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## Darwin Professional Underwriters Q4 2007 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

(Operator Instructions) Your first question comes from Charlie Gates from Credit Suisse. Please proceed.

**Charles Gates - Credit Suisse**

One question I have is could you elaborate on the competitive environment in your three major lines?

**Stephen J. Sills**

They're competitive. There are people out there that are trying to grow and I don't think there are too many areas out there that people are not aggressively looking at other people's lines of business. But I think as we've seen and as people see in our business the business has been profitable.

**Charles Gates - Credit Suisse**

Which of these coverages do you think is the most competitive?

**Stephen J. Sills**

I think D&O has been the most competitive.

**Charles Gates - Credit Suisse**

And so that really hasn't changed significantly?

**John L. Sennott, Jr.**

That's been a pretty rapid descent almost since we've been in business and that's why as you've seen it's been de-accented from originally feeling it was going to be a third of our business to being significantly less at this time. The one spot where you're not seeing large decreases and perhaps seeing some increase are in the financial sector of the D&O business. But D&O is probably one of the most competitive out there.

**Charles Gates - Credit Suisse**

If you were to go back in history what period of time is most similar in your career to the current pricing and underwriting environment? And that's my last question.

**Stephen J. Sills**

If I had to guess I might say, well it could be a couple of different times. It could be the 88-89 time period, it could be the 94 time period.

**Operator**

Your next question comes from John Gwynn from Morgan Keegan. Please proceed.

**John Gwynn - Morgan Keegan**

Jack, can you give us the renewing rate changes by segment for the quarter and year?

**John L. Sennott, Jr.**

Yep. In the quarter medical was down 14.9%; E&O 14.3%; D&O 13.5%; and average was 14.4%. So a fairly tight band around 14%. You want it for year to date as well, John?

**John Gwynn - Morgan Keegan**

Please.

**John L. Sennott, Jr.**

Okay. Medical 10.2%; E&O 12.5%; D&O 11.9%; and 11.6% is the total. Just so we're clear those are our renewals.

**John Gwynn - Morgan Keegan**

Right, I understand. And I think I ask this every time, I'm sorry if I'm not allowed to forget some stuff but in calculating your accident year experience do you have a calculation that you do on what your accident year experience was?

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