

# News Release

Contact:

Investors: Kerry K. Calaiaro  
+1 212 837-0880  
Email: [kerry.calaiaro@willis.com](mailto:kerry.calaiaro@willis.com)

Media: Dan Prince  
+1 212 837-0806  
Email: [daniel.prince@willis.com](mailto:daniel.prince@willis.com)

## **The Willis Index for Directors and Officers Liability: The Buyer's Market Continues**

**London, UK, July 24, 2006** – There are small but significant gains to be made for insureds in the current London D&O market, according to the majority of underwriters surveyed in the Willis Index tracking this sector. The Index for the second quarter of 2006 found that competition for business in the London market is being driven by a more than adequate supply of capacity and a willingness to negotiate on coverage not seen for some years. With many insurers having recently overhauled their wordings, and with others due to do the same, the buyer's market looks set to continue into the third quarter.

The Willis Index – a quarterly survey of London market insurers – asks participants for their views on the underwriting market over the past three and for the next three months. There are four surveys in the series with each Index exploring a different coverage area.

All respondents agreed that primary premium rates had fallen in the preceding quarter, with 66% reporting decreases of 10% or less, and the remaining 34% noting larger reductions of up to 20%. Over the next three months the trend looks set to continue, with a massive 75% predicting reductions of up to 10% and only a few of the brave (8%) suggesting that rates could flatten out.

While the overwhelming majority of respondents noted reductions in excess layer pricing over the last three months, a small but noteworthy group of 8% suggested that rates actually remained static overall during this period, indicating that there could be more resistance to declining rates among excess insurers where competition has been the greatest. For the next three months this small group of respondents remains of the opinion that rates will be static. However, of the rest, 84% are agreed that reductions will be less than 10%.

The Willis Index polls non-US insurance companies providing buyers of specific lines of coverage with an overview of the market reporting on relevant issues unique to their industry.

Willis Group Holdings Limited is a leading global insurance broker, developing and delivering professional insurance, reinsurance, risk management, financial and human resource consulting and actuarial services to corporations, public entities and institutions around the world. With over 300 offices in more than 100 countries, its global team of 15,400 Employees and Associates serves clients in some 190 countries. Willis is publicly traded on the New York Stock Exchange (NYSE: WSH). Additional information on Willis may be found on its web site: [www.willis.com](http://www.willis.com).

###

Editor's Note: The complete Willis Index is available on Willis.com via [www.willis.com/Extras/Publications.aspx](http://www.willis.com/Extras/Publications.aspx)

Also in this series:

The Willis Index for Environmental Insurance

The Willis Index for Financial Institutions Insurance

The Willis Index for Accountants and Auditors Professional Indemnity Insurance