

Your DOT Liability Underwriter On-Line

During the last several years, insurers have made increasing use of online resources in underwriting your D&O coverage. This really speaks to publicly traded companies. Be aware – not just your shareholders are accessing this data.

Filing Data

[System for Electronic Document Analysis and Retrieval \(SEDAR\)](#)

The system used for electronically filing most securities related information with the Canadian securities regulatory authorities

[EDGAR Database of Corporate Information](#)

The USA Securities & Exchange Commission's own filings database.

[10K Wizard](#)

A search engine of SEC filings. Also provides free filings alerts and same-day filings.

[FreeEDGAR](#)

Same-day filings and filing alerts. Downloads directly into Excel spreadsheets.

[EDGAR Online](#)

Free access to filings, but some premium services include a fee.

Watch Lists

For the USA sites, a key feature available allows underwriters to create personal "watch lists" of companies providing online notification immediately after a specific company on their watch list files documents with the SEC.

[Canada Newswire](#) offers "Portfolio Email", a free subscription service that emails real-time news and information from the D&O Underwriters customized list of Canadian organizations.

Consequently, underwriters can take immediate action, depending upon the nature of the information received. They can now more easily track the financial fortunes of their insureds comprising their existing books of D&O business and react accordingly.

It is definitely best that they hear bad news from you – not their watch lists.

Governance Rankings

["The Corporate Library"](#) is an independent investment research firm providing corporate governance data, analysis & risk assessment tools – largely for US traded companies. [A large number of underwriters of Directors & Officers Liability subscribe to this service.](#)

The [Globe and Mail "Board Games" Governance rankings](#) - prepared with the assistance of the Clarkson Centre for Business Ethics & Board Effectiveness at the University of Toronto - are followed by underwriters but not necessarily used as an underwriting tool. Expect to discuss its methodology if your board is on the list.

In Canada, many underwriters will subscribe to ["Corporate Knights"](#) which publishes a "Corporate Citizenship Ranking". Of the thirteen key indicators they use in their methodology you can expect an underwriter might be interested in:

CEOPay (CEO compensation) weight: 1.50, Defined as the difference between the ratio of the CEO total compensation to the median CEO compensation and the ratio of the company's earnings to the median company earnings. The difference between the two ratios determine if a CEO is overpaid or underpaid relative to the company's performance,

ShareCon (shareholder conflict) weight: 0.25 Defined as the number of shareholder resolutions in Canada over the past five years that garnered between 5 and 65 per cent voting support.

BoardInd (board independence) weight: 2.00

Defined as the percentage of directors that are unrelated. This is a key corporate governance indicator.

KeyExec (key executive retention) weight: 1.30

Defined as the percentage of key executives (as listed on the proxy filings) that remain with the company from year to year.

Offshore (offshore tax havens) weight: 0.10

Defined as the number of subsidiary companies located in tax haven countries for which there is no assurance provided in the company's annual report that the jurisdiction is not being used for tax avoidance.

Pension (pension plan coverage) weight: 2.00

Defined as a combination of two elements: (a) the company's unfunded pension liability for defined benefit plans; and (b) the prudence of the company's assumptions on the plan assets' rate of return.

