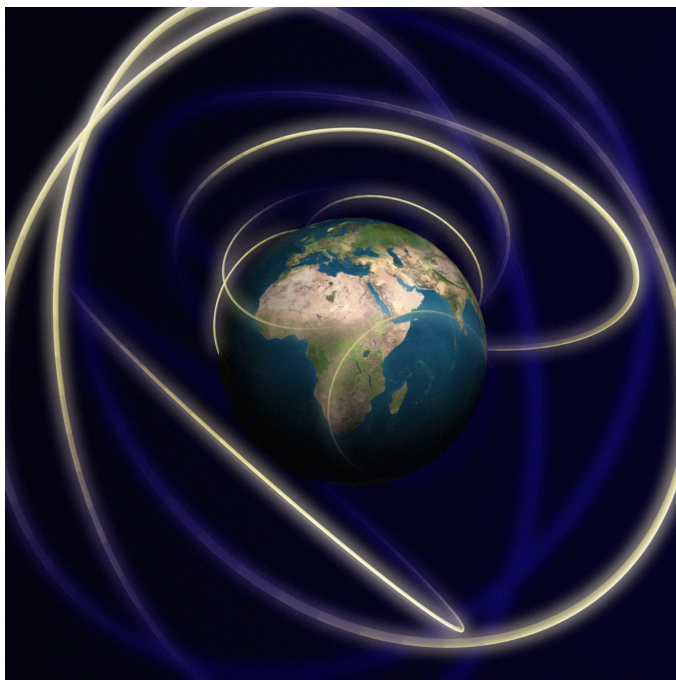


Our Business Principles and Practices Reinsurance Services



Marsh Ltd are independent insurance intermediaries and risk consultants offering a wide range of reinsurance services.

This document sets out the basis on which Marsh will provide its core service of advising on and/or arranging contracts of reinsurance and/or other services as agreed by you and based on the information you have supplied. Our services are governed by English law, and any dispute shall be submitted to the exclusive jurisdiction of the English Courts.

When we believe this to be beneficial, Marsh may occasionally ask other organisations to help us to meet your needs and in certain circumstances the ongoing servicing of your reinsurance arrangements may be transferred to an insurer or other third party.

If there is a separate service agreement and/or Terms of Engagement and Letter of Engagement in place between us, its terms will take precedence over this document in case of conflict.

Financial Services Authority (FSA)

The FSA is the independent statutory body that regulates the financial services industry. Marsh is authorised and regulated by the FSA (no. 307511). This can be checked on the FSA Register by visiting the FSA's website: www.fsa.gov.uk/register/ or by contacting the FSA on 0845 606 1234.

Fair Treatment

Marsh aims at all times to treat you fairly. Marsh will not deliberately put itself in a position where its interests, or its duty to another party, prevents it from discharging its duty to you. Marsh maintains internal procedures and controls to identify and manage any potential conflicts, so that all times the interests of all Marsh's clients are reasonably protected.

A copy of our Conflicts of Interest Policy is available upon request. Where potential conflicts are particularly complex or difficult to manage, we will agree with you the best way to protect your interests and may ask you to confirm that you are happy for us to continue acting for you.

Market Security

Marsh only places contracts of reinsurance with reinsurers that meet its minimum financial standards, unless you provide specific instructions to the contrary. Marsh does not guarantee the solvency or continuing solvency of any reinsurer and you should note that the financial position of a reinsurer can change.

If a reinsurer ceases trading Marsh will do its best to assist you, but you should note that in those cases of reinsurer insolvency, where the reinsurer has granted Risk Transfer to Marsh, premiums held by Marsh will be deemed to have been paid to that insolvent reinsurer and therefore cannot be returned to clients. Similarly, claims monies held by Marsh may be returnable to the insolvent reinsurers or their liquidators, rather than the clients.

Remuneration

Marsh will be remunerated for its Services in one of three ways:

- a specific fee paid by you; or
- a percentage commission of the premium due to the reinsurer for the contract of reinsurance (please note that this will be the basis for Marsh's remuneration unless otherwise agreed); or
- a combination of fee and commission

Unless specifically agreed to the contrary, Marsh shall be considered to have earned all remuneration in full at the time the contract of reinsurance is placed. Marsh reserves the right to retain in full all remuneration so earned even where a contract of reinsurance is amended, terminated or otherwise cancelled. This does not affect any statutory cancellation rights. The remuneration of Marsh is not conditional on the placement of a contract of reinsurance being made, and Marsh reserves the right to be remunerated for the work it has undertaken.

You will promptly pay the premium and any other charges that any reinsurer or Marsh invoices to you. Where the contract of reinsurance includes a premium payment warranty or condition, you acknowledge that failure to pay the reinsurer or Marsh in sufficient time may result in the reinsurer having the right to cancel the contract of reinsurance.

Payment must be made in the currency invoiced. This includes, where Marsh have been able to identify them, any taxes and/or similar charges which reinsurers are obliged to collect or your client is required to pay in respect of the contract of reinsurance. Responsibility for accounting for taxes and/or similar charges is a matter for you and your reinsurers. Marsh does not accept such responsibility unless there is a legal requirement for it to do so in a specific jurisdiction or where there is a specific agreement in advance.

You are also entitled, at any time, to request information regarding any commission which we may have received as a result of placing your reinsurance business. We may also receive payments from reinsurers for certain consultancy, administrative and other services which we provide to them and which are not directly related to the services we provide to you.

Client money

Where Marsh acts on the client's behalf, the FSA requires that all client monies be held in a trust fund, for the purpose of protecting client money against Marsh's financial failure. If such circumstances arise, general creditors should not be able to make claims on the client monies, as they do not form part of Marsh's assets.

Under certain conditions, Marsh may mix client monies with reinsurers' monies in the same fund; however, clients have the first priority over reinsurers, whose rights to monies in the trust fund are subordinated to those of Marsh's clients. As a further measure of protection, Marsh has agreements with some reinsurers whereby premiums and claims monies received by Marsh are held on behalf and as agent of, those reinsurers rather than on behalf of clients ("Risk Transfer")

Marsh has elected to operate a non-statutory trust arrangement under which it is permitted to, and may, use such monies to cross-fund clients' premiums and claims. In some cases Marsh may:

- deposit client money in bank accounts outside the United Kingdom, which are subject to different legal and regulatory conditions and may treat money differently in the event of bank failure.
- pass your money to another intermediary, including those resident outside the United Kingdom who would therefore be subject to different legal and regulatory regimes and such money may therefore be treated differently in the event of intermediary failure.
- arrange to hold separately permitted designated investments with a value at least equivalent to the money that would otherwise have been paid into a separate client account. If Marsh does this, it will be responsible for meeting any shortfall in the client money funds, which are attributable to falls in the market value of those investments.

Marsh does not use client monies to pay itself commissions before premium is received from you or your client.

Marsh may earn interest or benefit from investment income or foreign exchange differentials in the process of handling client money. All such sums shall accrue to Marsh.

Your obligations

In order to be able to arrange contracts of reinsurance and/or provide other services, **you must:**

- act with the utmost good faith towards the Reinsurer and Marsh at all times;
- disclose to reinsurers both before the contract of reinsurance is placed, and at any other time when providing information to the reinsurer, all information, facts or circumstances which are, or ought to be known to you and which are material to the risk;
- ensure that information provided by you is complete, accurate and is only provided with the full knowledge and consent of any data subject.

If you have any doubt whether information is material, you should disclose it to Marsh, as failure to do so might lead to the contract of reinsurance being avoided by reinsurers.

All documentation supplied by Marsh or reinsurers shall be promptly checked to ensure there are no mistakes or misunderstandings. Marsh or the reinsurer must be immediately advised of any errors or anything you believe is not in accordance with your instructions or specifications.

Copies of the contract of reinsurance, and any amendments to them, should be retained for as long as it is possible for a claim to be made under them. New documentation may not be issued every year, and subject to any regulatory requirements, after expiry or termination (whatever the reason) of our appointment, Marsh will not retain copies of documentation, including contracts of reinsurance.

Liability

Marsh and any of its affiliates who provide the services shall not be liable to you in any circumstances for special, indirect or consequential loss. You agree that you will not bring, or assist in bringing, any claim against any of Marsh's affiliates, or personally against any of Marsh's individual directors, employees, or consultants in connection with the performance of the services.

Confidentiality

Marsh only requests and uses information that is necessary to support the arrangement and provision of contracts of reinsurance and/or other services. Such information will be kept confidential and used solely in the provision of the services. This will include sharing such information, including personal data, in accordance with normal reinsurance broking practice with reinsurers, their agents and other service providers, in order to fulfil our obligations to you and may involve the transfer of such information (including sensitive personal data) outside of the European Economic Area. Marsh may also participate in or provide data to market research studies on a basis that does not specifically identify individual clients.

Marsh will take all reasonable steps to keep all personal information and all other customer information provided by you secure at all times and to ensure that our data security procedures are adequate and robust to prevent the risk of loss of any personal information and all other customer information and to prevent the risk of financial crime, specifically in respect of the day to day working practices that affect data protection and data security.

Making a Claim

Most contracts of reinsurance have strict requirements about what the insured should do if they have a claim or if they know about something that might lead to a claim in the future. It is your responsibility to understand these requirements and any relevant limitation period for commencing legal proceedings or other forms of dispute resolution against reinsurers should the need occur.

Complaints

Should you wish to register a complaint, please contact your regular Marsh contact. Alternatively you may write to:

Head of Compliance
Marsh Ltd
Tower Place
London EC3R 5BU

Tel: 020 7357 1984
Fax: 020 7929 2705

A copy of Marsh's complaints procedure is available on request.

MARSH



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

The information contained herein is based on sources we believe reliable and should be understood to be general risk management and insurance information only. 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 legal, tax or accounting matters should be understood to be general observations based solely on our experience as insurance brokers and risk consultants and should not be relied upon as legal, tax or accounting advice, which we are not authorised to provide.

Marsh Ltd. is authorised and regulated by the Financial Services Authority for insurance mediation activities only.

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