a deductible) and 2) it is cheaper than ABC coverage. However, Side A-only policies respond only to protect directors and officers of the SPAC when indemnification is not available. These polices leave the SPAC entity completely uncovered, exposing it to the possibility of having to cover its lawsuit/investigation costs by leaning on its sponsor or dipping into its at-risk capital.

Nevertheless, many SPAC sponsors have recently opted for Side A-only coverage because they do not anticipate having enough funds in the SPAC entity to satisfy the typical $2.5 million retention that a SPAC ABC policy would require. Also, from the risk perspective, the SPAC market has seen only a handful of costly pre-business combination lawsuits and investigations. All these factors lead most SPAC sponsor teams to conclude that they'd rather face the risk of the lawsuit and dissolution of the SPAC entity than pay a higher premium for an ABC policy.

Of course, each SPAC IPO has unique nuances, underscoring the importance of working with an experienced SPAC D&O insurance broker.

Yelena Dunaevsky
Senior Vice President,
Management Liability

Read Yelena's Bio >

Learn More:

Guide to D&O Insurance for SPAC IPOs

Guide to D&O Insurance for De-SPAC Transactions

Will SPACs Benefit from Recent Delaware Law Corporate Amendments?

4.8 Will Volatility Persist?

Q:

D&O premiums were catastrophically high a few years ago, and now they are more rational. Should I think of the D&O market as stabilized now or is it destined for more cyclicality over time?

A:

The D&O market has seen significant volatility over the last decade, with rates climbing to all-time highs in 2021 and early 2022, only to fall even faster thereafter. The current rate environment has been a relatively stable one, but it's not clear whether this will persist.

Two main factors drive D&O pricing outside of a company's own unique risk factors (e.g., being a new public company versus a mature one, etc.). First is the supply of insurance capital itself. Currently, we are in an environment where there is arguably an oversupply of D&O insurance capital, as carriers entering an overheated market is what caused premiums to fall. The other factor that drives D&O insurance premiums is the litigation environment. In 2024, we saw a second consecutive year of increased securities class action litigation, and 2025 may exceed 2024. Settlements of securities class action suits are also trending in the wrong direction. The industry saw all-time highs for average and median settlements in 2024, and the number of unresolved cases (while not an all-time high) is also growing. Unless these trends reverse, buyers should not expect current favorable premium levels to persist over time.

Mike Ferraro
Senior Vice President,
Management Liability

View Mike's LinkedIn page >

Learn More:

D&O Databox ™ Mid-Year Report

Concluding Perspective

A message from Priya Cherian Huskins,
Senior Vice President

5.0 Concluding Perspective

A message from Priya Cherian Huskins, Senior Vice President

You've likely heard the news—Woodruff Sawyer and Gallagher have joined forces. This combination with Gallagher expands our footprint, not to mention our access to data, technology, and resources, all of which will help us better serve you. I'm excited for what lies ahead for all of us. We're entering a new era, one where we're better together.

We have long prided ourselves on being champions for our clients, and we're still resolute in our commitment to putting you front and center. The combination with Gallagher enhances the ways we can provide sophisticated advice, thoughtful consulting, and unparalleled claims advocacy because we now have additional experts, expanded resources, and a larger platform to serve you.

Our expertise has always set us apart. Now, you'll have access to additional specialists with exceptional depth of knowledge in even the most obscure areas of insurance. Together, we'll work to untangle, advise, and solve your business risks—and help you avoid the risks in the first place. And for the risks that can't be avoided, we truly can be a "one-stop shop" for the full spectrum of your enterprise risk management insurance needs.

The Gallagher platform allows us to help **you address your risk at anytime, anywhere in the world.** We have boots on the ground everywhere you are. We also now have more resources to help you find practical, cost-effective, and customized ways to protect yourselves in the face of uncertainty. Our experts track the day-to-day shifts in the regulatory and general insurance landscape, so you don't have to—and can instead focus on your business strategy and profitability goals.

The Gallagher platform now also includes this *Guide*. This is our 13th year of publishing the *D&O Looking Ahead Guide* and our ninth year of the Underwriters Weigh In™ survey. This *Guide* is part of our unabated commitment to keeping you informed about the trends and hot-button issues that impact directors, officers, and the companies they serve.

As we look ahead to 2026 and beyond, we're better equipped than ever to help you navigate the complex world of insurance and risk management. We joined forces with Gallagher to better serve our clients today, tomorrow, and well into the future. We look forward to going on this "better together" journey with you.

Additional Resources

Whiteboard Videos
Making the Complex Simple in 3 Minutes
Watch videos →

D&O Notebook
D&O Insurance, Corporate Governance, IPOs, Board Issues
Read our blog →

SPAC Notebook
IPOs, Transactional Insurance, SPACs, de-SPACs, Mergers & Acquisitions
Read our blog →

Cyber Notebook
Cybersecurity, Market Trends, Privacy Laws and Regulations
Read our blog →

M&A Notebook
Private Equity and M&A, Reps and Warranties Insurance, Litigation Trends
Read our blog →

P&C Notebook
Premium and Risk Trends, Workers' Comp, Claims Volatility
Read our blog →

Guide to D&O Insurance for IPOs and Direct Listings
Read our guide →

Guide to D&O Insurance for Foreign IPOs and Direct Listings
Read our guide →

Guide to D&O Insurance for SPAC IPOs
Read our guide →

Guide to D&O Insurance for De-SPAC Transactions
Read our guide →

Woodruff Sawyer Events and On-Demand Webinars
Explore more →

Subscribe for Expert Advice and Insights

Sign up to receive expert advice, industry updates, and event invitations related to Employee Benefits and/or Business Risks.

About Woodruff Sawyer

Woodruff Sawyer, a Gallagher company, is a full-service insurance brokerage and consulting firm, serving emerging tech companies to global giants for over a century. Headquartered in San Francisco, we offer our clients access to a global platform of exclusive resources, tools, and data.

If you have any questions or comments regarding the *Looking Ahead Guide*, contact your Woodruff Sawyer Account Executive or email us at: LookingAhead@woodruffsawyer.com.

WS WOODRUFF SAWYER
A Gallagher Company

For More Information

Call 844.972.6326, or visit woodruffsawyer.com