

D&O

Smart decision makers are protecting their companies and themselves.

Directors & Officers Liability

Do privately held companies need D&O?

A recent survey of 451 executives of privately owned companies produced some startling facts:

26% of the companies experienced a D&O suit in the past 5 years.
That is 1 in 4!!

31% of the companies with more than 50 employees have experienced a D&O suit. At 250 employees the percentage increases to 39%.

The suits come from a variety of sources:

- 43%** came from customers
- 29%** came from government or other regulators
- 17%** came from vendors
- 11%** came from partners or other owners

The suits cost on **average \$308,475**. The companies with D&O insurance had an average loss of \$129,625. **Those without D&O** insurance had an average loss of \$408,469.

Most private companies do not buy D&O.

- 75%** of those with fewer than 50 employees don't buy the coverage
- 62%** of those with 50-249 employees don't buy the coverage
- 49%** of those with over 250 employees don't buy the coverage

The reasons given are astounding given the number of claims:

- 33%** believe there is "no need"
- 20%** believe there is little or no risk of loss
- 12%** actually believe the claims would be covered under their other policies

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