

Liability Insurance Buyers Report
Europe 2006



**Managing liability
in the food and
beverage sector**

European data findings: Food and beverage industry

Country/Region	Minimum limits (€)	Maximum limits (€)	Average limits (€)	Average price per million	Average cost per €1000 revenue
Belgium	8	25	16	3213	0.15
Denmark	3	134	36	4881	0.23
Estonia	0.1	3	2	4377	0.19
France	2	307	48	3707	0.14
Germany	1	200	24	6128	0.29
Greece	2	5	4	12601	0.19
Hungary	0.5	3	1	9794	0.10
Israel	4	12	8	4167	1.21
Italy	3	100	17	4995	0.15
Latvia	0.3	4	2	3980	0.13
Lithuania	0.3	1	0.5	6172	0.10
Netherlands	1	25	9	9018	0.41
Poland	0.5	3	1	3412	0.09
Portugal	10	10	10	3267	0.31
Spain	2	70	11	4038	0.25
Sweden	3	5	4	6729	0.10
Turkey	0.4	15	6	5864	0.07
United Kingdom	1	363	56	7239	0.33
Europe totals	0.1	363	21	5872	0.25

Figure 1

Countries that provided less than 3 company data sets have been removed from this table, as not enough information exists to draw any conclusions. Those countries were Austria, Czech Republic, Finland, Ireland, Russia, Switzerland and Ukraine.

Data summary and findings

This report discusses liability data, trends and aspects of the food and beverage industries that will be relevant to insurance buying and risk management strategies of companies in this sector. It is a component of Marsh's Liability Insurance Buyers Report, Europe 2006, which supplements Marsh's global Limits of Liability Report 2006 – the largest report of its kind available.

The data in this report is based on the prices paid for, and the volume bought of general and product liability for 232 companies in the food and beverage sector across Europe and the Middle East.

Because of the limited sample size in some countries, analysis of the complete data set is unsafe. To ensure we are providing more accurate data for this sector we have focussed this report on the seven countries where we have data from eight or more firms:

Denmark	8
France	15
Germany	22
Italy	32
Netherlands	25
Spain	46
United Kingdom	31

Figure 2

- French companies surveyed in this report recorded the highest median value for limits purchased in 2006 (€25m).
- The UK data includes the highest maximum limit for food and beverage companies in Europe, €363million. This contrasts with the Netherlands, which recorded the lowest maximum limit of €25million.
- Dutch firms also paid the highest price per million limits, according to our survey. They paid an average of €9,018 per million, which could go some way to explain why Dutch companies also purchased the lowest average limits of €9million (median €5million).
- One in five UK companies in our survey have experienced a loss of over €5million in the last five years. In this respect it is not surprising that our sample from the UK purchased average limits of €56million (median: €22million) in 2006, the highest of any country in our survey.

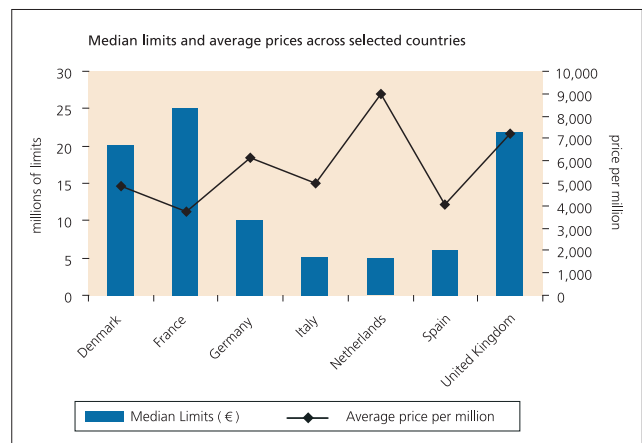


Figure 3

Terrorism exclusion

There is no common approach to how European countries include or exclude terrorism protection in liability policies.

All Dutch firms have Terrorism exclusions as standard. It has been a long standing practice for clients in the Netherlands to buy terrorism coverage from a separate pool – Nederlandse Herverzekeringsmaatschappij voor Terrorisemeschaden N.V. (Dutch Terrorism Risk Reinsurance Company – NHT). Conversely, only 1 out of 5 Italian firms had terrorism excluded from their policies. This could be the result of these companies having old contracts in force with Italian insurers, providing low insurance limits, and where terrorism exclusions were not forced as additions after 9/11. Today, terrorism exclusion is standard, especially for higher limits and if there are exposures abroad.

Just over a third of German firms surveyed had terrorism exclusions on their policies. Terrorism exclusions have gained in importance in Germany over the last few years, but changes to existing policies can not be made unless in agreement with the policy holder, as reflected in the two thirds of policies which include terrorism. Today, terrorism exclusion is the market standard for new policies.

	Companies surveyed	Exclusions
Denmark	8	75%
France	15	7%
Germany	22	36%
Italy	32	19%
Netherlands	25	100%
Spain	46	89%
United Kingdom	31	45%

Figure 4

Liability costs and revenue

The data in our survey is taken from companies with varying revenues of up to and over €5billion. Simple economies of scale dictate that larger companies generally pay less per thousand of revenue than smaller companies, but it is not always the case. In our survey, it appears that, on average, Dutch companies pay the most per thousand revenue, and French the least (figure 5). Price per million paid is almost three times greater in the Netherlands than in France. The maximum amount of limits purchased by a Dutch food and beverage company was just €25million (€307million in France), indicating that our Dutch sample contained few if any large companies. Other factors that contribute to cost of insurance that are company driven include claims history, risk management systems in place, risk mitigation procedures, working practices and security measures.

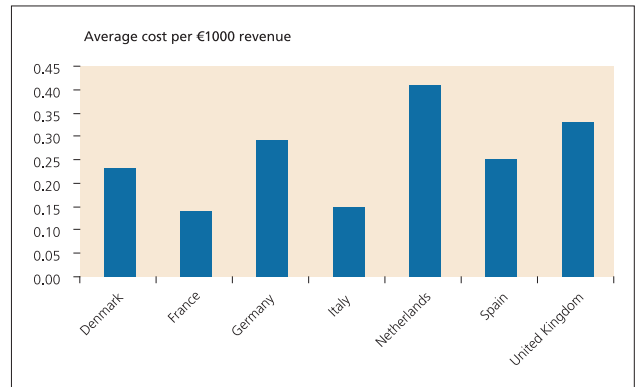


Figure 5

The tables (figure 6-7) below show Marsh trend data for the European food and beverage industry sector for the last three years. The data is for the same group of companies year on year, which means it is an accurate illustration of how insurance buying is changing in this sector.

The price of limits has been falling and 2006 costs are now almost 30 percent lower than in 2004. As we would expect, companies have responded in 2006 by purchasing more limits (20 percent more than in 2004), thus improving their protection in a softening market.

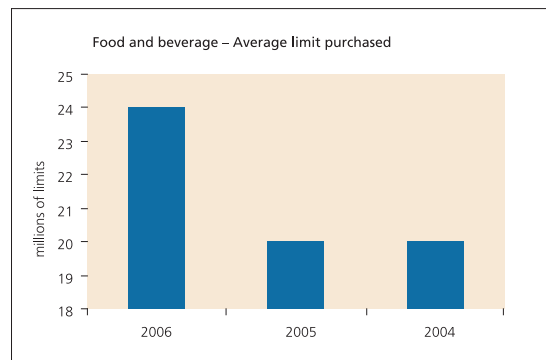


Figure 6

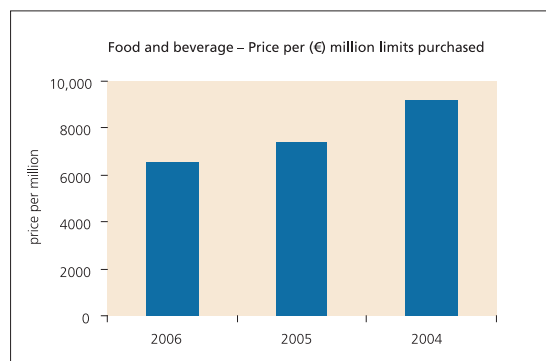


Figure 7

“2006 costs are now almost 30 percent lower than in 2004”

A word of caution

It will be interesting to see how companies respond when the market starts to harden again, as it inevitably will. Will companies opt for reduced protection as the price goes up?

The data in Figure 8 below shows the difference in buying styles of companies that have experienced a significant financial loss, against those that have not, during a time of market hardening over a number of years. The companies that have consistently bought the same volume year on year demonstrate that decisions on liability insurance cover are based on more than just the price.

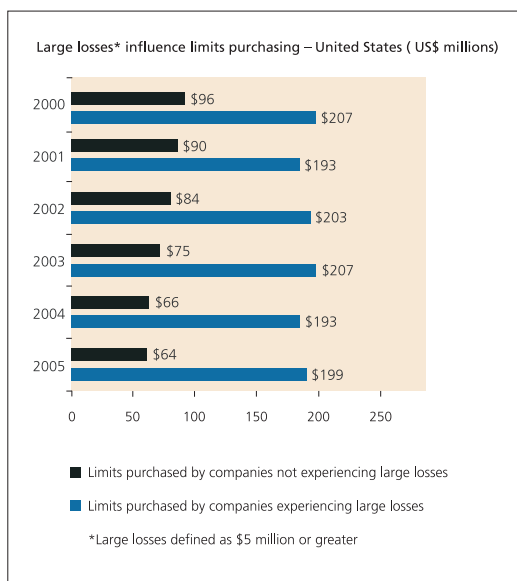


Figure 8

The liability environment – product liability

Harm caused to people through the accidental contamination of food and drink products continues to be the major risk issue preoccupying food and beverage companies. A number of developments over the last year have increased liability for such organisations and are also forcing them to take their preparedness for product recalls to a higher level.

Although food safety standards continue to rise in the industry, Europe over the last year has witnessed a spate of high-profile food poisoning cases and health scares involving bacterium such as E. coli and salmonella, cancer-causing dioxins, and benzene in drinks, leading to compensation claims in many cases. While these events are not significant enough to impact the product liability market, where capacity remains plentiful and prices continue to soften, they do increase society's sensitivity to unsafe food and shine a spotlight on industry practices.

“last year alone, 60% of all food and non-food product recalls were government enforced”

A second trend is that European and national regulators are now much more involved in decisions to recall products. Under the General Framework Law for Food Safety Regulation (EC/178/2002), introduced at the beginning of 2005, operators at any stage in the supply chain, all the way down to the final retailer, must immediately notify appropriate national regulators if they believe a product to be unsafe. A telling statistic is that last year alone, 60% of all food and non-food product recalls were government enforced.

Local enforcers leave uneven playing field

One issue for companies with multi country product distribution, is that local governments tend to be inconsistent with each other when it comes to demanding a recall. For example, the Italian government called for the withdrawal of four times as many food products from Italian shelves than the French government requested of its country's retailers in 2004. Setting appropriate liability limits around Europe is becoming an increasingly complex art.

Companies as a result can expect a lot more media and social attention for their recalls given that public notification is now required. The days of 'silent withdrawals' – where attempts were made to encourage retailers and distributors to recall products as discreetly as possible – are now over.

A further issue is that regulators tend to be more cautious when making recall decisions, given that consumer safety is their prime objective. Little distinction may be made between safe and unsafe levels of contamination before a recall decision is made.

In many cases – Sudan 1 in Europe being an example – people would need to consume several thousand items of a particular product in a very short time frame in order to suffer an injury or illness from a contamination.

Regulators, however, are likely to follow the 'precautionary principle' when making decisions. Under the same rationale, they may also adopt a 'blanket' approach to recalling products within the same product range or type, which may incur additional financial costs for companies in the sector.

Managing recall costs and recall risks

Given that these developments increase liability and will likely increase the incidence of product recalls, food and beverage companies would do well to re-examine potential causes of contamination and improve their recall capabilities.

Potential problems are more obvious in some sectors than others. Drinks manufacturers in the last few years are becoming more conscious of the potential safety issues that surround their products. Manufacturers are sensitive to the potential for glass in bottles to fall into beer products, or crowns to crack the tops of bottles when they are placed there in the bottling process.

More generally, the trend to cut costs in the industry and pursue operational and supply chain changes always carries the danger that quality will be compromised. More unknowable risk exposures can come from new changes, perhaps in the form of new types of product packaging, or new operational processes.

In regards to preparing for recalls, many companies by default will not have experienced the kind of mass product recall that affects millions of products and people around the world. Such recalls are major undertakings that require a high level of preparedness for them to be effective in safeguarding public safety. Challenges are increased for global companies with diversified operations. Having a consistent approach nationally and across countries is important in order to demonstrate management competence, thus reducing the potential liability exposure for directors and officers, and to restore trust and reputation.

Since contamination of food and drink is relatively rare, there is a feeling among many companies that it will not happen to them. This may prevent them from undergoing a more thorough analysis and preparing properly for recalls. It is worth noting that many companies affected by contamination are well-known brands with sound health and safety records.

“One simple but effective practice employed by some food manufacturers is to write health and safety guidelines in the languages that their employees speak”

Know your policy

In addition, companies would do well to re-assess how comprehensive their product recall insurance policies are. In certain European countries, cover is only provided for the costs associated with recall but not necessarily the business interruption expenses. A further problem – raised with the recent Sudan 1 recall – is that product recall insurance typically does not cover products contaminated with banned substances. Companies may discover too late, as in Sudan 1, that such stand-alone exclusions mean that their cover is worthless.

Finally, there is likely to be less tolerance of food contamination in the coming period because of the many new European regulations in force from 1 January 2006. These include the Food ‘Hygiene Package’, the regulation on microbiological criteria for foodstuffs, the regulation on official feed and food controls, and the Feed Hygiene Regulation. While on one level these should help to reduce incidents of contamination by raising safety standards, they will also increase liability for those in breach of the law.

New employers’ liability issues

Food and beverage manufacturers in the major European nations now employ considerable numbers of foreign workers – a trend likely to continue as new states in Europe join the EU. However, within some factories, only one in five of such workers speaks the host language.

For such workers, health and safety (H&S) training can take place in an ad-hoc fashion, with the potential for poor communication and misunderstanding between parties. One particular business risk is that companies may struggle to defend themselves in court if employers’ liability claims are brought by foreign workers, if it was found that they did not properly convey health and safety information. One simple but effective practice employed by some food manufacturers is to write health and safety guidelines in the languages that their employees speak.*

A related issue which impinges more on reputation and brand matters rather than legal liability is a new sensitivity towards exploitation of foreign workers. In the UK, the tragic deaths of the Chinese cockle pickers in Morecambe Bay has illustrated the poor working conditions that some foreign workers can find themselves in. Companies that are concerned about their social and ethical responsibilities and reputations may want to put in place labour guidelines in place for such foreign workers.

* Further information about managing employee related risk is contained within the Marsh 2006 research report: Why Employers’ Liability only scratches the surface

Recent breaches of food and drink safety in Europe

Retailers and retail chains are becoming more and more demanding of their suppliers to establish product traceability recall capabilities and procedures, particularly for those who manufacture products under a retailer's own brand. Supplier competence and ability in these areas is becoming increasingly important to retailers who are learning not to underestimate the value of good brand reputation.

Cases of accidental contamination over the last year demonstrate that problems can slip through the net within even the most safety-conscious companies.

In Spain, a leading food company was fined €600,000 by the government for poisoning 2,700 people with salmonella in a chicken sauce product. Inspectors found a trace of salmonella in one of its factory sauce pipes.¹

Meat products in Norway infected with *E. coli* caused the death of one child and made 18 others sick. Products made by the country's leading meat producer, were thought to be the cause.² The company is thought to have lost around €13m in turnover in May 2006 alone as a result of its damage to reputation. In addition to damage to reputation, food contamination can lead to huge expenses due to product recalls, fines and loss of market share. A month after the outbreak, the same company was found to have mistakenly sent nearly 600 kilos of potentially dangerous salami to shops instead of destruction. The company has recently agreed to compensate the victims with payments of up to NOK 175,000 (€24,000)³, but this is only a first payment and larger legal settlements are expected.

In November 2005, a well known French supermarket chain was at the centre of a food poisoning scare as 18 people became infected with *E. coli* from beef products sold on its shelves. The cause of the contamination was found to lie with a supplier.⁴

In early 2006, Belgium was involved in a major food scare when cancer-causing dioxins were found in a Belgian pork fat ingredient used in animal feed in Belgium and the Netherlands. The incident echoed a major dioxin crisis of 1999 when traces were found in chicken. A number of countries, including South Korea, Japan, Taiwan and China, banned imports of Belgian pork as a result. The risk was found to be negligible by the Belgian food authorities because of the low level of contamination involved.

Even so, several thousand pigs were destroyed and farmers and others affected by the scare are already seeking compensation for damages.

In Italy, traces of ink were found in a company's baby milk products, courtesy of the packaging made by Swedish firm. Millions of milk products were removed from Italian retail outlets and the recall sparked much controversy due to arguments between the milk company and the Italian government. There was also a debate about the precise health risks of such ink if found in food products. The company had to withdraw similar products from France, Spain and Portugal.⁵

Following a survey of 150 soft drinks on sale in the UK, four were found to exceed the World Health Organisation's guideline benzene limits of 10 parts per billion, and were recalled by the respective manufacturers, two of which were major supermarket chains.⁶

In June of this year, a UK food manufacturer withdrew a million chocolate bars which may have been contaminated with salmonella due to a leaking pipe at one of the firm's factories.⁷ The company executives said that the contamination was well below levels that would pose a health risk but was withdrawing the products as a precautionary measure. However, media stories circulated that the company knew about the problem several months before, illustrating how product recalls nearly always involve the risk of damage to public reputation. According to the firm's own annual report, in the first six months of 2006 it had already spent about £13m (€18.5m) on the recall. The company expects total net costs to be in the range of £20m (€28.5m), of which the company expects to recover just £6m (€8.5m) from insurers.⁸

¹Food Chemical News, 12.9.06

²Food Production Daily, 5.5.06

³Aftenposten, 19.5.06

⁴Food and Drink Europe 04.11.05

⁵BBC News Online, 30.11.06

⁶The Grocer, 8.4.06

⁷BBC News Online, 28.6.06

⁸Cadbury Schweppes plc. Company Financial Report, 2.8.06

GMO's, obesity and sabotage.

As supply chains become more elaborate, and food sourcing locations more remote, product manufacturers who claim “no genetically modified organisms” (GMOs) on their packaging will need to be rigorous in their traceability and research of ingredient suppliers who claim GMO free produce. A consequence of claiming something on a label that is later found not to be true could become a liability as there will have been a breach of contract between the vendor and the customer.

The food industry's role in the obesity debate is rarely out of the news, and many manufacturers have responded well by diversifying their product portfolios, and “cleaning up” some others that have received trial by media. However, those that have not, will find it harder to maintain and grow market share as pressure is put on governments to manage the issue with new legislation. The UK Government's Food Standards Agency is putting pressure on the Advertising Standards Authority, the UK's independent industry body, to ban all ‘junk food’ adverts until after a 9pm watershed, thus effectively closing down a key marketing channel to a primary customer group – children.⁹ (It is estimated that 14% of children in the UK are clinically obese, rising to 50% by 2020 if current trends are maintained.¹⁰)

This UK attempt to cut off channels to market follows the French decision to ban soda and junk food vending machines from schools as part of a broad public health bill passed by the parliament to combat rising obesity among youths. The ban came into force in time for the school term beginning September 2005.¹¹

The arrival of class actions by French consumers will certainly put more pressure on food and beverage manufacturers if they use ingredients known to be contributing to obesity or other health disorders and diseases.

Finally, as food and the food industry are becoming more politicized, companies in this sector face an increased risk that they will be victims of sabotage or extortion from disgruntled employees with political agendas. They may want to consider employee background screening to increase their knowledge of potential employees. Companies that knowingly take on people who may give some slight indication of hostile behaviour beforehand may find it more difficult to defend themselves in court if any action were to occur.

“as food and the food industry are becoming more politicized, companies in this sector face an increased risk that they will be victims of sabotage or extortion”

US alcohol litigation watched with interest

The global beverage industry has recently contemplated whether it might suffer the same fate as the US tobacco industry as a victim of astronomical compensation claims. Groups of people addicted to alcohol in the UK for instance have tried to sue drinks manufacturers with the argument that such companies did not warn them sufficiently about the dangers of drinking. Not surprisingly, such cases have been difficult to win in court.

Recent lawsuits in the US have focused more on dangers to children, alleging that drinks manufacturers are engaging in unlawful trade practices in their marketing campaigns, by encouraging illegal drinking among minors. Put simply, it is being argued that this alleged intentional marketing to underage drinkers is malicious, unlawful and/or alternatively negligent and a breach of duty. The lawsuits have been brought on behalf of the parents of alleged underage drinkers and seek to establish class action status on the part of those parents.

So far, judges have been inclined to look unfavourably on the claims – perhaps welcome news for the beverage industry elsewhere in the world. At the last count, four lawsuits have been dismissed by federal and state courts, on the basis that no identifiable loss to the parents could be established as the result of any alleged act of negligence or wrongdoing made by the defendants in the various suits. Essentially, the courts in the four cases dismissed to date have all ruled that the parents have no legal standing to bring a claim against the defendants for the losses being alleged.

In the future, however, it is unlikely that such claims will go away, either in the US or Europe. European drinks companies have already started to mitigate risk by aiming their marketing at a slightly higher demographic group. In anticipating possible claims that their drinks might be addictive, distillers rather than brewers are taking this risk more seriously given that their products are more alcohol, rather than water-based.

⁹ BBC News online, 15.6.06: Call for tougher junk food ad ban

¹⁰ Aspen Re, November 2005: Obesity claims liability – food for thought.

¹¹ Freshfields Bruckhaus Deringer: Product risk and liability news, October 2004

Terrorism concerns

Given recent terrorist atrocities, there is now greater concern that terrorists may cause harm by poisoning food and causing disruption to the food chain. The prospect of widespread food contamination has obvious potential to cause anxiety among the general population.

While there is a long history of employees tampering with products on production lines and threatening to release contaminated products, such acts have been done for reasons of extortion rather than terror. In the latter case, money is obviously not the end goal and no space exists for negotiation.

Organisations that may feel they could become targets should again consider employee background screening as a way of gaining greater knowledge about prospective employees and reducing risk.

The next 12 months

1. Product recalls are likely to increase as new legislation takes hold across the EU territory, and the industry finds it self under greater scrutiny from the media, consumer groups and governments that want to be seen to champion the health related issues of their voters.
2. With pressure on costs, there will be many incentives to find more and more suppliers outside Europe (particularly in Asia) to provide packaging or particular food ingredients. This will lead in turn to a higher vulnerability of the supply chain of food and beverage manufacturers, increased exposure to different local quality and regulatory standards and potential inefficiency of the subrogation process in case of negligence of a supplier in a remote country.
3. Retailers (particularly if they sell products under the own brands) will increase pressure on food and beverage manufacturers to ensure that their traceability and recall procedures are efficient and robust. It is likely that they will require more and more controls through independent specialised consulting firms.
4. Despite the growing awareness of consumers on food safety issues and because there are still relatively few liability claims made against food and beverage manufacturers, we do not anticipate the liability insurance capacity to reduce. Moreover, we expect liability insurers to widen the existing insurance coverage to include extensions which are available on other insurance markets, particularly in case of product recall.

The underwriting environment

The data for Figure 8, showing market capacity for insurers actively underwriting risk in the food and beverage sector, was compiled in September 2006. Many underwriters impose conditions on writing new business, such as a preference for companies domiciled in their own country, a preferred position in the programme, or on condition of additional lines being placed (such as property) at the same time.

Food and beverage sector: casualty market capacities and security ratings		
Market	Capacity	S&P Rating
ACE	US\$100m	A+
AIG	US\$50m	AA
Allianz	US\$100m	AA-
Arch	US\$15m	A- (AM Best)
AWAC	US\$50m	A+ (AM Best)
AXA	US\$90m	AA-
Brit	US\$25m	A
Catlin	US\$25m	A
Chubb	US\$25m	AA
Constable	US\$80m	A
Gerling	US\$100m	A+
HDI	US\$75m	A+
Liberty	US\$25m	A (AM Best)
MARP	US\$50m	A+
Max Re	US\$25m	A- (AM Best)
Newline	US\$15m	A
QBE	US\$25m	A+
SCOR	US\$25m	A-
STARR	US\$150m	AA
Swiss Re	US\$100m	AA
Wellington	US\$50m	A
XL Group	US\$100m	A+
Zurich	US\$50m	A+

Figure 8

“Product recalls are likely to increase as new legislation takes hold across the EU territory”

A role for risk management

As well as strengthening their competitive position, companies that retain a focus on managing risk achieve significant discounts on premiums, and better negotiation on deductibles and difficult risks. In general terms, insurance market pricing operates around three interconnected concepts:

- what is the available data, and what does it mean
- that the claim event was unpredictable, and was not caused deliberately by the insured,
- economic efficiency

Good risk management can help organisations provide insurers with greater awareness, not just in terms of data, but around the processes in place and efforts to mitigate risk.

1. Risk Management focus on providing information for insurers

Detailed, quantifiable risk information and loss estimates do impact insurance terms and conditions. Property surveys and business interruption reviews enhance the quality of underwriting information and provide maximum loss estimates to help the underwriter fix capacity and rating levels. They also audit the existing insurance programme, and subject to more detailed analysis can help to create an understanding of an organisation's supply chain risk and single point of failure dependencies.

2. Risk Management activities directed at improving the risk quality

An organisation can demonstrate its commitment to manage major exposures, such as fire protection, business continuity management and employers' liability. Clearly defined plans and procedures provide underwriters with evidence that the organisation is taking risk management seriously. They reduce the maximum loss potential to underwriters by ensuring that properly worked out recovery strategies are in place. Our case studies demonstrate real benefits achieved by firms that understand how risk management can improve their organisation's performance, profitability and growth.

Case study

Reducing staff absence

A food manufacturer with 3,000 staff across five European countries identified an issue with attendance management. Marsh was appointed to review the extent and nature of the problem, and implement measures to improve procedures to reduce absence rates. A number of reviews took place across several locations, including two factories and the head office. Following these reviews Marsh was able to produce a detailed understanding of the issues impacting on sickness absence rates within the organisation.

Working with Marsh, the client's senior management team used the findings to design a structured development plan for addressing the issues. The client has put in place a six month action plan which is expected to achieve reductions in absence levels of over 20% in this period.

Product recall forensics

A household brand food manufacturer asked Marsh to advise on a claim against an ingredient supplier. The brand had identified eight product lines affected by the Sudan 1 product recall that were on shelves in the UK and Europe. Marsh's FACS (forensic accounting and claims services) team recommend the recall procedure, identified recoverable costs, compiled evidence to be gathered, managed the overall timetable and liaised with adjusters and forensic accountants appointed by the recall insurers of the supplier.

The client had originally estimated €3.6million in insurance claims, but Marsh was able to provide insurers with evidence that the claim was worth €5 million, thus saving the client an estimated €1.4million.



Pascal Prevost
Food and beverage
industry practice leader,
Marsh EMEA

About Marsh

The European Food and Beverage Practice within Marsh is the leading provider of risk management solutions to this sector in Europe. Our experts work with over 1,800 clients in the region to deliver proactive, consultative risk management tools and techniques that help anticipate emerging trends and pre-empt potential risks before they become costly problems – or tomorrow's headlines. As well as understanding and mitigating risks, we help clients to better "market" their risks to the underwriting community, helping them with reduced pricing and stronger negotiating power at renewal. As part of the world's number one risk and insurance services firm, we deliver solutions for every aspect of risk and insurance facing European organisations, giving them access to the breadth and depth of services and solutions available across our global business.

By developing our expertise in this sector we are able to:

- identify trends affecting the industry and any associated risk issues as they emerge
- work with clients to evaluate and effectively manage their risks
- share best practice by analysing indemnity limits, claims trends and retention levels across the industry
- strengthen relationships and understanding with sector insurers
- design insurance programmes and service packages around each client and their specific need at an advantageous rate
- provide a unique methodology for business interruption risk analysis and quantification specific to the food and beverage industry, encompassing all elements – including business continuity planning – to improve risk profiles.

For further information about this report, or about risk and insurance challenges in the food and beverage sector, please email practice leader: pascal.prevost@marsh.com

Marsh, the world's leading risk and insurance services firm, has 26,000 employees and annual revenues approaching \$5 billion. The firm provides advice and transactional capabilities to clients in over 100 countries. Marsh is a unit of Marsh & McLennan Companies (MMC), a global professional services firm with approximately 55,000 employees and approximately \$12 billion of annual revenues. MMC also is the parent company of Guy Carpenter, Kroll, Putnam Investments, and Mercer. MMC's stock (ticker symbol: MMC) is listed on the New York, Chicago, Pacific, and London stock exchanges.

MMC's Web Site address is www.mmc.com.
Marsh's Web site address is www.marsh.com.



The information contained herein is based on sources we believe reliable, but we do not guarantee its accuracy, and it should be understood to be general insurance information only. Marsh makes no representations or warranties, expressed or implied, concerning the financial condition, solvency, or application of policy wordings of insurers or reinsurers. The information is not intended to be taken as advice with respect to any individual situation and cannot be relied upon as such.

Statements concerning tax, accounting or legal matters should be understood to be general observations based solely on our experience as insurance brokers and risk consultants and may not be relied upon as tax, accounting or legal advice, which we are not authorised to provide. All such matters should be reviewed with appropriately qualified advisors in these areas.

In the United Kingdom, Marsh is authorised and regulated by the Financial Services Authority

Marsh
Tower Place, London, EC3R 5BU
020 7357 1000
www.marsh.com

© 2006 Marsh Inc. All rights reserved.