

MARSH

News Release

“COLLABORATE TO CREATE CLIENT VALUE,” URGES CARNEGIE-BROWN

LONDON, 20 October 2005 – Bruce Carnegie-Brown, CEO and President, Europe and Middle East from Marsh, the world’s leading risk and insurance services firm, urged the insurance industry to collaborate to increase client value in his presentation at Insurance Institute of London’s London Market Address at Lloyd’s yesterday.

Delivering a three-pronged challenge, Mr Carnegie-Brown asked the insurance industry to:

- Consider how it adds value to clients, invest in innovation, technology and product development, appropriately standardise certain processes, and support contract certainty at contract inception;
- Challenge the acceptance of contingent commissions and the modernisation of attitudes within the industry of what clients will accept;
- Challenge the broker/underwriter relationship to become truly client focussed.

Drawing reference to the IT and telecomms sectors, where the culture of ‘co-opertition’, or collaborating while competing, to create industry-wide platforms has existed for some time, Mr Carnegie-Brown stressed that the growth of the insurance market as a whole would be much greater by working together to create protocols and standards.

Mr Carnegie-Brown also advised brokers and underwriters to examine their business processes and make transaction and administrative tasks more efficient which, in turn, will foster innovation and deliver real value to clients.

Commenting on his presentation, Bruce Carnegie-Brown, CEO and President, Marsh Europe and Middle East, said:

“If we make progress on the issues of process, standardisation, contract certainty, and improved risk management tools, brokers will increasingly move into the advice and consulting space, which is how they will increase their value to clients.

“They will develop their understanding not only of hazard risks but of strategic and operating risks as well, and will seek to provide clients with a more comprehensive understanding and analysis of the issues they face in their business.

“The brokers that most successfully evolve in this direction will also be better at differentiating the risk characteristics of their large commercial clients when presenting their clients’ risks to the insurance markets.

“And this in turn will help underwriters. By focusing more resources outwards, brokers will also create more opportunities for those underwriters who invest in differentiating their products.

“Underwriters able to differentiate one client’s risks from another’s and who overlay portfolio management on top, and underwriters who develop tools that enhance their ability to trade their risks more actively, so that they can act counter cyclically and reposition their capital quickly, will be best positioned to take advantage of market opportunities.”

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For more information, photography or a transcription this presentation, please contact:

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Notes to editors

Marsh, the world's leading risk and insurance services firm, has nearly 30,000 employees and annual revenues exceeding \$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 annual revenues exceeding \$12 billion. MMC is also the parent company of Guy Carpenter, the world's leading risk and reinsurance specialist; Kroll, the world's leading risk consulting company; Mercer, a major global provider of human resource and specialty consulting services; and Putnam Investments, one of the largest investment management companies in the United States. Approximately 60,000 employees provide analysis, advice, and transactional capabilities to clients in over 100 countries. Its stock (ticker symbol: MMC) is listed on the New York, Chicago, Pacific, and London stock exchanges. MMC's website address is www.mmc.com. Marsh's web site address is www.marsh.com

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