

Contractual Agreements with Insurers and Wholesale Brokers

The operating companies of Marsh & McLennan Companies, Inc. (“MMC”) have numerous business relationships with insurers and reinsurers around the world. Many of MMC’s clients can also act as markets for insurance and reinsurance on other transactions. None of these relationships have a direct bearing on the compensation earned on a particular placement. If a particular relationship does or could have an effect on compensation earned on a placement, the contractual agreement will be disclosed to the client. In order to provide full disclosure of the various types of relationships in which the MMC operating companies are a party, the following is a description of those contractual agreements.

Marsh, Inc.

In some jurisdictions Marsh may enter into agreements commonly called “agency agreements” which authorize Marsh to solicit the sale of the insurers’ products and sets forth the terms of trade between Marsh and the insurers. Your Marsh producer will advise you in writing of the actual commission or rate to be earned by Marsh upon the placement of your insurance policy with a prospective insurer. Your Marsh producer will also advise you in writing if Marsh is authorized to bind coverage on behalf of the prospective insurer, or if Marsh manages the prospective insurer. Marsh does not usually enter into agency or similar terms of trade agreements with wholesale brokers. Your Marsh producer will advise you in writing if it will be necessary or advisable to use the services of a wholesale broker to access a particular insurance market, and will advise you in writing whether the wholesale broker is affiliated with Marsh, and the rate of any commissions or fees to be earned by Marsh if it uses the services of the wholesale broker.

Aside from the agency agreements, which are usually necessary to complete placements on your behalf, Marsh and its affiliates have a significant number of contractual relationships with insurance companies, which, except as specifically identified to you, do not directly bear upon Marsh’s or its affiliates’ compensation. Specifically, Marsh, Inc. and its affiliates provide many insurers and reinsurers with: insurance brokerage services for the carrier’s own insurance; claims management software through Marsh STARS; claims administration services; management of single parent and group captive insurance companies, risk retention groups and pools; administration of affinity group insurance programs (including enrollment, billing, payment and customer service); managing general agency services; administration of internet based insurance placing facilities; mergers and acquisitions due diligence and consulting services.

Guy Carpenter & Company, LLC

Guy Carpenter provides reinsurance intermediary services to insurance companies and ceding sources around the world. Guy Carpenter also places retrocessional reinsurance placements on behalf of some of the reinsurers with which it places business. Guy Carpenter and its subsidiaries also perform various reinsurance related services to both insurance and reinsurance companies such as claims handling, run off administration or pool or facility management for fees.

Mercer Inc.

Mercer Inc. and its affiliates provide many insurers and reinsurers with: management and actuarial consulting services; rate review and loss reserving analysis; litigation support services including expert witnesses, economic modeling and economic consulting; business valuation services; investment advising; employee benefit consulting; pension plan administration; claims administration; insurance brokerage services primarily for life, health, medical, benefits, disability and other personal lines of insurance; compensation plan consulting; and corporate identity consulting.

Kroll Inc.

Kroll Inc. and its affiliates provide many insurers and reinsurers with: Business Intelligence & Investigations (BI&I), Corporate Internal Investigations, Litigation Support, Asset Searches, Business Intelligence, and Due Diligence.

The above MMC operating companies and their affiliates may provide similar services to wholesale brokers and will specifically advise you if any of those services directly bear upon the compensation earned from the placement activities on your behalf.

The list of insurers and wholesale brokers with which the MMC operating companies have some form of contractual arrangement is lengthy and changes on a regular basis as new engagements are undertaken and projects are completed. In some cases, contractual relationships may be of significant value to one or more of the MMC operating companies. However, except as specifically identified to you, those relationships do not bear upon the compensation earned from the placement activities on your behalf.