



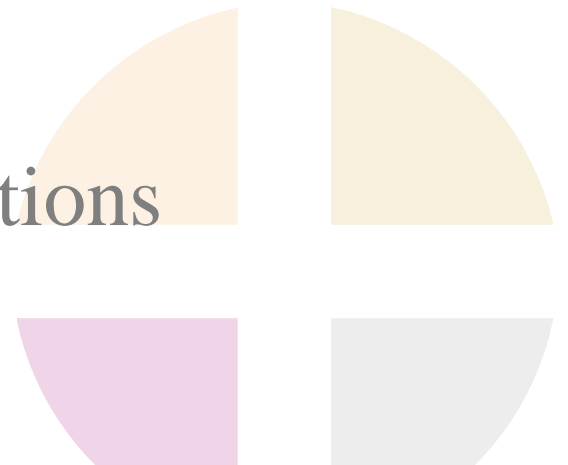
---

PROFESSIONAL LIABILITY UNDERWRITING SOCIETY

# PLUS –Miami

## August 30, 2017

Underwriting Considerations





# Operation Car Wash/Petrobras

---

- Initiated in 2014
- Started as a Money Laundering Probe
- Expanded to other areas such as “kickbacks”
- Petrobras becomes a headline by prosecutors over kickbacks by former Director at Petrobras
- The Operation continues to this day



# Impact on Underwriting Decisions

---

- Underwriting Considerations
- Pricing changes
- Policy Terms and Conditions
- Capacity – Local and International
- Increase/Decrease in Demand for Insurance



# Underwriting Considerations

---

- Geographic Location
- Country Specific
- Compliance Issues: Admitted/Licensed
- Reinsurance Capabilities in applicable
- Government Regulations

- Operation Car Wash has increased pricing in general
- Factors include investigative costs, use of local adjusters
- General hesitation by capacity providers



# Policy Terms and Conditions

---

- Increase use of Exclusions such as Bribery, Corruption, Commissions Exclusions
- Increase in sublimits for Defense Costs
- Review of “older policy forms” looking for latest/broadest Terms

- Local Markets – Rejuvenated Interest
- Use of Reinsurance Markets- Increased Appetite
- International marketplace acceptance

- More Companies are buying D&O Insurance
- Particularly due to headline news
- Private Companies
- Public Companies
- Quasi Governmental Agencies