

BLAIS EXCESS & SURPLUS
AGENCY OF TEXAS, LTD.



PRESS RELEASE

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**“RECENT TRENDS IN SHAREHOLDERS CLASS ACTION
LITIGATION: BEYOND THE MEGA SETTLEMENTS, IS
STABILIZATION AHEAD?”**

A REPORT BY NERA ECONOMIC CONSULTING

NERA Economic Consulting recently released a report that provides some very positive statistics that lead one to believe that the Directors and Officers (D&O) liability market could be improving from a claims point of view.

A key fact from the report shows that the D&O claim dismissal rates are on the rise. Just 19.4 percent of all cases filed between 1991 and 1995 were dismissed on summary judgment, but this figure jumped to 40.3 percent for cases filed between 1998 and 2003. It is clearly a better underwriting environment when two of every five claims are dismissed, compared to one in which just one of every five claims is considered to be without merit.

Median and average settlement amounts rose from 5.3 million/\$19 million in 2004 to \$7 million/\$24 million in 2005. It should be pointed out though that this increase in severity was largely driven by a handful of one-off, mega-settlements during 2005 (e.g., Enron, Worldcom, McKesson, and Dynegy) rather than by a systemic rise in overall settlement values.

As a wholesale broker specializing in financial service products, Blais Excess & Surplus Agency of Texas, Ltd's knowledgeable and experienced staff assists agents/brokers with the acquisition, placement and service of Directors & Officers Liability (D&O), General Partners Liability (GPL), Employment Practices Liability (EPLI), Crime (Fidelity), Kidnap & Ransom (K&R), Errors & Omissions (E&O), Media Liability and Loss Mitigation products for a variety of industries. Clients assisted include but are not limited to energy, biotech, high tech, financial institutions, profit and non-profit entities, partnerships, healthcare, companies making Initial Public Offerings and companies in the process of merger or acquisition.

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