



News Release

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Willis Boardroom Guide: Class Actions Up Nearly 60 Percent in US; Trend Also Growing Internationally

Broker Highlights Key Risks Facing Company Directors in 20 Jurisdictions

London, UK, October 15, 2010 – The average number of US class actions filed between 2007 and 2009 was nearly 60 percent higher than in 2006, according to the latest *Boardroom Guide* by Willis Group Holdings (NYSE:WSH), the global insurance broker. This trend is growing internationally as well, with class action filings against non-US companies making up 14 percent of the total number of claims in the same period.

The Willis report found that in the US the average number of class actions was 155 per year from 2007 to 2009, while in 2006 it was 99. Between 2007 and 2009 there were 465 US and 75 non-US class actions in total, with the latter averaging 25 per year versus just 12 in 2006.

In this increasingly litigious environment, directors and officers around the globe run a higher risk of being sued for breach of duties, Willis said. To help company directors assess the risks facing them, the second edition of *Willis Executive Risks – A Boardroom Guide* addresses key directors' liability laws in 20 jurisdictions, including Australia, Brazil, China, Saudi Arabia, the UK and the US.

Each chapter is written by a legal expert in that particular country and examines significant changes in local regulation and case law which impact – or look likely to impact – the risk exposures of directors.

In addition to the spread of US litigation trends to other countries, the Willis Boardroom Guide highlights a move towards collective redress in Europe with Germany, the Netherlands and Sweden all having developed some legal mechanisms for taking what are *de facto* class actions.

Commenting on the increase in Directors and Officers (D&O) risk exposure, **Mark Wakefield**, Executive Director of FINEX Global, Willis's Financial, Executive Risk and Professional Liability business, said, "The financial crisis has resulted in heightened regulation, leaving directors more exposed than ever to the risk of being sued for accounting irregularities; issues arising from insolvency proceedings; and breaches of health and safety legislation, environmental laws, and competition

regulations. The global nature of the financial crisis brought home the fact that directors cannot afford to view their exposure from a single jurisdiction. Today more than ever, they are vulnerable to claims that may be brought in any jurisdiction in which their business operates."

Overall, Willis said that the D&O insurance market remains challenging for financial institutions since they have been the primary focus of claims arising from the subprime crisis, while in the commercial arena things are more stable.

Commenting on the report's findings, **Ann Longmore**, Executive Vice President, Willis North America, said, "To effectively compete in today's international business world, it is critical for companies and their executives to be informed about the changing rules and exposures they face in the global playing field. Our latest publication provides invaluable guidance in this area from top practitioners in each jurisdiction."

Willis is the only insurance broker that regularly publishes in-depth information on directors' liabilities for its clients. In the latest instalment of the Boardroom Guide, there are several Special Focus Chapters addressing specific areas of interest with relevance to claim trends and corporate governance best practice, including the following:

- Emerging Global Legal Requirements
- Coverage for US Government Investigations
- Recent Insurance Cases of Note in the US
- Effective Board Oversight of Risk Management
- Cross-Border Risks - Local Exposures, Local Coverage

For a hard copy of the Willis Boardroom Guide, please contact Melanie Ludlow on ludlowm@willis.com.

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