

## New MGA built on need for better corporate governance

**A**lthough the new Executive Risk Services Ltd. is a managing general agent (MGA) focused on the directors' and officers' (D&O) market, its CEO says the company is also committed to helping organizations practice better risk management.

Executive Risk has been up and running for more than a month, writing D&O cover backed fully by Lloyd's of London underwriters. CEO Elan Prutzer says the company has received a strong response, particularly from risks experiencing reluctance from other underwriters – for example start-ups and those in industries perceived as “high risk”. Prutzer says the company is focused on individualized underwriting of companies and has developed a series of more than 100 questions for prospective clients, determined to uncover any corporate governance “smoking guns”. Corporate governance, he says, must move beyond mere compliance with securities exchange rules.

Clients are actually eager to undertake this thorough vetting process, adds Scott Saddington, senior vice president and chief underwriting officer. “Addressing the deficiencies in board effectiveness helps you [as a risk manager] improve your risk.” The payoff is, “if you improve your board effectiveness, I will improve your coverage and premium.” And the analysis of corporate governance is a value-added process risk managers can bring to their organizations, he adds.

Executive Risk, Saddington says, has developed its own policy form, borrowing elements of international D&O policies and including many endorsements difficult to obtain in other markets, such as severability of directors and pollution defense. The reaction on the part of brokers to this broader coverage is to say “finally”, he explains. “This new domestic capacity has been welcomed with open arms.” ■