

# Public Company D&O Insurance Forecast

## Q4 2025 Snapshot



The public company D&O insurance market remains competitive but is showing signs of stabilization after several years of aggressive rate reductions. While premium decreases are still available, they are less pronounced than in prior cycles. Most carriers are now “fighting for flat,” and some are beginning to push for modest increases, especially in higher-risk sectors.



### Rate Trends

- **PRIMARY LAYERS:** Flat to **-5%** for most insureds
- **HIGH EXCESS AND SIDE A:** Flat to **+5%**, with some carriers pulling back from flat renewals
- **IPO & SPAC PROGRAMS:** Continued volatility and pricing pressure



### Capacity

Despite exits by Argo and Markel, capacity remains abundant. Markel has shifted its public D&O underwriting to Bermuda, and Argo has exited professional lines entirely. MSIG USA, a subsidiary of MS&AD Insurance Group, has increased its footprint in the retail sector over the last 12+ months.



### Underwriting Discipline

Carriers are increasingly selective, especially in the high excess and Side A layers. While most industries remain insurable, underwriting scrutiny has intensified:

#### Disciplined Criteria

- Strong financials and governance are essential
- Cybersecurity and AI-related disclosures are under the microscope
- Growing interest in tariff exposure, with emphasis on mitigation strategies and transparency in public disclosures

#### Primary, Excess and Side A

- Primary underwriters are pressing for higher retentions on challenged risks
- Enhanced coverage options (e.g., entity investigation costs) are being used to add value in lieu of pricing concessions
- Some excess carriers are no longer supporting flat rates in the underlying, including those participating in Side A layers



## Industry-Specific Observations

While most industries are still being written, certain sectors face tightening or outright exclusions:



### Cannabis

- Federal illegality continues to deter major carriers
- Coverage is available but often comes with high premiums, steep retentions and restrictive exclusions



### Cryptocurrency

- Underwriting remains cautious due to regulatory uncertainty and litigation risk
- Coverage is limited and often expensive



### Anti-Bribery & Corruption Sensitive Risks

- Heightened scrutiny in jurisdictions with aggressive enforcement
- Carriers are wary of companies with exposure to high-risk geographies or opaque governance structures



### Emerging Risks & Boardroom Focus

- Tariffs & Trade Policy
  - » Shifting global trade dynamics and tariff regimes are impacting supply chains, margins and strategic planning
  - » Companies with significant cross-border operations face increased risk of shareholder litigation tied to earnings volatility or disclosure issues
  - » D&O underwriters are monitoring exposure to geopolitical tensions and trade disputes, especially in sectors like manufacturing, pharma, tech and energy
- SEC Proposal to Reduce Reporting Frequency
  - » In September 2025, SEC Chairman Paul Atkins announced support for a rule change that would allow public companies to report earnings semiannually instead of quarterly
  - » While this proposal is still under review, infrequent disclosures may raise shareholder suspicion and increase the severity of class actions, especially if interim Form 8-Ks are missed
  - » Fewer filings complicate plaintiffs' ability to link disclosures to losses under PSLRA, potentially raising defense costs
  - » Carriers may tighten scrutiny on disclosure practices, emphasizing governance, controls and transparency, especially for semiannual reporters
  - » Reduced reporting can lead to less analyst coverage, longer blackout periods and valuation uncertainty



## AI & Generative AI

- Rise in “AI washing” claims and SEC enforcement actions
- Boards must ensure accurate disclosures and robust oversight

## Cybersecurity

- SEC’s disclosure rules are driving increased liability exposure
- Cyber incidents often lead to immediate and sharp drops in stock prices, with some studies showing average declines of over 7%, up to and exceeding 18%
- A cyber breach at a public company significantly increases the likelihood of a shareholder class action



## Conclusion

As we head into the last quarter of 2025, the public D&O market is transitioning from a soft cycle to a more disciplined environment. While favorable pricing is still achievable, especially for well-managed risks, carriers are increasingly focused on profitability, underwriting rigor and emerging exposures.

Companies should prepare for more nuanced negotiations and explore alternative program structures, while also leveraging strong carrier relationships to achieve their solution and outcomes.



## How Brown & Brown Can Help

Connect with our Brown & Brown team to learn about our knowledge in your industry, how we build our risk mitigation strategies and how we can aid your business in building a cost-saving program.



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