

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

-----X

**PEOPLE OF THE STATE OF NEW YORK, by ELIOT SPITZER,
Attorney General of the State of New York,**

Plaintiff,

Index No. :

-against-

**MARSH & McLENNAN COMPANIES, INC. and
MARSH, INC.,**

Defendants.

-----X

EXHIBITS TO COMPLAINT

**ELIOT SPITZER
Attorney General of the
State of New York
Attorney for Plaintiff
Assistant Attorney General
120 Broadway - 23rd Floor
New York, NY 10271
(212) 416-8198**

TABLE OF EXHIBITS TO COMPLAINT

1. Documents of Marsh produced to the Attorney General's Office, organized in order of the document identification numbers.
2. Documents of Chubb produced to the Attorney General's Office, organized in order of the document identification numbers.
3. Documents of AIG produced to the Attorney General's Office, organized in order of the document identification numbers.
4. Documents of ACE produced to the Attorney General's Office, organized in order of the document identification numbers.
5. Documents of Munich produced to the Attorney General's Office, organized in order of the document identification numbers.

PLACEMENT SERVICE AGREEMENT

AGREEMENT effective January 1, 2003 (the "Effective Date"), by and between Marsh USA Inc., a Delaware corporation, with its principal place of business located at 1166 Avenue of the Americas, New York, New York 10036 and AIG Risk Management, Inc: Commercial Risk Division, a New York corporation with its principal place of business located in 175 Water Street; New York, New York 10038.

WITNESSETH

1. Eligible Lines of Insurance: By both parties signing this agreement, Marsh Global Broking becomes eligible to receive Placement Service Payments (as defined in paragraph 2). In calculating MGB's Placement Service Payments all insurance placed by MGB with the Company shall be eligible.

2. Placement Service Payments: Payments hereunder are referred to as "Placement Service Payments" and shall be in addition to, and not in lieu of customary commission payments to Marsh by Company. Placement Service Payments shall be calculated for each calendar month that this Agreement is in effect and shall be payable as set forth in paragraph 3.

3. Calculation of Placement Service Payments: Placement Service Payments shall be calculated as follows:

Renewals: The following override percentages will apply for renewal premium.

A) 1% if the renewal growth rate is over 85%, but less than 89% on an annual basis.

B) 2% if the renewal growth rate is over 90%, but less than 95% on an annual basis.

C) 3% if the renewal growth rate is over 95% on an annual basis.

New Business: The following override percentages will apply for new business.

A) 2% of gross written premium for guaranteed cost new business.

B) 3% of gross written premium for loss sensitive new business.

It is understood that individual account premiums will be capped at two million of premium.

4. Placement Service Payments Statements: Company shall prepare and deliver the Placement Service Payments Statements within 15 days of the end of each calendar month and Placement Service Payments within 15 days of the end of each calendar quarter to:

Marsh Global Broking Inc.
Attn: [REDACTED]
1166 Avenue of the Americas
New York, NY 10035-2774

Or to such other person or address as MGB may from time to time so notify Company. Checks shall be made payable to Marsh Global Broking Inc.

5. Dispute Resolution: Any disputes arising under this Agreement shall be resolved by binding arbitration pursuant to the rules of the American Arbitration Association before a panel of three arbitrators. The party receiving the notice to arbitrate shall have 21 days after receipt of such notice to select an arbitrator and shall provide the other party with the name and address of such arbitrator. The notifying party shall then select an arbitrator within 21 days after being notified of the selection of the first arbitrator and shall provide the other party with the name and address of such arbitrator. In the event a party fails to select an arbitrator in a timely manner, the other party shall be entitled to select such arbitrator. The two arbitrators shall then select a third arbitrator within 21 days. Such third arbitrator shall be a person with experience in the insurance industry, with knowledge of the insurance broking business. The arbitration shall be conducted in the City of New York.

6. Term and Termination: This Agreement shall be effective for a one year period beginning on the Effective Date and shall automatically renew for consecutive one-year periods (each such one-year period being referred to as a "Term Year") unless terminated in accordance with this paragraph. MGB may terminate this Agreement at anytime by providing written notice to Company. Company may terminate this Agreement effective the end of any Term Year upon 180 days prior written notice.

Notice shall be deemed to have been properly given when sent by prepaid, first-class mail or by facsimile with a copy by first-class mail to the addresses and persons set forth below:

For the Company:

AIG Risk Management Inc: Commercial Risk Division

[REDACTED]
175 Water Street
New York, NY 10038

Fax No: 212-458-3135

And If to MGB:

Marsh Global Broking

[REDACTED]
1166 Avenue of the Americas
New York, NY 10036-2774

Fax No: 212-345-4180

7. Confidentiality: The terms of this Agreement are confidential and shall not be disclosed by either party except as may be required by law

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective as of the date first above-written.

MARSH GLOBAL BROKING INC.

AIG Risk Management, Inc:
Commercial Risk Division

By: _____
Name: _____

By: _____
Name: _____

Date: _____

Date: _____

Tiering Report - 2003

The purpose of this exercise is two fold: *To align MMGP Placements wit inforce PSA's for the purpose of accurately aligning premium with PSA accruals.
*To monitor premium placements to assure maximum concentration with Tier A & B Partner Markets

Carrier
AIG

[REDACTED]

[REDACTED]

[REDACTED]

CHUBB

CNA

CNA

[REDACTED]

Hartford

[REDACTED]

[REDACTED]

Division		Tier
Excess	Both IB & RM	A
National Accounts		C
Commercial	Currently	C
Lexington Primary		
Lexington Excess		
AI Transport		C
CV Starr		A
Excess	IB	C
Primary	RM	A
		B
Primary-Commc'l		B
Primary-National		C
Excess		B
Work Comp		B
Primary		A
Excess-over Chubb		B
Excess-over other		A
Primary-Commc'l		B
Primary-National		B
Excess		B
		B
Primary-Commc'l		A
Primary-National		A
Excess		A
Specialty-National		A
Specialty-Commc'l		A
Commercial		A
Excess		
Primary		C
Excess		C
Primary		C

[REDACTED]

Zurich Amer. Ins. Fin. Enterp.

Excess		B
Primary		B
Primary-Comm'l		B
Primary-National		B
Excess-Comm'l		B
Excess-National		B
Primary		B
Primary		B
Primary		A
Primary-Comm'l		A
Primary-National		C
Excess		A
Primary-Comm'l		A
Primary-National		A
Excess-Gulf		A
Primary		A
Excess		A
Primary	IB	B
Excess	RM	B
	IB	B
	RM	B
Commercial		
Zurich National		

From: Joan F Schneider/CLE-OH/US/Marsh/MMC
To: [REDACTED]
CC: [REDACTED]/NYC-NY/US/Marsh/MMC@MMC;
[REDACTED]/LOS-CA/US/Marsh/MMC@MMC
Subject: Re: PSA
Date: 01/11/2003 11:55:10 (GMT-05:00)

Hi [REDACTED], received your Voice Mail about who the contact is for Marsh regarding a PSA with Zurich Construction

The Person you need to contact is [REDACTED], he can be reached at [REDACTED]. I have cc'd him in on this e-mail so he knows you will be contacting him.

Thanks Joanie

01/11/2003 11:53 AM

----- Forwarded by Joan F Schneider/CLE-OH/US/Marsh/MMC on 11 Jan 2003, 11:53 Saturday -----
Joan F Schneider 3 Jan 2003, 13:01 Friday

To: [REDACTED]
cc: [REDACTED]
Subject: Re: PSA

[REDACTED], per our conversation today, (sorry to call you during your vacation) the good news is that we are binding Greenville County Schools with you today!!!!!! We worked hard to get this to you and as we discussed expect it to be a part of the PSA agreement. On your return Monday, I hope you and your regional folks can get this ironed out this is a great start to the New Year and would like to keep it going.

I will be in on Monday and look forward to hearing from you.

<<< Memo from [REDACTED]-ZAM-/MIN-MN/US/ZAM@Internet on 12 December, 2002, 17:16 Thursday >>>

[REDACTED]-ZAM- on 12 Dec 2002, 17:16 Thursday
To: Joan F Schneider
cc: [REDACTED]
Subject: Re: PSA

Joanie,

I did hear you and had discussions with [REDACTED]. We are in the midst of engaging all our Regional VPs in s discussion on the National PSA.

You should be hearing from [REDACTED] or [REDACTED] soon.

Joan.F.Schneider@marsh.com on 12/12/2002 03:41:04 PM

To: [REDACTED]@zurichna.com
cc:

Subject: PSA

[REDACTED], you are currently in the running on Greenville Country School System (FIX cost near 3MM)..... neck and neck with ACE who we have a PSA with Will bind most likely after the first of the year where are we on the PSA arrangement Left messages but haven't heard from you hint hint

Joanie

***** PLEASE NOTE *****

This E-Mail/telefax message and any documents accompanying this transmission may contain privileged and/or confidential information and is intended solely for the addressee(s) named above. If you are not the intended addressee/recipient, you are hereby notified that any use of, disclosure, copying, distribution, or reliance on the contents of this E-Mail/telefax information is strictly prohibited and may result in legal action against you. Please reply to the sender advising of the error in transmission and immediately delete/destroy the message and any accompanying documents. Thank you.

To: Joan F Schneider/CLE-OH/US/Marsh/MMC@MMC
cc: [REDACTED]@zurichna.com@Internet, [REDACTED]@zurichna.com@Internet
From: [REDACTED] ZAM-/MIN-MN/US/ZAM@Internet

To: [REDACTED] ZAM-/MIN-MN/US/ZAM@Internet @ MMC_CDS
cc: [REDACTED]@zurichna.com@Internet, [REDACTED]@zurichna.com@Internet
From: Joan F Schneider/CLE-OH/US/Marsh/MMC

Attachments: embedded picture.tif

From [REDACTED] on 7 Nov 2003, 14:35 Friday

To: [REDACTED]
cc:
Subject: Re: ACE 2004 PSAs

We have sent our our proposed Environmental PSA to ACE.

I have had discussions on our Healthcare PSA with ACE. I await [REDACTED]'s numbers.

As respects XS WC, did you ever get a signed copy back from [REDACTED]?

Sorry I didn't get back to you yesterday but I was not feeling well.

<<< Memo from [REDACTED]/NYC-NY/US/Marsh/MMC on 01 November, 2003, 18:13 Saturday >>>

From: [REDACTED] on 1 Nov 2003, 18:13 Saturday
To: [REDACTED]; [REDACTED]; [REDACTED] (more below)
cc: [REDACTED]; [REDACTED]; William W Gilman
Subject: ACE 2004 PSAs

Thanks to all for the quick feedback. I spoke with [REDACTED] on Friday. I made it clear that if ACE wants us to meet significant premium growth targets then ACE will have to pay "above market" for such stretch. Moreover, their current proposals are below market for maintenance/modest growth. We agreed that the next step is to have each product line try to hammer out thresholds and %'s under the following framework:

- 1.) We want to get these done over the next few weeks so that they're in place for 1/1 renewals.
- 2.) ACE does not want to be our highest or lowest PSA (for maintenance / modest growth) although they're open to above market percentages for dramatic growth which is their goal. ACE's ability to be a partner across multiple lines should mean they do not need to have an abnormally high PSA. (I agree with this reasoning.)
- 3.) We will be candid and absolutely honest about where their PSA stands relative to similar partners in terms of both %'s and growth thresholds. We will also be VERY CLEAR to the ACE product line managers what the impact will be if they are below market in terms of PSA.

Susan will step back in if/when we hit an impasse in any given product line. We want to fastrack this so please get in touch with your counterpart at ACE and give me a status report next Thursday.

Thanks

[REDACTED]

All Recipients

To: [REDACTED]/NYC-NY/US/Marsh/MMC@MMC, [REDACTED]
[REDACTED]/NYC-NY/US/Marsh/MMC@MMC, [REDACTED]/NYC-NY/US/Marsh/MMC@MMC, [REDACTED]
[REDACTED]/NYC-NY/US/Marsh/MMC@MMC, [REDACTED]/LON/GB/Marsh/MMC@MMC, [REDACTED]
[REDACTED]/NYC-NY/US/Marsh/MMC@MMC, [REDACTED]/NYC-NY/US/Marsh/MMC@MMC,
[REDACTED]/NYC-NY/US/Marsh/MMC@MMC, [REDACTED]
[REDACTED]/LOS-CA/US/Marsh/MMC@MMC
cc: [REDACTED]/SFO-CA/US/Marsh/MMC@MMC, [REDACTED]
[REDACTED]/NYC-NY/US/Marsh/MMC@MMC, William W Gilman/NYC-NY/US/Marsh/MMC@MMC
From: [REDACTED]/NYC-NY/US/Marsh/MMC

From [REDACTED] on 15 Sep 2003, 21:29 Monday

To: [REDACTED]

cc:

Subject: RE: 2003 to 2004 PSA [REDACTED]

I am not 100% sure Excess Casualty has a PSA with [REDACTED] anymore (they won't do punitives so they are essentially out for them-check with Gilman.)

Please get him as far as you can, then I will try one last time.

<<< Memo from [REDACTED]/CHI-IL/US/Marsh/MMC on 15 September, 2003, 16:59 Monday >>>

From [REDACTED] on 15 Sep 2003, 16:59 Monday

To: [REDACTED]

cc:

Subject: RE: 2003 to 2004 PSA [REDACTED]

Trust me I not ready to concede either, just want to keep you in the loop. This could get "ugly", don't worry I won't get sideways with [REDACTED] yet, however the clock is ticking.

One thing [REDACTED] did mention to me in Colorado Springs was that he was at a meeting with other senior product line managers at [REDACTED] to include [REDACTED] where the subject of PSA's was apparently discussed, he didn't get into detail, curious if any of your fellow managers have any input with respect to their discussions with [REDACTED] for their lines.

He really is a winner!!

<<< Memo from [REDACTED]/NYC-NY/US/Marsh/MMC on 15 September, 2003, 09:00 Monday >>>

From [REDACTED] on 15 Sep 2003, 09:00 Monday

To: [REDACTED]

cc:

Subject: RE: 2003 to 2004 PSA [REDACTED]

I agree with you.

1) We all start at 0% (maybe negative 0% in this market). Maintaining \$18MM will be a tough task in the upcoming year and is worth at least 3%.

2) I agree we should have another good year with [REDACTED] but that all depends on their appetite, coverage provided and how much they pay us. We need to place our business in 2004 with those that have superior financials, broad coverage and pay us the most. Even at 5%, that puts [REDACTED] to the middle.

I am not ready to concede>

<<< Memo from [REDACTED]/CHI-IL/US/Marsh/MMC on 15 September, 2003, 11:28 Monday >>>

From [REDACTED] 15 Sep 2003, 11:28 Monday

To: [REDACTED]

cc:

Subject: RE: 2003 to 2004 PSA

FYI, lets discuss or send me an email with any comments, my position is as before in my August

27th email to [REDACTED] below.

----- Forwarded by [REDACTED]/CHI-IL/US/Marsh/MMC on 15 Sep 2003, 10:18 Monday -----

[REDACTED]@[REDACTED].com@Internet on 13 Sep 2003, 06:34 Saturday



To: [REDACTED]
cc:
Subject: RE: 2003 to 2004 PSA

Hi [REDACTED],

I continue to believe that my original renewal offering makes sense to Marsh and to [REDACTED], and I would like to maintain our position relative to the 10-1-2003/04 PSA. Let me offer some commentary.....

1. Based on activity during the 7-1 to 9-30 timeframe, it looks like our overall production with you for 10-1-02/03 will be closer to \$18,500,000, rather than the \$17,000,000 total we were referencing several weeks ago. We are projecting a reasonably high renewal retention ratio for 2004, and I expect that to be the case with the Marsh business. So even if we don't write one piece of new business with Marsh during the upcoming 10-1-03/04 PSA year with you, simply renewing your current book of business with [REDACTED] would get you into the 3% payout (\$15,000,000 - 25,000,000) range. To me, that seems like a pretty favorable reward for status quo.

2. From my standpoint, I want the higher (4% - 5%) payouts to be achieved when renewal retention and new business results are both strong. I think we are in a position over the next 12 months to have another good new business result with Marsh. I hope you share that feeling. If over the next 12 months we duplicate the \$18,500,000 new business result for the past 12 months and renew a high % of our existing accounts, Marsh GB can get into the upper ranges of the proposed PSA terms.

I will give you a call on Monday. Like you, I am anxious to get this wrapped up in advance of the 10-1 agreement anniversary date.

-----Original Message-----

From: [REDACTED]@marsh.com [mailto:[REDACTED]@marsh.com]
Sent: Wednesday, August 27, 2003 5:33 PM
To: [REDACTED]
Subject: RE: 2003 to 2004 PSA

[REDACTED], based on your initial response that you aren't willing to increase top level to 6%, and the fact that we will end up at \$17 MM give or take, I think that the current structure under the '02 to '03 agreement for thresholds and % payout is appropriate. The current structure will leave some fairly significant premium growth to get to the top payout %.

We believe that there were opportunities that we worked hard at getting [REDACTED] to write, that [REDACTED] didn't. Writing some of these deals obviously would have put us in a better position with respect to our premium totals in getting to the top level. These deals ultimately were written by one of your competitors. Had we reached the top levels under the current

agreement, while I may have pushed back some on your suggested levels below, I would have felt more comfortable, that we would need to grow to get to the top level payout.

A couple of questions, is Marsh currently your number one producer and what do you feel you will end '03 in premium volume and what will be your total premium goal in '04.

At any rate that is my suggested approach. I will call you tomorrow. We need to get this wrapped up in the next week or two.

Thanks for working with me on this.

<<< Memo from [redacted]@[redacted].com Internet on 27 August, 2003, 12:16 Wednesday >>>

[redacted]@[redacted].com Internet on 27 Aug 2003, 12:16 Wednesday

To: [redacted]
cc:
Subject: RE: 2003 to 2004 PSA

Hi [redacted],

I have given some thought to our PSA renewal effective 10-1-03. What I would like to propose is as follows for payouts for the 10-1-03/04 term of the agreement.....

\$7,500,000 or less	1% payout	0 → 1.5% → 0
\$7,500,001 to \$15,000,000	2% payout	1.5 → 1.5% → 2
\$15,000,001 to \$25,000,000	3% payout	
\$25,000,001 to \$35,000,000	4% payout	
\$35,000,001 and above	5% payout	30MM

Recall that production for the first three quarters of the current PSA term came to some \$13,200,000. I suspect our overall production for the 12 months of this PSA will be around \$17,500,000, based upon what I know currently.

Let me know if you are comfortable with the proposed parameters for the second year of our agreement.

[redacted]

-----Original Message-----

From: [redacted]
Sent: Wednesday, August 20, 2003 5:37 AM
To: '[redacted]@marsh.com'
Subject: RE: 2003 to 2004 PSA

I will have something to you next week on this. I am traveling and out of the office now until Monday. I can tell you that 5% is the max payout we would ever offer under any PSA Agreement. And, given we ought to end up with overall production for the last 12 months of over \$15,000,000, I

believe the gross written premium structure (and corresponding payout %'s) you have proposed needs some modification. Also, any further info for me on the Colorado deal? If I am expected to make any sort of presentation, I would like to get moving on that soon!

-----Original Message-----

From: [REDACTED]@marsh.com [mailto:[REDACTED]@marsh.com]
Sent: Wednesday, July 30, 2003 9:20 AM
To: [REDACTED]
Cc: [REDACTED]@marsh.com
Subject: 2003 to 2004 PSA

[REDACTED] please see my letter surrounding our PSA for 2003 to 2004.

Let me know if you have any questions otherwise I will follow up with you shortly.

(See attached file: [REDACTED] 2003 to 2004 PSA.doc)

To: [REDACTED]/CHI-IL/US/Marsh/MNC@MMC
cc:
From: [REDACTED]@marsh.com@Internet

All Recipients

To: [REDACTED]/CHI-IL/US/Marsh/MMC@MMC
cc:
From: [REDACTED]@marsh.com@Internet

All Recipients

To: [REDACTED]/NYC-NY/US/Marsh/MMC@MMC
cc:
From: [REDACTED]/CHI-IL/US/Marsh/MMC

All Recipients

To: [REDACTED]/CHI-IL/US/Marsh/MMC@MMC
cc:
From: [REDACTED]/NYC-NY/US/Marsh/MMC

All Recipients

To: [REDACTED]/NYC-NY/US/Marsh/MMC@MMC
cc:
From: [REDACTED]/CHI-IL/US/Marsh/MMC

EBS staff last week.

----- Forwarded by [REDACTED] DEN-CO/US/Marsh/MMC on 1 Mar 2002, 08:57 Friday -----

From [REDACTED] on 27 Feb 2002, 10:40 Wednesday
To: [REDACTED]
cc:
Subject: Re: PSA Markets - CONFIDENTIAL

I was told by [REDACTED] that the CNA PSA did not extend to HMO Re - I did not have any substantive discussions with him about extending it to our line of business. I felt that was better left to the "owls" higher up the Marsh corporate ladder as I have no knowledge of the existing PSA.

Re the Excess Inc. PSA: does [REDACTED] realize that we get 1% on self-funded stop loss in most geographic areas even if we have no involvement in the placement ??

<<< Memo from [REDACTED] /DEN-CO/US/Marsh/MMC on 21 February, 2002, 10:52 Thursday >>>

[REDACTED] 21 Feb 2002, 10:52 Thursday
To: [REDACTED]; [REDACTED]
cc:
Subject: PSA Markets - CONFIDENTIAL

FYI, PSAs for all healthcare.

[REDACTED] & [REDACTED], have you ever talked to CNA about extending their PSA to us?

----- Forwarded by [REDACTED] /DEN-CO/US/Marsh/MMC on 21 Feb 2002, 09:42 Thursday -----

From [REDACTED] on 20 Feb 2002, 08:19 Wednesday
To: [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED] (more below)
cc: [REDACTED]
Subject: PSA Markets

For your information, the following are our PSA Markets:

- 1) Zurich
- 2) [REDACTED]
- 3) Munich American Re
- 4) [REDACTED]
- 5) [REDACTED]
- 6) CNA
- 7) [REDACTED]
- 8) [REDACTED]
- 9) [REDACTED] (under discussion)
- 10) [REDACTED]
- 11) [REDACTED] US (we are included in Excess Casualty's PSA, for what it's worth!)

[REDACTED], if I have missed any, let me know. Are we in anyone's PSA for [REDACTED] (what is their appetite?)

Some PSA's are better than others. Shortly, we will tier our markets and I will give you clear direction on who we are steering business to and who we are steering business from.

All Recipients

To: [REDACTED]/CHI-IL/US/Marsh/MMC@MMC, [REDACTED]/SDG-CA/US/Marsh/MMC@MMC,
[REDACTED]/CHI-IL/US/Marsh/MMC@MMC
cc:
From: [REDACTED]/DEN-CO/US/Marsh/MMC

All Recipients

To: [REDACTED]/DEN-CO/US/Marsh/MMC@MMC
cc:
From: [REDACTED]/CHI-IL/US/Marsh/MMC

All Recipients


To: [REDACTED]/SDG-CA/US/JHMarsh/MMC@MMC, [REDACTED]/NYC-NY/US/Marsh/MMC@MMC
cc: [REDACTED]/CHI-IL/US/Marsh/MMC@MMC
From: [REDACTED]/DEN-CO/US/Marsh/MMC

All Recipients

To: [REDACTED]/DEN-CO/US/Marsh/MMC
cc:
From: [REDACTED]/CHI-IL/US/Marsh/MMC

All Recipients


To: [REDACTED]/CHI-IL/US/Marsh/MMC@MMC
cc: [REDACTED]/NYC-NY/US/Marsh/MMC@MMC, [REDACTED]/CHI-IL/US/Marsh/MMC@MMC
From: [REDACTED]/DEN-CO/US/Marsh/MMC

 From [REDACTED] on 15 Nov 2003, 09:47 Saturday

To: [REDACTED]
cc: [REDACTED]
Subject: Re: [REDACTED]

I think it would be worthwhile to try with [REDACTED]'s contact. We might get an agreement, but even if we don't [REDACTED] and her PE Brokers will know that we tried, and understand when we tell them to find alternatives to this Market.

<<< Memo from [REDACTED]/NYC-NY/US/Marsh/MMC on 11 November, 2003, 16:14 Tuesday >>>

 From [REDACTED] on 11 Nov 2003, 16:14 Tuesday

To: [REDACTED]
cc: [REDACTED]
Subject: Re: [REDACTED]

I will discuss with [REDACTED]. The issue has been that the person [REDACTED] speaks with is not the ultimate decision maker who has repeatedly turned us down. We need to work on moving the business to demonstrate the control we have in order to make a strong argument for PSA.

The lack of market plays into their hand, so why should they pay us regardless of who controls the relationship.

Your thoughts...

[REDACTED]

<<< Memo from [REDACTED]/LOS-CA/US/Marsh/MMC on 11 November, 2003, 11:13 Tuesday >>>

 From [REDACTED] on 11 Nov 2003, 11:13 Tuesday

To: [REDACTED]
cc: [REDACTED]
Subject: [REDACTED]

[REDACTED] what is the status with this Market? [REDACTED] feels strongly that she will need them, and they seem to be agreeable to discussing additional compensation. I don't want to initiate a dialogue without understanding all of the issues. Please advise how you want this handled.

----- Forwarded by [REDACTED] LOS-CA/US/Marsh/MMC on 11 Nov 2003, 08:03 Tuesday -----


 [REDACTED] 10 Nov 2003, 16:53 Monday

To: [REDACTED]
cc: [REDACTED]
Subject: [REDACTED]

Hi [REDACTED] & [REDACTED]

This will confirm our telephone conversation in reference to the current non-existence of a PSA agreement with [REDACTED] for 2003.


As discussed, [REDACTED] is ranked 1st in our top ten 2003 markets. As [REDACTED] and I have spoken to various markets this year, they are the lone star for entities with population above 250,000.

 From [REDACTED] on 12 Nov 2003, 08:05 Wednesday

To: [REDACTED]
cc: [REDACTED]
Subject: Re: [REDACTED]

[REDACTED], forgot to hit reply all.

----- Forwarded by [REDACTED]/NYC-NY/US/Marsh/MMC on 12 Nov 2003, 11:04 Wednesday -----

 From [REDACTED] on 12 Nov 2003, 11:05 Wednesday

To: [REDACTED]
cc: [REDACTED]
Subject: Re: [REDACTED]

they are willing to pay us GBMM , I got the impression the true - up agreement was to rich for their blood but they were willing to pay us more in the area of our GBMM traditional agreements.

<<< Memo from [REDACTED]/NYC-NY/US/Marsh/MMC on 11 November, 2003, 19:15 Tuesday >>>

 From [REDACTED] on 11 Nov 2003, 19:15 Tuesday

To: [REDACTED]
cc: [REDACTED]
Subject: Re: [REDACTED]

I will discuss with [REDACTED]. The issue has been that the person [REDACTED] speaks with is not the ultimate decision maker who has repeatedly turned us down. We need to work on moving the business to demonstrate the control we have in order to make a strong argument for PSA.

The lack of market plays into their hand, so why should they pay us regardless of who controls the relationship.

Your thoughts...

[REDACTED]

<<< Memo from [REDACTED]/LOS-CA/US/Marsh/MMC on 11 November, 2003, 11:13 Tuesday >>>

 From [REDACTED] on 11 Nov 2003, 11:13 Tuesday

To: [REDACTED]
cc: [REDACTED]
Subject: [REDACTED]

[REDACTED]: what is the status with this Market ? [REDACTED] feels strongly that she will need them, and they seem to be agreeable to discussing additional compensation. I don't want to initiate a dialogue without understanding all of the issues. Please advise how you want this handled.

----- Forwarded by William Roeder/LOS-CA/US/Marsh/MMC on 11 Nov 2003, 08:03 Tuesday -----

 [REDACTED] 10 Nov 2003, 16:53 Monday

To: [REDACTED]
cc: [REDACTED]
Subject: [REDACTED]

Hi [REDACTED] & [REDACTED]

In addition to their size appetite, they have a broad integrated form that incorporates G.L., A.L. Law Enforcement, Public Officials E & O and Employment Practices Liability on an occurrence basis for all coverages. They have also been the most competitive in pricing and will generally write \$10 million limit above a minimum SIR of \$250,000. They are our major market writing as a primary carrier above the SIR.

There are accounts that our other markets (Ace, [REDACTED], [REDACTED], Munich or [REDACTED]) simply will not consider quoting due to size, territories or exposures.

Besides P.E., [REDACTED] has also been a good market for Construction and Transportation. Therefore, we have 3 IPG industry group that have been affected with this stalemate.

I attended their 50th anniversary celebration last week and had an opportunity to speak to [REDACTED], President. He agrees that GB should be properly compensated, but would like to pay it as a commission. I explained that commissions are paid directly to the retail office, and GB is compensated thru the PSA agreement, and none of the other carriers have an issue with the agreement. I'm left with the impression that he is willing to sit down & devise a method to pay us.

Fyi - [REDACTED] shared that he had spoken to Bill Gillman and Bill advised [REDACTED] "it's in the hands of attorneys". What does that mean? I have not met or spoken to Mr. Gillman, therefore, I'm uncertain how serious he is with his remark about the attorneys.

Have we been successful in delivering our message to them? Have we moved enough business for them to feel the affect of our position? Is the timing ripe for us to revisit this issue with them? What's the possibility of arranging a meeting with the both of you or Alex with them? With all the talents between our two organizations, there lies a solution!!

We have several 1/1s coming up from the New York area and the clients are requesting that their placements remain with [REDACTED]

In the meantime, I will continue our dialogue with them. We can't afford to go another year without a PSA with them.

Please advise.

Thanks!

[REDACTED]

All Recipients

To: [REDACTED]/LOS-CA/US/Marsh/MMC@MMC
cc: [REDACTED]/NYC-NY/US/Marsh/MMC@MMC
From: [REDACTED]/SFO-CA/US/Marsh/MMC

All Recipients

To: [REDACTED]/NYC-NY/US/Marsh/MMC@MMC
cc: [REDACTED]/NYC-NY/US/Marsh/MMC@MMC
From: [REDACTED]/LOS-CA/US/Marsh/MMC

From [redacted] on 2 Apr 2001, 14:23 Monday

Sent by [redacted]

To: [redacted]; [redacted]; [redacted]; [redacted] (more below)
cc:
Subject: [redacted]

Please provide [redacted] with twenty accounts that you can move from an incumbent market to [redacted]. You must make sure that you are not moving business from key PSA markets. This market has given an extension on the expiring PSA which is Net accounts 12.5%, on accounts with commission we get an extra 5%. This could mean a fantastic increase in our revenue.

We need to have this done by next Friday. Please let me know the names of the accounts when you have figured them out. Use GBT to figure them out.

Thanks,

[redacted]

All Recipients

To: [redacted]/CHI-IL/US/Marsh/MMC@MMC, [redacted]/SFO-CA/US/Marsh/MMC@MMC,
[redacted]/ATL-GA/US/Marsh/MMC@MMC, [redacted]/Los Angeles/LOS-CA/US/Marsh/MMC@MMC,
[redacted]/DAL-TX/US/Marsh/MMC@MMC, [redacted]/NYC-NY/US/Marsh/MMC@MMC,
[redacted] Ant/NYC-NY/US/Marsh/MMC@MMC, [redacted]
[redacted]/NYC-NY/US/Marsh/MMC@MMC
cc:
From: [redacted]/NYC-NY/US/Marsh/MMC

[redacted]
All
Run a list of Excess
Placements by Ins. Co
largest to smallest

[redacted]
3-3-01

Marsh Inc.

Colleague's

Manager: [Redacted]
GBNA-Healthcare HMO Re/PEL Team Location: Chicago

Name:

Performance Management Summary - 2002

Business Unit:

2002 Results Overview		Success Attributes & Behaviors						
<p>Summarize overall achievement of business results for the year. Note both performance highlights and missed targets. Provide additional detail regarding balanced scorecard goals on page 2 of this form.</p> <ol style="list-style-type: none"> [Redacted] was responsible for the renewal of a large HMO in Miami and was successful with the placing of this account with a PSA market - increased revenue from \$120,000 to \$360,000 (estimated). Successfully obtained two new accounts (Broker of Record Letters) - Broker Competition [Redacted] \$2,000,000 + premium & [Redacted] \$2,200,000 Premium. Expanded market relationships to include specialty markets. Developed strong, solid new market and Client Advisory relationships. 90% account retention. Created new proposal formats for team use. Became Knowledge Manager for [Redacted] and [Redacted] 		<p>Clients: Satisfies internal and external client requirements with customized strategies and initiatives.</p> <p>Colleagues: Hires and develops talent for the organization; provides opportunities to reach full potential; manages proactively on an ongoing basis.</p> <p>Teamwork: Works for the overall good of the Marsh Inc. enterprise. Collaborates and develops open communication at all levels.</p> <p>Innovation: Anticipates emerging client requirements and develops effective responses.</p> <p>Excellence: Continually pursues higher quality in all areas of operations.</p> <p>Openness & Integrity: Performs without compromise in applying standards of conduct.</p> <p>Additional Behaviors: Education of CA on this specific Product line.</p>	<p>Needs Development/ Not Demonstrated</p>	<p>Demonstrated At Expected Level</p>	<p>Sustained Demonstration At Exceptional Level</p>			
<p>Summary of Strengths</p> <ol style="list-style-type: none"> Ability to develop trusting client, market and client advisory relationships. Ability to generate detailed presentations for Client Advisory. Very responsive to clients & markets. Team Player. Good Marsh & market resource - considerable knowledge, strong relationships, and insurance market trust. 		<p>Summary of Development Needs</p> <ol style="list-style-type: none"> Focus on team projects. Continue to improve computer data analysis skills Access & Excel. Team Professional Standards Officer - maintain files to meet Professional Standards Follow Marsh Excellence guidelines. 						
<p>Development Actions and Timing for 2003</p> <ol style="list-style-type: none"> Take two Access Computer classes by end of second quarter 2003. Develop two new additional Client Advisory relationships by third quarter of 2003. Work with [Redacted] on New Business presentations. Lead Professional Standards and Marsh Excellence initiatives for team. 								
<p>Overall Performance Rating</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 25%; border: none;"> <p><input type="checkbox"/> 1 NEEDS IMPROVEMENT AND/OR DOES NOT MEET STANDARDS Is performing below expectations or at an unacceptable level; immediate, sustained improvement required.</p> </td> <td style="width: 25%; border: none;"> <p><input type="checkbox"/> 2 FULLY PERFORMING AT STANDARD Consistently meets goal and leadership expectations for the job and level; may occasionally exceed standards.</p> </td> <td style="width: 25%; border: none;"> <p><input checked="" type="checkbox"/> 3 EXCEEDS PERFORMANCE STANDARDS Regularly performs at a level that exceeds goal expectations; demonstrates strong leadership skills for the job and level.</p> </td> <td style="width: 25%; border: none;"> <p><input type="checkbox"/> 4 EXCEPTIONAL PERFORMANCE Consistently and significantly Exceeds goal expectations including demonstration of leadership skills; a model performer for the job and level.</p> </td> </tr> </table>					<p><input type="checkbox"/> 1 NEEDS IMPROVEMENT AND/OR DOES NOT MEET STANDARDS Is performing below expectations or at an unacceptable level; immediate, sustained improvement required.</p>	<p><input type="checkbox"/> 2 FULLY PERFORMING AT STANDARD Consistently meets goal and leadership expectations for the job and level; may occasionally exceed standards.</p>	<p><input checked="" type="checkbox"/> 3 EXCEEDS PERFORMANCE STANDARDS Regularly performs at a level that exceeds goal expectations; demonstrates strong leadership skills for the job and level.</p>	<p><input type="checkbox"/> 4 EXCEPTIONAL PERFORMANCE Consistently and significantly Exceeds goal expectations including demonstration of leadership skills; a model performer for the job and level.</p>
<p><input type="checkbox"/> 1 NEEDS IMPROVEMENT AND/OR DOES NOT MEET STANDARDS Is performing below expectations or at an unacceptable level; immediate, sustained improvement required.</p>	<p><input type="checkbox"/> 2 FULLY PERFORMING AT STANDARD Consistently meets goal and leadership expectations for the job and level; may occasionally exceed standards.</p>	<p><input checked="" type="checkbox"/> 3 EXCEEDS PERFORMANCE STANDARDS Regularly performs at a level that exceeds goal expectations; demonstrates strong leadership skills for the job and level.</p>	<p><input type="checkbox"/> 4 EXCEPTIONAL PERFORMANCE Consistently and significantly Exceeds goal expectations including demonstration of leadership skills; a model performer for the job and level.</p>					
<p>Manager's Signature/Date [Redacted] 2/15/03</p>	<p>Colleague's Signature/Date [Redacted] 2/16/03</p>	<p>Second Level Manager's Signature/Date</p>						

Colleague's signature indicates that a joint discussion with the manager has taken place and does not necessarily signify colleague's agreement to the manager's assessment/evaluation.

NOMINATION FOR VICE PRESIDENT

Nominee's Full Name: [REDACTED] Division: Marsh Global Broking North America-Healthcare

Position Title: Assistant Vice President Region: Midwest

Number of years of professional experience: 21 Number of years as AVP: 5

Employee ID Number: [REDACTED]

Selection Criteria:

Financial Success:

Retention of 95% of Book of Business

MARSH

Increased Revenue on large renewal by moving to a PSA market: Neighborhood Health Partnership
Estimated Revenue - \$390,000

Estimated Annual Premium - \$6,500,000

Retained 97% of Book of Business.

Table with 3 columns: New Business - [REDACTED], Estimated Premium, Estimated Revenue. Rows include values like \$2,200,000, \$66,000, etc.

Client Satisfaction:

Received several written documents from clients, CA and markets which states [REDACTED]'s performance was above and beyond. Clients, Markets and CA trust that the job will get done in the committed time frame.

Effective Business Processes:

[REDACTED] has very strong, trusting relationships with CA. These relationships generate new business opportunities and allows for the renewal process for existing business to run smoothly.

Also, the strong, trusting relationships on the market side allows [REDACTED] to obtain whatever is needed from the markets in the time frame allowed.

[REDACTED] takes great pride in [REDACTED] work. The presentations [REDACTED] creates for the CA's are very clear and professional.

Colleague Capabilities:

[REDACTED] is very much a team player. [REDACTED] is always willing to help her teammates in any way possible. [REDACTED] is very knowledgeable about the marketplace and the Marsh System.

Submitted by: [REDACTED] SVP Date: 2/16/03

Approved by: _____ Date: _____

(To be held in local personnel file)

RIMS issued a statement following our agreement which recognized that the approximation is, by definition, a best estimate and that the subsequent burdensome calculations should not be undertaken unless the level of concern is serious and the amount of contingent revenue is significant.

RIMS further stated that these disclosures should address any reasonable concerns members might have with respect to potential conflicts of interest and/or undisclosed revenues.

Do other brokers have MSAs or similar arrangements?

Yes, most brokers have MSAs or similar arrangements such as Contingency fee agreements, in one form or another.

The Washington Legal Foundation issued a press release on February 10, 2004, asking states to probe conflicts caused by placement service agreements, what is Marsh's position on this?

There is nothing new in the subject discussed by the Washington Legal Foundation although clearly we do not agree with their conclusions. As stated previously this is a long-standing industry practice and Marsh has had a specific agreement with RIMS since 1999. State Insurance Commissioners and Superintendents have been aware of this industry practice for quite some time.

How prevalent are MSAs with the insurers Marsh does business with?

Agreements of this type are commonplace in the industry and Marsh has them with almost all major insurers.

Do MSAs influence our placement decisions?

Our guiding principle is to consider our client's best interest in all placements. We are our clients' advocates and we represent them in negotiations. We don't represent the markets. In fact, Clients are the only ones who have the authority to make the decisions on the terms and conditions of a program and the markets selected to handle the program. In addition to client preferences, placement decisions typically take into account such complex factors as market financial strength, a market's expertise in the line of coverage needed by the client, its claims-paying history, client service requirements, breadth of coverage, pricing and other terms and conditions. In all cases, clients make the final decision on the market chosen to handle their business. Our Client Executives and advisory staff is unaware of our specific MSA arrangements, thereby further removing their ability to have these arrangements influence their recommendations.

From: [REDACTED]/NYC-NY/US/Marsh/MMC
To: [REDACTED]/WAS-DC/US/Marsh/MMC@MMC
CC: [REDACTED]/NYC-NY/US/Marsh/MMC@MMC;
[REDACTED]/NYC-NY/US/Marsh/MMC@MMC;
[REDACTED]/WAS-DC/US/Marsh/MMC@MMC
Subject: Re: Payto Activation for [REDACTED]
Date: 06/26/2003 09:45:38 (GMT-05:00)

[REDACTED], I'm troubled with your responses. First, the form below clearly states that our client was awarded the job five days prior to inception, you write that they were awarded the job on the day of inception itself. Second, our firm's placement service agreements with carriers have absolutely nothing to do with those carriers' appetite for risk, so I'm not sure what you mean by "standard PSA" market. In fact, an AIG company wrote this and we do have agreements with AIG. Third, I spoke with [REDACTED], who works for [REDACTED] in Dallas and is the person you identified on the form as the person in Global Broking that you contacted first. Unfortunately, she was unable to corroborate your story. She was not contacted regarding this placement. In fact, she is one of [REDACTED]'s top producers in the country and, given that [REDACTED] wrote this risk, we both found it interesting that she was not contacted.

Finally, I'm most troubled that you did not contact [REDACTED] in NY - the placing broker on [REDACTED] with AIG, Zurich and Chubb. We (MARSH) have some pretty good clout in the insurance marketplace. The lead umbrella on [REDACTED] with AIG is more than \$2 million alone. I'm sure we could have found an underwriter to write the excess for this project in a very short time frame. I'm sure [REDACTED] can confirm this to you, but the GB repatriation dollars are no small component of your office's budget. You have lowered that amount with this placement. You may want to consider that in the future.

Based on the inconsistencies I have noted above with the attached form below, I will wait for you to correct the form with accurate information ([REDACTED] for example) before I authorize it.

Thank you.

<<< Memo from [REDACTED]/WAS-DC/US/Marsh/MMC on 25 June, 2003, 17:31 Wednesday
>>>
From: [REDACTED] on 25 Jun 2003, 17:31 Wednesday

To: [REDACTED]
cc: [REDACTED]
Subject: Re: Payto Activation for [REDACTED]

1. [REDACTED] a contractor and a major client to the DC office was not awarded the job until 6/20/03. We were given the order on 6/23/03, and asked to backdate to 6/20/03. The closing between the developer and that bank was 6/24/03.
2. This was habitual construction so standard PSA markets would not entertain. However, GB in Texas was contacted first, as this is a surplus lines placement. They did not return our phone call.
3. Given the very tight time frame to get indications, [REDACTED] called us back quickly after initial call. They had access to the markets we needed. Since we were looking for coverage for a general

contractor building condominiums, it made no sense to go to several wholesalers who would overrun the limited marketplace with submissions and our time frame. We were looking for a quick turnaround on indications so that [REDACTED] could complete their bid.

Given this is a standalone project specific program, outside the normal [REDACTED] excess liability program placed with GB NY, we needed to perform quickly to enable our client to respond to and win the bid.

Please let me know if you require any further information.

Thank you!

regards,
[REDACTED]

Senior Vice President, Manager Risk Management Casualty
Marsh USA Inc.
1255 23rd Street NW
Suite 400
Phone: [REDACTED]
Fax: [REDACTED]
Internet: [REDACTED]@marsh.com

From [REDACTED] on 25 Jun 2003, 16:46 Wednesday
To: [REDACTED]
cc: [REDACTED]
Subject: Re: Payto Activation for [REDACTED]

Just a couple of questions, while I have you:

1. This form was to be completed prior to inception. What happened?
2. Did someone contact GB first to see if there was a way for our firm to capture more revenue?
3. Why didn't we access [REDACTED] again, in an effort to maximize revenue for the firm?

Not trying to be a pain, just want to make sure we all are doing the right thing. I've seen some of the revenue numbers for our firm and, I think you would agree, we could all use as much as we can get - especially on the transactional side where there is little impact to our client.

Thanks.

<<< Memo from [REDACTED]/WAS-DC/US/Marsh/MMC on 25 June, 2003, 16:27 Wednesday
>>>

From [REDACTED] on 25 Jun 2003, 16:27 Wednesday
To: [REDACTED]
cc:
Subject: Payto Activation for [REDACTED]

Thank you for your help with approving this - just in case you have not received the form.
We must pay within the next ten days, so we appreciate your help.

regards,
[REDACTED]

Senior Vice President, Manager Risk Management Casualty
Marsh USA Inc.
1255 23rd Street NW
Suite 400
Phone: [REDACTED]
Fax: [REDACTED]
Internet: [REDACTED]@marsh.com

Forwarded by [REDACTED] WAS-DC/US/Marsh/MMC on 25 Jun 2003, 16:22
Wednesday
[REDACTED] 25 Jun 2003, 16:12 Wednesday

To: [REDACTED]
cc: [REDACTED]
Subject: Payto Activation for [REDACTED]

Forwarded by [REDACTED] WAS-DC/US/Marsh/MMC on 25 Jun 2003,
16:11 Wednesday
[REDACTED] 25 Jun 2003, 16:08 Wednesday

To: [REDACTED]
cc: [REDACTED], LocalPayto Admin; [REDACTED], [REDACTED]
[REDACTED] (more below) (bcc: [REDACTED])
Subject: Payto Activation for [REDACTED]

Thank you for your assistance in activating this Payto MGA. Please let me know if you have any questions, comments or concerns.

[REDACTED]
Risk Analyst
Marsh USA Inc.
1255 23rd Street NW
Suite 400
Phone: [REDACTED]
Fax: [REDACTED]
Internet: [REDACTED]@marsh.com

Forwarded by [REDACTED] WAS-DC/US/Marsh/MMC on 25 Jun 2003,
16:02 Wednesday
[REDACTED] 25 Jun 2003, 15:21 Wednesday

To: [REDACTED]

cc: LocalPayto Admin; [redacted]; [redacted]; [redacted]; [redacted]
(more below)
Subject: Re: Urgent: [redacted] - Insurer Code/Payto Code Tie-in Problem

In order to use [redacted] on placements, Wholesale Committee approval should have been received in advance of binding coverage. This is the reason the 5364 code is inactive. If you have already received approval please forward it to me. If not, please fill out the "Request for Approval" form below and email it to the appropriate Wholesale Committee member in the listing below. You will not be able to invoice today even if you receive approval and forward it to me as it takes overnight for BASYS to update once codes are active.

Regards,
[redacted]

Assistant Vice President
Marsh USA Inc.
1166 Avenue of the Americas
New York, NY 10036-2774
Phone: [redacted]
Fax: [redacted]
Internet: [redacted]@marsh.com

<<< Memo from [redacted]/WAS-DC/US/Marsh/MMC on 25 June, 2003, 15:05
Wednesday >>>
[redacted] 25 Jun 2003, 15:05 Wednesday

To: LocalPayto Admin
cc: [redacted]
(more below)
Subject: Urgent: [redacted] - Insurer Code/Payto Code Tie-in Problem

To whom it may concern,

I left a message for [redacted] however, it is very important that we resolve this issue asap as we need to courier invoices tonight.

[redacted] and [redacted], Washington DC MSO explained the issue this way:

There are two invoices. Both invoices have the same payto being 5364 ([redacted]). One invoice has an insurer code of 0377 ([redacted]) and the other 0084 ([redacted]). The insurer codes and payto codes won't tie!

Would you please contact me and/or [redacted] and assist us with this?

Thank you for your assistance.

[REDACTED]
[REDACTED]
Risk Analyst
Marsh USA Inc.
1255 23rd Street NW
Suite 400
Phone: [REDACTED]
Fax: [REDACTED]
Internet: [REDACTED]@marsh.com

To: LocalPayto Admin@MMC
cc: [REDACTED]/NYC-NY/US/Marsh/MMC@MMC, [REDACTED] WAS-
DC/US/Marsh/MMC@MMC, [REDACTED] WAS-DC/US/Marsh/MMC@MMC, [REDACTED]
[REDACTED] WAS-DC/US/Marsh/MMC@MMC, [REDACTED] WAS-DC/US/Marsh/MMC@MMC
From: [REDACTED] WAS-DC/US/Marsh/MMC

To: [REDACTED] WAS-DC/US/Marsh/MMC@MMC
cc: LocalPayto Admin@MMC, [REDACTED] WAS-DC/US/Marsh/MMC@MMC, [REDACTED]
[REDACTED] WAS-DC/US/Marsh/MMC@MMC, [REDACTED] WAS-DC/US/Marsh/MMC@MMC,
[REDACTED] WAS-DC/US/Marsh/MMC@MMC
From: [REDACTED] NYC-NY/US/Marsh/MMC

To: [REDACTED] NYC-NY/US/Marsh/MMC@MMC
cc: [REDACTED] WAS-DC/US/Marsh/MMC@MMC, [REDACTED] NYC-
NY/US/Marsh/MMC@MMC, LocalPayto Admin@MMC, [REDACTED] WAS-
DC/US/Marsh/MMC@MMC, [REDACTED] WAS-DC/US/Marsh/MMC@MMC (bcc: CN=[REDACTED]
[REDACTED] OU=WAS-DC/OU=US/OU=Marsh/O=MMC)
From: [REDACTED] WAS-DC/US/Marsh/MMC

To: [REDACTED] WAS-DC/US/Marsh/MMC@MMC
cc: [REDACTED] WAS-DC/US/Marsh/MMC@MMC
From: [REDACTED] WAS-DC/US/Marsh/MMC

To: [REDACTED] NYC-NY/US/Marsh/MMC@MMC
cc:
From: [REDACTED] WAS-DC/US/Marsh/MMC

To: [REDACTED]/WAS-DC/US/Marsh/MMC@MMC
cc: [REDACTED]/NYC-NY/US/Marsh/MMC@MMC
From: [REDACTED]/NYC-NY/US/Marsh/MMC

To: [REDACTED]/WAS-DC/US/Marsh/MMC@MMC
cc:
From: [REDACTED]/WAS-DC/US/Marsh/MMC

To: [REDACTED]/WAS-DC/US/Marsh/MMC@MMC
cc:
From: [REDACTED]/WAS-DC/US/Marsh/MMC

To: [REDACTED]/NYC-NY/US/Marsh/MMC@MMC
cc: [REDACTED]/NYC-NY/US/Marsh/MMC@MMC
From: [REDACTED]/WAS-DC/US/Marsh/MMC

Attachments:

[REDACTED] - Activate Corporate Payto for MGA.doc;
embedded picture.tif;embedded picture.tif;
embedded picture.tif;embedded picture.tif;
embedded picture.tif;embedded picture.tif

Marsh Inc. Exempt Self Appraisal 2003 <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Mid-year	Colleague Name: _____ Business Unit: GB Healthcare Manager: _____	Job Title: Vice President Location: Chicago
---	--	--

2003 Results Overview	Leadership Dimensions and Behaviors <small>(see definitions on page 2)</small>
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		Needs Development	Demonstrated At Expected Level	Exceeds Performance Standards	Not Applicable
<p>Summarize overall achievement of business results for the year. Note both performance highlights and missed targets. Provide additional detail regarding balanced scorecard goals on page 3 of this form.</p>					
<p>95% Renewal on all business. Only business lost was due to client loosing contract. Renewed large account with PSA market to demonstrate our willingness to continue our relationship. Moved a number of accounts to PSA markets for the sole reason to demonstrate partnership. Expanded and developed stronger market relationships to include specialty markets. Developed stronger and new CA relationships.</p>	Drives for Results	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Maintains Client Focus	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Demonstrates Industry Expertise	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Leads Complex Transactions	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>Heavily involved with the development and success of our file audit. Created formats acceptable to Professional Standards.</p>	Manages Talent	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Leads People	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Demonstrates Learning Ability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partners Across the Firm	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Improves Business Processes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Fosters New Initiatives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>Summary of Strengths:</p> <p>Ability to develop strong trusting CA, Market and Client relationships. Strong presentation development skills, stong detail skills, good communication skills. Very dependable - CA & Marksts. Valued by clients. Team player and strong knowledge of Marsh, Markets and Industry.</p>	<p>Summary of Development Needs:</p> <p>Continue to improve on computer data analysis skills – Access & Excel. Improve Power Point skills. Maintain files to meet new Professional Standards Guidelines. Focus on Team projects. Develop further CA and Market relationships. Improve timing on completing GBT forms for input.</p>
--	--

<p>Development Actions and Timing for 2004:</p> <p>Take Advanced Excel and Access Classes by end of first quarter 2004. Finalized Professional Standards File format and Audit checklist by end of second quarter 2004. All current files completed to meet Professional Standards format by end of second quarter. All current accounts entered into GBT – ongoing. <u>Complete team projects in a more timely manner.</u></p>	<p>Employee Comments:</p>
--	----------------------------------

Date	Colleague's Signature	
------	-----------------------	--

PM-E

Completed Self-Appraisal must be submitted to colleague's manager

The Balanced Scorecard - 2004

- SPECIFIC
- MEASURABLE
- AGGRESSIVE
- RELEVANT
- TIMETABLE

Name: [REDACTED]

Dept: **Middle Market Placement**

Financial Success

-
- Meet budgeted MMP financial goals for 2004 as they relate to the NY, NJ, Upstate territory.
Revenue growth for NY, NJ, Upstate territory: %
T&E Expense target for NY, NJ, Upstate territory: \$
- Maximize MSA revenue by achieving budgeted tiering goals for NY, NJ, Upstate territory.
- Achieve 90% retention of NY, NJ, Upstate clients based on competition.
- Achieve 50% hit ratio on new/new NY, NJ, Upstate opportunities.
- Assist with the implementation of umbrella strategy for the NY, NJ, Upstate territory according to designated timetable. Continue to assess effectiveness of excess placements under the umbrella strategy. Make determination as to what is the best for our clients and the most financially effective.
- Help drive new business in the NY, NJ, Upstate territory through close management of new opportunities, weekly new business meetings and constant dialogue
- with Regional Management.
- Manage overrides, where applicable

Client Satisfaction

-
- Assist with the implementation of Practice Office business plans for all practice offices in the NY, NJ, Upstate territory and monitor/share results quarterly with practice office leadership team.
- Assist with the implementation of NE MMP Regional Business Plans and monitor results on a quarterly basis.
- Assist with the implementation of carrier business plans for key markets and monitor results quarterly with regional senior management team.
- Assist with the development of and implementation of sales strategy to work more proactively with the practice offices to achieve new business successes in the NY, NJ, Upstate territory
- Identify opportunities to add local and niche markets to support NY, NJ, Upstate sales strategies and retention of clients.
- Provide benchmarking information to support sales and renewal strategies for NY, NJ, Upstate territory
- Participate in the liaison effort to provide effective communication of market information to client advisory and CE within NY, NJ, Upstate territory
- Consult with CE, CA and clients, as requested.

Efficient Business Processes	Colleague Capability
<ul style="list-style-type: none"> • Meet or exceed a score of 95% on Professional Standards audit for the NY, NJ, Upstate territory. • Achieve a 90% weighted average score on Marsh Excellence MMP standards for the NY, NJ, Upstate territory • Continue to support rollout and implementation of M-Trade 3.0 in NY, NJ, Upstate centers as set out by M-Trade 3.0 Team. • Achieve a 90% utilization of broker kits and quote comparisons on eligible NY, NJ, Upstate accounts. 	<ul style="list-style-type: none"> • Continue to work with employees on learning needs and monitor progress within my team • Continue to effectively manage matrix relationships with IPG team leaders, umbrella team and brokers on the NY, NJ, Upstate team • Annual and mid-year performance reviews completed for all employees on the NY, NJ, Upstate team • Continue to attend Marsh Leadership courses • Monitor Exchange programs (NY & London) and make recommendations based on findings relative to NY, NJ, Upstate team. • Manage day-to-day team issues and maintain morale and competitive edge by conducting monthly team meetings to keep staff apprised of industry-wide, company-wide and departmental news and issues, solicit feedback and share ideas.

Signature: _____

Colleague
Date
Manager
Date

BEST / Institutional Resources OCIP
School District of Greenville County



Owner Controlled Insurance Program Proposal

Marsh USA Inc.
75 Beattie Place, Suite 300
Greenville, SC 29601

BEST / Institutional Resources OCIP
School District of Greenville County
Estimated Exposures: \$136,374,089 Payroll
Loss Assumptions: \$2,483,153 Work Comp; \$1,198,446 GL

Insurance Quote Comparison	ACE	ACE	Zurich	Zurich	Zurich	CNA	
Component	Funded Deductible	Paid	Paid	Loss Agg. Funded in Install.	Loss Agg. Funded in Deposit	Paid	Paid
Program Pricing							
WC & GL							
WC Fixed Costs	1,476,931	1,476,931	1,543,265	1,258,979	1,096,530	1,624,489	2,831,176
Rate per \$100 WC Payroll	1.09	1.09	1.140	0.930	0.810	1.200	2.091
GL Fixed Costs	877,224	877,224	1,218,367	1,082,993	1,001,768	1,252,210	2,940,321
Rate per \$100 WC Payroll	0.648	0.648	0.900	0.800	0.740	0.925	2.172
Clash Deductible Premium (@ \$350,000 Clash)	Included	Included	25,000	25,000	25,000	Included	Included
Est. Taxes, Surcharges, & Assessments(excl. loss based assess.)	62,585	62,585	6,158	6,158	6,158	32,694	Included
RMIS (Based on 1 online access)	37,500	37,500	Included	Included	Included	Included	
Loss Control (Based on 936 hours)	Included	Included	42,000	42,000	42,000	Included	
Clash Deductible Premium (@ \$250,000 Clash)	140,700	140,700	15,000	15,000	15,000		
Total Carrier Fixed Costs	2,594,940	2,594,940	2,849,789	2,430,130	2,186,456	2,909,393	5,771,497
Max. Cost @ Est. Exposures	\$8,557,078	\$8,557,078	\$9,054,789	\$8,635,130	\$8,391,456	\$11,196,893	\$16,235,246
Program Costs(@ Loss Picks)							
WC/GL Fixed costs	2,594,940	2,594,940	2,849,789	2,430,130	2,186,456	2,909,393	5,771,497
Converted Losses (@ \$2,483,153 WC/ \$1,198,446 GL)	4,211,100	4,211,100	4,351,946	4,351,946	4,351,946	4,454,350	4,451,100
Est. Program Costs at Loss Pick	6,806,041	6,806,041	7,201,735	6,782,075	6,538,402	7,363,743	10,222,597
Escrow (Claims Payment Fund)	N/A	49,387	40,000	N/A	N/A	60,000	58,900
Security(LOC)	N/A	1,169,872*	5,600,000	N/A	N/A	6,500,000	4,098,400
				3,616,845			
Program Deductibles							
WC & GL							
Ded. Per Occ.	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Clash Deductible	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Loss Aggregate (Minimum)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	6,500,000	9,900,000
Loss Aggregate Rate	3.693	3.693	3.693	3.693	3.693	4.802	7.313
Loss Handling Charges:							
Work Comp	Per Claim	Per Claim	1.083	1.083	1.083	1.090	Per Claim
General Liability	Per Claim	Per Claim	1.060	1.060	1.060	1.075	Per Claim

*1st year LOC adjusted annually based on loss activity.

BEST OCIP Quote Comparisons

From Glenn R Bosshardt on 16 Dec 2002, 14:33 Monday

To: [REDACTED]
cc:
Subject: Greenville County OCIP

[REDACTED], per my voicemail, we need to show a CNA proposal. I will outline below the leading programs (ACE & Zurich). I want to present a CNA program that is reasonably competitive, but will not be a winner.

Both programs:

- Est. Payrolls @ \$135,374,089
- GL @ 2/5/5 policy limits
- Loss Agg. @ \$5,000,000
- 48 month term + 5 year ext. comp. ops.

ACE

Paid or incurred Ded. Prem.

WC-\$1,476,931 (\$1.09 rate)
GL-\$877,224 (.648 rate)

Zurich

Paid

Incurred (pay-in @ Max)

WC-\$1,543,265 (\$1.14 rate)
GL-\$1,218,367 (.90 rate)

WC-\$1,096,530 (\$.81 rate)
GL-\$1,001,768 (.74 rate)

Proposed

WC-\$1,624,489 (\$1.20 rate)
GL-\$1,252,210 (.925 rate)

WC-\$1,275,516 (\$.94 rate)
GL-\$1,069,455 (.79 rate)

We could also make your loss agg. @ \$6 mill to give you some comfort zone.

Let me know about the #'s & maybe after 1-1, I can get you to provide amore formal quote for our files.

Thanks for your help [REDACTED]

Assessments @ 32,694

Regards,

Glenn

All Recipients
To: [REDACTED]@cna.com

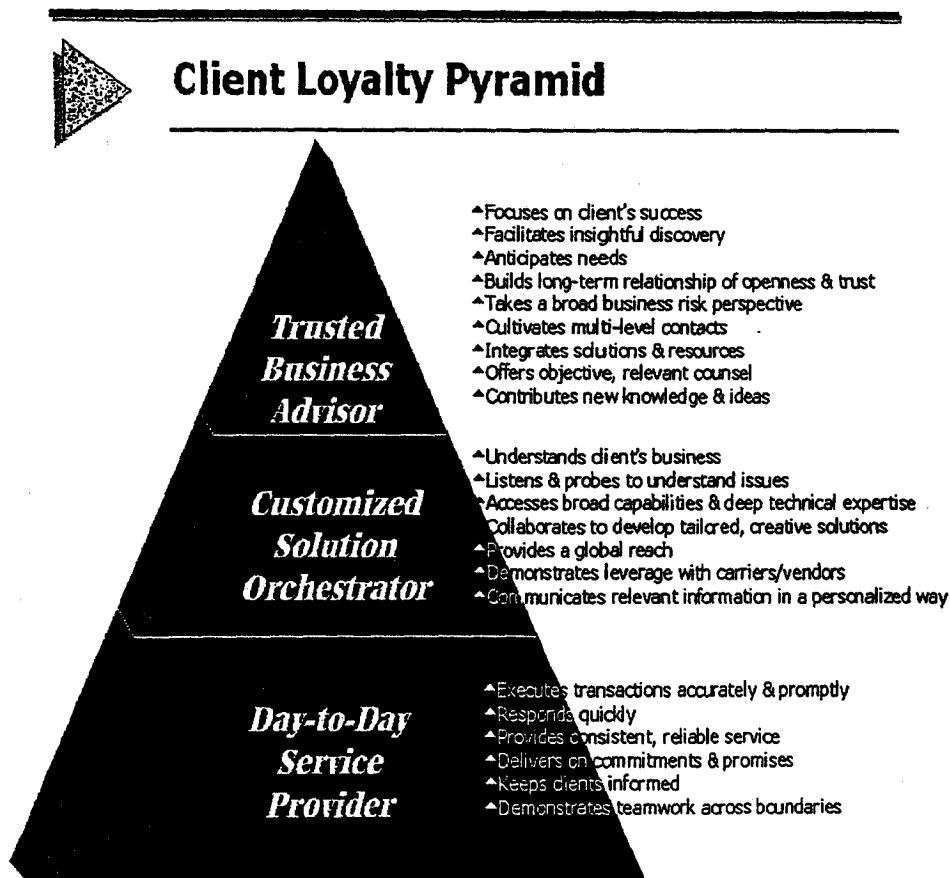
MARSH-NY 89930

6.5.6 Description of proposal's customer support capability and philosophy.

Customer Support Capability and Philosophy

Our customer support capability and philosophy are evidenced by the breadth of experience of our team. Not only will you have a dedicated team consisting of at least ten members with over 200 years of combined experience, but you will have Marsh's South Carolina Construction team and National Construction team at your fingertips. Please see Section II, 6.5.9, page 21 for team charts and resumes.

The Marsh client service philosophy revolves around delivering what clients want and need and developing a partnership with our clients.



Executing flawless customer service is the key to client loyalty.

Marsh's approach to customer service begins with establishing credibility and trust through consistent and reliable day-to-day service. We build on this foundation to develop and deliver customized solutions and, ultimately, become part of your "risk management department". In this capacity, we are truly a business partner not simply an insurance agent. As your trusted business partner, Institutional Resources can depend on Marsh for additional value added services.

The Balanced Scorecard - 2003

- SPECIFIC
- MEASURABLE
- AGGRESSIVE
- RELEVANT
- TIMETABLE

Name: Glenn Bosshardt

Dept: IPG - Construction

Financial Success	Client Satisfaction
<ol style="list-style-type: none"> 1. Meet the budget goals of MMGB for 2003. 2. Retain 90% renewal ratio 3. Achieve 25% or better new business hit ratio 4. Assist in the implementation of MMGB's excess liability strategy to maximize PSA revenue. 5. Continue to manage IPG placements to follow MMGB tiering strategy. ("C" carriers to "A&B" carriers.) 6. Manage T&E to meet assigned 2003 budget. 	<ol style="list-style-type: none"> 1. Work closely with offices to develop growth opportunities in new, renewal and expanded business. 2. Communicate regularly with colleagues to update them on development and issues regarding our specialty strategies. 3. Deliver market updates to the local construction practices on a monthly/quarterly basis as needed. 4. Continue to develop client relationships working closely with practice offices as part of client service team.
Efficient Business Processes	Colleague Capability
<ol style="list-style-type: none"> 1. Meet or exceed 95% on Professional Standards Audit for Construction Placement. 2. Support Marsh Excellence Standards that have been required in scorecards. 3. Comply with Broker Kit compliance on all IPG qualified accounts in 2003. 4. Full utilization of Mtrade quote comparisons by 1st quarter 2003. 5. Continue to develop market relationships for construction business. 6. Improve communications and coordination with Center Managers & Broking Center 7. Assist practice office, as needed, in client presentations and meetings. 8. Deliver timely quotations with full information (terms, coverage comparison). 9. Working with Bob Blanda to develop Wrap-Up opportunities countrywide 	<ol style="list-style-type: none"> 1. Attend construction industry seminars on an ongoing basis. 2. Work with offices to develop local expertise in construction. 3. Provide seminars in practice offices on construction-related topics. 4. Attend IRMI annually. 5. Attend Construction Financial Analysis course 6. Attend M-Trade training course

Signature: Glenn R. Bosshardt

Colleague

Date

3/24/2003

Manager

Date

FD (Fair Disclosure) Wire July 28, 2004 Wednesday

1 of 2 DOCUMENTS

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July 28, 2004 Wednesday

Transcript 072804av.751

LENGTH: 8745 words**HEADLINE:** Q2 2004 Marsh & McLennan Companies, Inc. Earnings Conference Call - Final**BODY:**

OPERATOR: Welcome to MMC's conference call second-quarter financial results and supplemental information were issued earlier this morning. They are available on MMC's Website at www.MMC.com. Before we begin, I would like to remind you that remarks made today may contain forward-looking statements. Please refer to MMC's most recent SEC filings as well as the Company's earnings release which are available on the MMC Website. For additional on factors that could affect forward-looking statements.

I would like to remind that today's call is being recorded. I will now turn the call over to Jeff Greenberg, Chairman and CEO of Marsh and McLennan Company. Please go ahead, sir.

JEFF GREENBERG, CHAIRMAN AND CEO, MARSH & MCLENNAN COMPANIES: Good morning everyone. Welcome to MMC's second-quarter conference call, the Company's first quarterly conference call. On the call with me are MMC's Chief Financial Officer, Sandra Wijnberg; the Company's Head of Investor Relations, Mike Bischoff; and the President and COO of Marsh, Roger Egan. We will start with the general highlights of the quarter and then we will open the call to questions.

This was a good quarter for MMC. We are pleased with these results. The strength in Marsh and Mercer more than offset the weakness at Putnam. So on balance, it was a good quarter. Revenues reached \$3 billion, a 6 percent increase. EPS grew 11 percent to 73 cents. Marsh showed earnings growth in a softening insurance pricing environment based on the breadth of its services, based on the geographies where it does business and based on the client segments that it serves and also because of expense control. That of course was before we closed the acquisition of Kroll, which will add to the growth in risk services in future quarters.

Mercer earned over \$100 million for the first time in their history and grew at the highest rate in 4 years. Putnam is not where we want it. We continue to take steps to improve it and we see some signs that are encouraging. It's going to take us a while until it is a growing contributor to MMC's earnings. We have confidence that it will be and we are pleased that we have the breadth of businesses to continue to grow despite the work that we need to continue to do at Putnam.

The second quarter was especially active for us as we acquired Kroll which adds significance to our standing risk services offerings and of course, we closed it on July 8. The work we did to align our benefits practices which will aid clients, we think is going to give us a tremendous source of growth in future quarters.

Let me turn to each of our principal businesses and make a comment or two. Risk and insurance services had earnings growth of 13 percent. Revenue growth for the quarter in risk and insurance was 8 percent. Our strategy is to expand a risk and insurance services business in several ways. Geographic expansion, which works well for us. In a number of areas outside the U.S. that we do business in were very strong this quarter with Europe leading list. We think that we will continue to grow our presence in important markets and access more clients with our services.

Client segment expansion. The middle market is the segment we talked the most about and that did well for us this quarter.

Lastly, we have spoken a lot recently about expanding our services to clients. Overall our view is that we can help clients to control the total cost of risk to their enterprises and expanding the array of services that we offer is central to fulfilling that goal. This is the context in which we see Kroll and the powerful fit that it represents.

The combination of Marsh and Kroll expands Marsh's capabilities to assist clients in managing the total cost of risk and the acquisition of Kroll will also aid us in the growth rate of the services sector for us. We think that next year, services will represent about 25 percent of total risk revenues, a number which we spoke about at the Kroll conference call in late May. Also, growing services will make us less susceptible to the insurance pricing cycle going forward.

So the strategy of expanding Marsh through these 3 initiatives is working for us and this quarter we showed the strengths that these represent in a market which is softening. The market as has been widely reported has been softening. It is uneven in its effect by line, by geography and certainly differences between primary and reinsurance. When I say softening, it is a relative term. We don't see levels at the peak in rates or terms, neither do we see them at the trough. So the market is directionally softening but not at the bottom in our opinion.

Of course we have a large risk in insurance services business and combined with Kroll we will have in that business over 42,000 employees in 100 countries and roughly 400 offices. We think there are continued gains that we can make through efficiency improvements and that paid off this quarter as well. We improved margins in risk and insurance by a full point.

We are also pleased with the third Trident investments funds sponsored by MMC Capital. This completed its fundraising with over \$1 billion in capital commitments. And this fund will make investments in the financial and financial services sectors where we have made investments for many years and where MMC has specialized knowledge.

Turning to Mercer, Mercer showed considerable strength this quarter. We are very pleased that it earned \$113 million in the quarter, the first time ever that it has earned over \$100 million in a quarter so something of a milestone for us. Management consulting had a very good quarter, the best in a long time. Strategy consulting was up 12 percent. Mercer's Oliver Wyman was up 18 percent. That is an acquisition that you will recall we made a while ago now and has performed very well under our egies.

Mercer had a number of its HR practices that should strength this quarter especially outside the U.S., Europe notably. This was also an important quarter in the positioning of the human resources business. Earlier this year, we acquired Synhrgy HR Technologies which adds expertise and capability in healthcare administration outsourcing and defined benefits outsourcing in the US. Synhrgy has been well received by our clients and prospects.

Mercer has won a number of large client assignment, several global since the acquisition. The revenues from these assignments will be seen later on in a year.

In June, we formed Mercer HR Outsourcing by combining the defined contribution administration business of Putnam with Mercer's HR outsourcing operations which are centered in this country at least with Synhrgy HR Technologies, but also we have capabilities in the UK and in Australia. This provides clients with total retirement outsourcing and a range of other human resources solutions that we think is going to be a very powerful business.

We also brought together Mercer's Health and Group and Marsh's employee benefits business to serve clients better by combining the expertise of these two practices and by being able to access clients through both Mercer's relationships and Marsh's relationships. So this was a very important quarter for Mercer beyond its earnings. We are confident that our ability to offer a full range of services and retirement and benefits is going to be an important source of future growth for MMC.

Turning to Putnam, Putnam is continuing to work very hard to restore market confidence. It will take some time. We did see a leveling of redemptions back to levels of 2 years ago but we have not yet reached the level of new sales that we would like. We do see a number of signs that give us confidence that we are on the right track. We think that Ed and his tem are doing a terrific job of stabilizing Putnam, of repositioning the firm and of dealing with regulatory issues.

Improvements in investment performance continues across all flagship fixed income mutual funds. The income fund, the diversified income fund, high yield, tax-exempt and in selected equity mutual funds including growth in income, investors in Vista (ph) and in several institutional classes, notably global asset allocation, value and fixed. Putnam has increased its marketing efforts to improve sales in the competitive investment products that it has. And in our global institutional business, we have seen an increase in marketing activity in the second quarter relative to the first. We have won new business from some of these efforts. Some very sizable domestic and foreign institutions that have not yet funded.

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We are also experiencing positive cash flows from Japanese broker distributed funds. So all good signs.

The domination of the defined contribution recordkeeping with Mercer's HR outsourcing has been well received by Putnam clients. And Putnam continues to reduce its cost structure. Last week we increased our ownership of in pantagora (ph) asset management which offers enhanced index and structured products. We took our ownership up from 50 percent to an 80 percent majority voting interest. As a result, Putnam will gain an incremental \$8 billion of assets under management.

So while we don't yet see the result in our financial reporting, we do see the results in a number of fronts inside of Putnam. And so while we think it is going to take some time, we think Putnam is on the right track.

Lastly, broadly on the regulatory front, nothing new to report. The environment for everyone has changed from the past. We continue to fully cooperate with regulators in the various inquiries and really the message from the second quarter is that we have a number of areas in which we are building our business. We have regulatory inquiries that continue and we are building our Company.

Let me now turn to Sandra Wijnberg, the Company's Chief Financial Officer, and she will make a few comments.

SANDRA WIJNBERG, SVP AND CFO, MARSH & MCLENNAN COMPANIES: Good morning everyone. I'm just going to go through some of the financial numbers with a particular focus on some of our financial management issues most notably cash flow and the financing of Kroll and how that impacts the balance of a year numbers.

As Jeff said, our consolidated revenues were up 6 percent with underlying growth of 2 percent. Acquisitions added a full point and FX added 3 points. Expenses on a consolidated basis were up 6; comp and benefits was up 8; but most notably benefits were up 22 percent due to increased pension expense which we guided you to in our annual report footnote.

Other expenses as a testament to our tight management across the whole Company were up only 2 percent. The tax rate in Q2 as expected was 33 percent versus 34 percent last year. Just to remind you, the full 6-month tax rate is impacted by the nondeductibility of the settlement with the SEC in Massachusetts.

For the balance of a year, the tax rate with respect to taking into account Kroll will probably be higher by about 50 basis points. Year-to-date operating cash flow remains very strong. We used 510 million year-to-date for share repurchases including 180 in Q2; 325 million year-to-date was paid out in dividends which will increase 10 percent in Q3.

Our financial ratios at quarter end were very strong with debt to cap at 37 percent. Taking into effect 2 billion for Kroll, the leverage goes higher but our current outlook as that we will recover almost entirely by year-end.

We financed Kroll by terming out 1.15 billion of which 650 million was a 10-year fixed rate issue at 5.46 percent cost. That left us with 850 million in commercial paper which is what we feel we need for flexibility to repay based on our forecast for cash flow.

Interest expense is impacted by the mix. We will have the balance of the year roughly 46 percent floating. Depending on what happens with short rates, that could impact the run rate for the balance of the year. Second-quarter was 48 million and it could be based on what the Fed does as much as 10 million higher balance of year.

The integration of Kroll has gone very well and faster than we've expected. Kroll's business as Jeff said is doing exceedingly well and cash flows generated from Kroll's business is built into our outlook. We're not yet ready to change our views on Synhrgy or the EPS impact going forward but I can say we're very confident about the numbers that we have previously relayed to you.

With that, I would like to turn it over to Vicki (ph) and open the call up to questions.

OPERATOR: (OPERATOR INSTRUCTIONS) Vinay Saqi with Morgan Stanley.

VINAY SAQI, ANALYST, MORGAN STANLEY: First, on is just on growth in the brokerage business. If we look at growth and insurance broking and reinsurance, it is about 3 to 4 percent and if we equate that back to the late '90s it is running roughly the same rate. Is the pace of rate declines at the same as it was in the late '90s or is it more exacerbated? What is causing the relative level of growth to be the same?

The second question is just on Putnam. Could you give us a sense of how much of the administrative costs related to legal, promotion, expenses, all of that -- how much of that is ongoing as opposed to just being one-time in nature?

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JEFF GREENBERG: Let's take your questions in order Vinay. Roger Egan will answer your question on risk and insurance.

ROGER EGAN, PRESIDENT AND COO, MARSH, INC.: As Jeff indicated before, we are in a softening rate pricing environment in the insurance business and it varies though by geography and by type of insurance. The softening was first felt and most dramatically felt in North America and that actually correlates to where the hard market began in North America and it is probably strongest felt in North America. There are a number of things that are different this time around versus the marketplace in '87, '88. The end of this soft market which really started in '87, '88 and continued until the late '90s. There was new capacity that came into the marketplace very quickly here and that shortened the duration of the hard market but if you look at it now and I have been in the business more about 31 years and seen a couple of different cycles -- you can't predict exactly where the market is going but we can observe a number of factors.

Interest rates are low and the investment climate is weak so there is no quick move to cash flow underwriting which was prevalent during the late '90s. There is the opinion that markets are still under reserved and we still see some reserve strengthening going on in the market. A notable change from this softening market versus the last time the market softened is that reinsurance is not the leading indicator that it was in 1987. Retail prices are actually moving more dramatically and ahead of the reinsurance pricing.

All of that probably tells us that it is a different situation now versus the late '90s and the duration of this market and this change will be seen but it may not be the prolonged soft market that was in the '90s.

VINAY SAQI: Can you just reconcile that with the same level of growth in the late '90s versus today? Is the pace of decline the same or why are we seeing the same level of growth, 3 to 4 percent as we saw in the late '90s if it was more exacerbated back then?

ROGER EGAN: In the first year of a market that is in transition that changes from a hard market to a softening market you see the most dramatic change.

JEFF GREENBERG: Which would mean that the pace of decline is greater now.

ROGER EGAN: It's greater now than I think it will be going forward into '05 for example.

JEFF GREENBERG: And greater now than it was in the late '90s.

VINAY SAQI: Okay.

JEFF GREENBERG: Mike, do you want to talk about Putnam?

MIKE BISCHOFF, CORPORATE VP INVESTOR RELATIONS, MARSH & MCLENNAN COMPANIES: I think your question was specifically on the administrative costs that we have been dealing with Putnam. As we have indicated, we have been repositioning Putnam and dealing with regulatory issues over the last 3 quarters. Those cost we have laid out in the statistical sheet, specifically to your point, they are running about 20 million a quarter. If you look at it going forward those costs will continue for a while but by the end of this year going into next year, they should dissipate.

The second issue that you really did not ask is as Putnam lowers its expense structure and takes out layers of management, takes out redundancies, gets a more efficient unit to make themselves better positioned, we still have excess capacity at Putnam. And the senior management here as well as at Putnam has been deciding how to utilize or deal with that excess capacity. What Jeff just indicated to you was our partial answer -- a significant partial answer to deal with the excess capacity that we have at Putnam's investor services area by combining the contribution with Mercer's HR outsourcing.

You obviously haven't seen any of the benefits of that in the quarter. It will take a while to make that transition but once again, by the end of this year going into '05, you will see the benefits of those decisions.

VINAY SAQI: Just so I understand you, of the 34 million that is mentioned for the quarter related to legal audit and communication expenses, 20 million is ongoing.

JEFF GREENBERG: If you look at it as a statistical sheet, we indicate that legal and audit costs are 28 million for the first 6 months, 16 million of communication cost and 5 million of other costs and that it is why I said that if you look at it on run rate, it is about 20 million.

VINAY SAQI: Thank you very much.

OPERATOR: Tom Cholnoky (ph) at Goldman Sachs.

TOM CHOLNOKY, ANALYST, GOLDMAN SACHS: Good morning I guess I have 2 questions, Jeff. In terms of your underlying margins in the insurance services area, are we kind of at peak margins? How much higher do you think margins can really go? And then secondly, can you give us a little bit more background as to this whole issue of contingent commissions? There have clearly been a quite number -- there have been quite a few numbers floating around in the marketplace and I was wondering if you can respond to the 800 to \$1 billion of contingent commissions that supposedly Marsh generates? What kind of potential impact does that have on your business going forward?

JEFF GREENBERG: Let's talk about margins. As I have said for some years now, we don't run our business to optimize margin. What we do is run our business to build long-term shareholder value, to serve clients better, and so how margin works out in a reporting period is going to be the combination of a number of factors. Where is growth coming from? Where are we making investments internally? Of course, market levels play a role in that but it is mix of business and ongoing investments arrayed against efficiency gains that will ultimately come out in the loss and margins.

We continue to see opportunities to make our business more efficient to free up our best people to do more business with resources that we have. I don't know how to think about answering your question in terms of whether we are at peak margin, but we think we can continue to build a better business and we will continue to balance all of the factors that I just mentioned; growing our business as well as improving efficiencies.

We don't break out contingent commissions. That is not separately enumerated because it is part of our business model and so I can't really help you there. There's nothing to report on the regulatory front as far as that investigation. We are cooperating fully with regulators as they seek information and when there is something to report on of course we will do so promptly.

TOM CHOLNOKY: If I could just follow-up on the last question. I guess what the market seems to be struggling with is -- let's say there is a change in the way the contingent commissions are -- how companies approach that. If there was a drastic change in the way than you could either receive them or what not, would that have a meaningful impact on your revenues and do you think you could make it up elsewhere?

JEFF GREENBERG: We think that the most important issue and I have said this before is that we provide services for which we expect to be compensated and there are various ways that one can be compensated. The way in which we handle it today is MSAs (ph) but if we found that we needed to change the method of compensation, we would do so. The principal being that we are going to be compensated for our services. So it is not something that we spend a lot of time worrying about. We are dealing with regulators a step at a time and knowledgeable about how our business works, what our model is and what values we provide, and expecting to continue to be compensated for what we do.

TOM CHOLNOKY: Okay, great. Thank you.

OPERATOR: Ron Frank with Smith Barney.

RON FRANK, ANALYST, SMITH BARNEY: Two financial questions and one I guess market question. The financial questions are could you update us on when and how you can re-enter the repurchase market post Kroll? Also the items in Putnam, the unusual items virtually offset each other but they ran through different lines and I was wondering if there was a distorting effect on the margin which came in significantly lower -- the operating margins in previous quarters?

The broader question perhaps for Roger is, it is always interesting talking to Marsh about rising trends because looked at one way it is your job to be a disinflationary force in the markets and we can attribute some of the softening no doubt to your success in winning those concessions for your clients. So I was wondering if you could share with us the essence of some of the conversations you are having with the underwriters and how you're most often winning those arguments where you are winning them?

SANDRA WIJNBERG: I'll start with the share repurchase, Ron. Our outlook for cash flow is very good for the balance of the year. Kroll, as Jeff said, had a terrific second quarter sequentially from first quarter and we see that the integration is going well enough and successfully enough that the additive elements of cash flow will actually help us return very, very quickly to our target ranges in terms of coverage and leverage.

It is kind of hard to say exactly when we will restart share repurchase. It is obviously always our practice to maintain a view of what is the long-term view on cash flow and what our opportunities to invest in the business. But I would say at the latest, it would be at the end of the year and probably sooner.

MIKE BISCHOFF: Ron, you are absolutely right. Putnam not only for the second quarter but also for the first quarter had unusual items running through it. Specifically to the second quarter, the revenue gains were a little less than 40 million. If you looked at Putnam excluding those things that you asked, your margins in both the first and second quarter would be between 23 and 24.

RON FRANK: Great. And the market question?

ROGER EGAN: I will take a crack at the market question. Basically our approach in the marketplace on each individual risk, each individual client varies depending on the particulars of the situation. The exposure for each client is different, the loss experience is different. We are well aware and there is better information. We have better information and the markets have better information as do what is happening in the marketplace with regard to pricing and as we said before, pricing varies by geography and varies by type of insurance.

The individual negotiations that we have on behalf of our client are conducted with our clients and vary on the specifics of that risk.

RON FRANK: Roger, let me follow up and ask the question perhaps a different way. As part of the softening of the market, are you observing less discrimination among your client's vis-a-vis risk profile by the underwriters or is it still very distinct that the best risks are getting the best reductions, etc.?

ROGER EGAN: No. It's clear that the best risks are getting the best reductions. What is also clear is individual risks that had tremendous increases in the past few years in the hard market are seeing substantial reductions but that varies depending on individual loss experience and the exposure of those risks.

RON FRANK: Okay, thank you very much.

OPERATOR: Jay Cohen with Merrill Lynch.

JAY COHEN, ANALYST, MERRILL LYNCH: Most of my questions have been answered. Just one more follow-up on the contingent issue. Have you noticed any change in behavior among carriers and how they set these things up; how they react going forward given the scrutiny? Have they changed their behavior regarding these arrangements at all?

JEFF GREENBERG: Not really. Our relationships with carriers are what they have been. We don't see any change there.

ROGER EGAN: We haven't noticed any material change in the market's attitude. We are most concerned about our clients' attitude given the press on this issue and in speaking to clients, it is a matter of disclosure and Marsh has led the industry in terms of disclosure. And we think we will continue to lead the industry when it comes to disclosure.

JAY COHEN: Thanks a lot.

OPERATOR: (OPERATOR INSTRUCTIONS) Larry Greenberg with Langen McAlenney.

LARRY GREENBERG, ANALYST, LANGEN MCALENNEY: Thank you. Good morning. I was just wondering if we could elaborate a little bit more on Putnam's margins maybe looking forward? You are going to continue to have some ongoing legal and other costs; on the other hand, it seems that you are removing some of the excess capacity. Have we seen kind of the low in the Putnam margin? I guess it was 23.3 this quarter adjusted for the joint venture sale. Can you give us anymore guidance going forward?

JEFF GREENBERG: We don't give earnings guidance as you know. And what we can do is give you the factors and it will depend upon asset levels, which is partly about markets, and partly about sales and redemptions. It will also be influenced by ongoing expenses for regulatory and legal matters which are not going to continue indefinitely but will be with us for a while. And it will be influenced also by whatever actions management chooses to take to help reposition the business, marketing expenses and the like.

We are not trying to optimize for Putnam's margin right now. What we are really all about is supporting Ed and the management team in repositioning the business and building it. I am afraid that we can't give you the kind of guidance that your question asks for, only to say that we think it is a fine business and that we are as committed to this business as we have ever been. And we think we are taking the right steps and we think it is going to take a while.

LARRY GREENBERG: Once the new HR outsourcing is in place, will the revenues and expenses associated with Putnam's side of the business be leaving the Putnam P&L?

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SANDRA WIJNBERG: No, the asset management fees will remain at Putnam and Putnam will essentially be paying a fee then to Mercer HR Outsourcing for the administration and record keeping as an expense.

LARRY GREENBERG: Thank you.

OPERATOR: Alain Karaoglan at Deutsche Bank

ALAIN KARAOGLAN, ANALYST, DEUTSCHE BANK: Thank you for having this call; it is very helpful. The question that I have regards the insurance business. Jeff and Roger, we are facing a softening property casualty environment and therefore pressure on revenues. How do you see -- what are you doing in order to grow that business? You had spoken in the past about the middle market opportunity about German and Japan. What are we going to do to grow the revenue lines? Obviously there is some margin expansion that may continue due to the efficiencies. But that can't continue forever even though you have -- may become more efficient. So what are the opportunities on a revenue side in order for the revenue to not to start going down at some point?

JEFF GREENBERG: We have a number of opportunities and they fall into essentially 3 broad categories. One is the continued growth in our geographic presence around the world. You mentioned Germany and Japan and we've talked about them before but the list is a much longer one. We continue to show attractive growth across geographies in the major countries and a long way to go there.

Second is even in this country in a number of segments of client -- by client size principally, we have very attractive opportunities to grow. The middle market being one and we continue to show good gains there. Our market share in the middle market we think is still in the single digits and so a long way to go.

Then third, is that with this set of client relationships around the world and certainly growing by size, our ability to offer expanded services to clients is enormous and we are working very hard to continue to add to that array of services that we can offer our clients and training our people to be able to offer those services. There are a number of dimensions that are available to us to grow our top line and we are pursuing each one of them.

ALAIN KARAOGLAN: Okay. And Sandra, could you remind us what you said regarding the impact of Kroll on the earnings this year and next year?

SANDRA WIJNBERG: What we had said on the call was that we expected it to be neutral this year and roughly 2 cents accretive next year. Obviously we closed pretty much a full quarter ahead of schedule so all of that will then get accelerated and we would expect to see some of the benefit coming into the fourth quarter.

JEFF GREENBERG: We didn't actually talk about Kroll's performance in this quarter specifically but their revenue this quarter was \$195 million, compared to the first quarter of this year when they ran at 165 million. So revenue for Kroll has accelerated.

SANDRA WIJNBERG: As all of you know, we closed it on July 8. Kroll will not be publicly reporting a second quarter but just to add to Jeff's comments, in addition to having consolidated growth sequentially from Q1 to Q2 in the high teens; they were especially strong in background screening, consulting services and technologies services. So there was very, very broadbased growth in their organization.

Their corporate advisory and restructuring business was flat year-over-year as we expected, with growth in Europe, offsetting a small decline in the U.S. So we feel very positive about the trends in their business and the 2 organizations are incredibly excited about the potential of being together.

ALAIN KARAOGLAN: What about the profits of Kroll?

SANDRA WIJNBERG: The profits of Kroll won't be reported in Q2, so you will have to extrapolate off of their margins in Q1.

ALAIN KARAOGLAN: Okay.

JEFF GREENBERG: Of course in Q3, we will --.

SANDRA WIJNBERG: In Q3 and Q4 obviously, we will be presenting the consolidated risk consulting for Marsh with Kroll within the risk and insurance services segment and we will be reporting that on a revenue basis only.

ALAIN KARAOGLAN: Thank you.

OPERATOR: Charles Gates with Credit Suisse First Boston.

CHARLES GATES, ANALYST, CREDIT SUISSE FIRST BOSTON: I had 2 questions also. My first, I believe Egan opined that he thought that retail pricing was moving more dramatically than reinsurance. If he good opine as to or just elaborate on that and what he thinks it means? That is my first question.

My second question, Sandra made the comment I believe that she thought that share repurchase could resume late this year. Would you think barring another acquisition, that share repurchase in 2005 could approach what you did in 2003?

SANDRA WIJNBERG: I will answer your last question first and I will turn it over to Roger. The answer to your question is yes, you are correct. Barring any major acquisitions, we would expect that the cash flow would put us in a position to have 2005 look like 2003.

CHARLES GATES: Thank you.

ROGER EGAN: I will answer your question with respect to the comments I made about reinsurance not acting as the leading indicator that it did in 1987. Retail prices are moving more dramatically and ahead of reinsurance prices. This is a reversal of what has happened in most previous cycles -- changes in cycles from a hard market to a softening environment. To tell you what I think it may mean is that in the reinsurance market there is a bit more stability with respect to pricing than we are seeing on the retail level. What that means as to whether -- regarding the duration of the soft market, is difficult to say because there are so many other factors like interest rates, investment climate and reserves and other things that come into play.

CHARLES GATES: Thank you.

OPERATOR: Mark Lane with William Blair Company.

MARK LANE, ANALYST, WILLIAM BLAIR: Maybe just spend a minute on Mercer. You mentioned about how organic growth had been better in a while clearly although it is not very robust. Can you talk at a deeper level about fundamentally what is going on in some of the major businesses and maybe some of the leading indicators of the business that you are seeing that are not yet reflected in revenue growth?

JEFF GREENBERG: The leading indicator for part of Mercer's business is the demand for management advice by companies that decide they want to make a change of one kind or another. They either want to ramp up their growth or they want to make a strategic change in direction or they want to control expenses or what have you. They are prepared therefore to do important things, major things. That is why they require our services.

That is for part of their business and those signs have been improving for quite a while and we continue to see those as good signs for that part of Mercer's business. Another part of Mercer's business is driven by the changes in benefits programs by pressures the companies feel one way or another either because they're making an acquisition and they have to reconcile differing benefits programs or they're trying to reduce their costs or contain the escalation in costs. There again, we have been seeing improving signs. Both of these on a global scale.

Third, is parts of the business that have value to clients outside of the other 2 where for example, in our economic consulting business. It is either because of litigation, because they get involved heavily in as expert witnesses in litigation or because utilities are seeking rate increases or economic consulting of all stripes. And that has held up very well even through the trough that the consulting markets experienced more generally.

Then Oliver Wyman, which I mentioned a few minutes ago, sort of a combination of the above but with a specialty in financial services and on a global basis, the demand from financial services clients for both services and advice relating to risk and general strategy advice has continued to increase over the last several years. And we see no signs of abatement there. Those are the major influences and we feel pretty good about this quarter and want Mercer showed.

MARK LANE: On the contingent commission, somebody had asked the question about have insurers changed their behavior. But have you broadly -- since this issue came out formally, have you broadly changed your disclosure in that you are providing to your clients?

ROGER EGAN: First of all, you should know that the issue has surfaced recently but actually was a fairly well-known issue and discussed heavily in the press and public forum in a late '90s. During that time, we, Marsh took the initiative to develop a protocol with respect to disclosure and agreed to that protocol with the buyer organization, the risk insurance management society, RIMS. We have continued to abide by that protocol that was established and continue to disclose 2 clients when they ask, as much information as they need to know about these agreements.

JEFF GREENBERG: The only thing that has been a change is that there has been some increase in the level of inquiries from clients, not dramatic, but some increase. And Marsh has responded by talking to more clients who have expressed interest.

MARK LANE: But you have not changed your disclosure that you are providing with your policies regarding contingent commissions that you are now sending out any time since this issue broke formally where the brokers notified the market?

JEFF GREENBERG: No, we're not changing our disclosure but you have to realize that when clients ask, we have a policy of getting into a complete dialogue with clients and we have satisfied clients with respect to disclosure on a case-by-case or individual client basis.

MARK LANE: I understand that. But you have not changed anything in the written form, right?

JEFF GREENBERG: No.

MARK LANE: Okay, thank you.

OPERATOR: Michael Lewis with UBS.

MICHAEL LEWIS, ANALYST, UBS: I have 2 questions. One on the Putnam. Obviously talking about margins, one of the items that we're talking about is marketing expenditures and can you give us some idea in trying to rebuild the client relationships -- what kind of movement you are getting in these marketing expenses or these to go forward to reposition the Company? Just to give us some flavor there? The other thing has to go back to the broking business. Again I'm trying to get an understanding when you're talking in one hand about making inroads in Europe; making inroads in the middle market; yet your organic growth continues to fall off dramatically. Can you give us an idea on the changing in rates in general and how much of an impact that is having and kind of the slope? In the last two quarters, it seems to have really changed materially. Can you address yourselves to that so I can understand where the unit growth is going as opposed to what the impact of rates are? Thank you.

SANDRA WIJNBERG: I will handle the Putnam question and then turn it over to Roger. The marketing initiatives at Putnam are really broadbased. Obviously you have probably seen the print ads and they have been on TV as well. It's the first time in anybody's memory that we have had such an extensive brand positioning campaign going on at Putnam. But probably more importantly than that is the amount of activity that is going on on more of a personal level there have been a number of roadshows in different cities where Ed and Rich Monahan, who runs retail distribution for Putnam have gone to cities and spent lots of time with our financial adviser community as well as our big broker, dealer distributors.

We have spent time with all of the consultants on an ongoing basis. There have been a number of shareholder letters that have gone out from the trustees. It is really broad-based marketing campaign that has been going on. The meetings in Boston, we have been bringing people in to meet with portfolio managers and understand the investment process. It is extensive and we think it is the right thing to do and that it will pay off.

MICHAEL LEWIS: Can you give us an idea -- you know percentage-wise how that has increased from a year ago? How long this thing will remain intact, any idea -- you know a little more flavor in that way?

SANDRA WIJNBERG: I can't really, no. We have been isolating it for you because it is not what you would have seen in prior years and that is the whole reason why we have been breaking it out for you.

MIKE BISCHOFF: Before Roger talks to the second part of your question with regard to organic growth in the insurance services, for historical purposes I should probably say that we are being more specific in breaking out by line of business today than we did 4 or 5 years ago and as Sandra indicated, by the end of this year, we will probably look at it even more specifically to give the investment community better views of our businesses and how they operate.

But if you look back to the last soft cycle where you still had rates going down about 10 percent in aggregate as late as '98 and '99, the organic revenue growth for insurance services was 4 to 5 percent. If you look at it today, it is 5 percent. Included historically in those bundled numbers was some of our non volume related businesses. Some of those we included in related insurance services. So if you look at it historically versus today, it is actually the same in the same kind of rate environment.

One thing I would point out, if you look specifically at that related insurance services line and go back a few quarters, there was really no growth in that business as Marsh went to reposition some of its operations, such as Infinity. We indicated that would take 2 years. We had said that that had ended and you would see the more normalized growth

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of related insurance services after that. The nice thing is here you are seeing double-digit growth in related insurance services, 11 percent in the first quarter and 13 percent in the second.

So to be fair, you'd want to look at all of the operations that are included as Jeff said, risk services as well as some of the things more volume related. And as he indicated, our strategy is to move more into risk services, not just in our organic business, but also the acquisition of Kroll and by the end of this year, we will probably have more than 25 percent of our revenues that will not be tied in any way to the underwriting side.

MICHAEL LEWIS: And one thing before you pass it on. I understand that and I appreciate that and I appreciate your disclosure and obviously you're non-insurance broking business is going very, very well. But again, Mike, it is only 25 percent of your overall business. I'm not going to belittle that, but what I'm trying to drill down in right now is now influential the change in the pricing environment is and where you think you stand on the curve and what we should look for. Should we look for a stabilization in organic growth or is it from the insurance broking and reinsurance side per se or is it too early to even say that?

MIKE BISCHOFF: As I said before, the rating environment is changing. It is a softening environment. You feel the effects of that in your business most dramatically at the turn of a market which has been the last 6 months, 9 months. We are not experiencing any slowdown in unit rate growth. We are acquiring new business. Our sales funnel is strong and we expect new business activity to continue at the historical rate of the past. The marketplace, while changing is not going to have that much of a material effect on our organic rate. I think we are going to continue as we have been this year so far.

MICHAEL LEWIS: Thank you very much.

OPERATOR: Jonathan Balkind, Fox-Pitt.

JONATHAN BALKIND, ANALYST, FOX-PITT, KELTON: I have 2 quick questions. In terms of the growth in related insurance services, what is the composition between claims management Affinity (ph) and MMC Capital and is there anything unusual there?

And then number 2, just to take the organic growth question a different direction, specifically as it relates to fees, it was apparent to me any way that you are not only picking up share during the hard market value but you have also gotten a lot smarter in terms of how you have priced your business. As we go into a soft market, how do the fee negotiations change with clients? Do they actually expect declines in fees given what is going on in the broader market or do think you have gone a good enough job supporting your position on what you should make on a particular risk that diminution in fees is not likely?

SANDRA WIJNBERG: I will take the first part of that. In related insurance services, we don't break out all the pieces, basis but over 80 percent of the total revenues in that segment are represented by claims management Affinity and wholesale underwriting management. The growth rates of those businesses range from the mid-teens to the high single digits. And MMC Capital is pretty easy for you to figure out if you just look at the investment income line year-over-year change and take out Putnam and they are pretty much at the run rate that they have been for the last several quarters.

UNIDENTIFIED COMPANY REPRESENTATIVE: With respect to your question on our fee business, we have a significant amount of fee business, probably more in the United States than any other part of the world maybe with the exception of the UK where there is strong fee business. Fees are relatively stable and even in a hard market or a soft market, you negotiate a fee with a client based on the service level and in a declining market you can actually get success fees or share in the kind of savings you could pass along to clients. I don't see our fee environment changing that much, even though the marketplace is softening.

JEFF GREENBERG: John, I would add 1 thing just to give you an idea of how clear the new business has been for Marsh in an area that also saw soft (ph) commissions and that is reinsurance broking. And it has been very clear that pricing has been down for the entire year, not only at the midyear renewals, but the January renewals. It is clearly an indication that more business is shifting to Guy Carpenter (ph) our reinsurance broking activities because with 90 percent commission and the down fairly decently, you would have expected flatter declines in reinsurance broking, yet for the first half of the year, they are up 7 percent.

JONATHAN BALKIND: Okay, thank you.

JEFF GREENBERG: I think as we are approaching 11:00, we will take 1 more question.

OPERATOR: Dan Johnson with Citadel Investments.

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DAN JOHNSON, ANALYST, CITADEL INVESTMENTS: Thanks for doing the call. First question pertains to Putnam. This would be looking at the outlook for the revenues per asset under management. Have we seen the full impact of the key changes yet in that statistic?

MIKE BISCHOFF: Actually that has been a misnomer in the investment communities. It has confused some things that have been happening to other investment management firms and at Putnam. Putnam has not changed its management fees. What we had indicated with regard to a range of specific funds, we would reduce our expense as Putnam had 95 percent of their mutual funds below peer averages on expenses and for marketing initiatives, we indicated that we would have all of them.

The management fees at Putnam have been rock solid for the last 5 or 6 years on average around 47, 48 basis points. Your specific question though on revenue per asset under management, there are some distortions if you look at it, for example in this quarter, the 38 million on investment gains obviously moves up revenue and so it looks like you are earning more per asset under management. Conversely if you look back at the distortions in the last few years, just because of these accommodations we made to investors on what is called prepaid dealer commissions or B-shares, as those assets grew, it generated revenues that obviously per assets. As conversely the marketplace is using less B-shares and I would say now we are down to about 150 million of assets on prepaid dealer commission, you're not getting the repayment of the loan. Thus your generation on revenue per assets actually will go back to more normal levels. So the long and short of that answer is that I think going forward we are on a normalized basis with regard to revenue per average assets and our management fees really as an aggregate have not changed.

DAN JOHNSON: So the profitability on that same sort of AUM (ph) basis will probably be more driven by what happens on the expense line than what happens on the revenue line?

UNIDENTIFIED COMPANY REPRESENTATIVE: Correct.

DAN JOHNSON: Moving on to overall net investment income. Even when I back out the 38 million, it looks like there is a nice increase from the prior year. Does that show up in the related insurance businesses? Is this something related to MMC Capital?

SANDRA WIJNBERG: It is important to remember that it is revenue and yes, it is an MMC Capital activity. It's the sales of investments that come either out of the Trident fund or out of the direct investment. We regularly harvest these and recycle them into new investments and we do that on the basis of what makes good economic sense.

DAN JOHNSON: Is there any visibility on these capital gains for the second half of the year?

MIKE BISCHOFF: We have indicated to the investment community of standards set that these are revenue components, not just profitability components. We try to harvest them in a more normalized basis, roughly at 25 million a quarter. So we are only slightly above it. We have also indicated that it is fairly lumpy because you can't always know exactly what the investment line would be particularly since AXIS now based on just valuation at the end of the quarter impacts our income statement. But over the course of the entire year, we like to keep it roughly around that 25 million run rate. So it may bob around a little bit but that is what you should use going forward and that is essentially how we have been harvesting them over the last year.

DAN JOHNSON: I'm getting down to last of the list here. Pertaining to Kroll, when you talk about accretion, what are you using for your cost of funds assumption when you talk about accretion?

SANDRA WIJNBERG: You mean in terms of the cost of the financing itself?

DAN JOHNSON: Yes, absolutely.

SANDRA WIJNBERG: Because it is clear that when we talk about accretion, we finance it entirely with debt because the cash flows of the Company and the cash flows of Kroll made that the right financing decision. The total cost of debt that we worked into our assumptions was around about 6 percent.

JEFF GREENBERG: When we talked about the accretion in the conference call of Kroll and today, we said what it would have been had we not done a share repurchase program. So really the accretion that we were talking about with Kroll was above what it otherwise would have been if we had redeployed that money into share repurchase, which is obviously a harder test.

DAN JOHNSON: How long do you think it will be before Kroll is actually accretive thinking about your funds used on a cost of capital basis? Will that happen in '05?

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SANDRA WIJNBERG: It is possible. When we ran the numbers initially, the crossover rate was essentially in 2006 it became more accretive than doing a share repurchase and that is a good way to think about it.

JEFF GREENBERG: Thank you very much. We appreciate it. And thank you everyone for listening to our second-quarter conference call.

OPERATOR: That does conclude today's teleconference. Thank you and have a good day.

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Market Services Agreements (MSAs) are agreements that cover payment for the value brokers provide to insurance carriers and are based primarily on premium volume or growth. Brokers principally provide insurers with distribution networks, which facilitate the delivery of business, and are also uniquely positioned to provide insurers with intellectual capital, product development, technology, and other administrative and information services. These capabilities make the overall marketplace more efficient and competitive, which, in turn, benefits Marsh's clients.

Marsh believes that it is important to disclose Market Services Agreements (MSAs) to clients and others. For example, we publish information about the existence of MSAs on invoices, client service agreements, engagement letters, during renewal strategy sessions with clients, on the Marsh Web site, and in the MMC Annual Report. In addition, we meet with clients to discuss this subject in an open and candid manner and provide additional information.

Marsh has established this special Web site to further enhance disclosure regarding MSAs, which provides the following information:

- Global Placement Model description
- Code of conduct for the Insurance Transaction
- Listing of insurers with which Marsh has MSAs
- Sample MSA contract
- Information on other compensation sources
 - Wholesale commission practices
 - Reinsurance
 - Premium Finance
- MSA calculations for clients
- MSA Frequently Asked Questions

The information contained on this Web site pertains principally to Marsh's North American clients' property and casualty business. We will be adding content regarding the application of MSAs to other lines of coverage and in other regions.

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Exhibit 2
Chubb

March PSA

[Handwritten signature]

MEMORANDUM

April 15, 2002

TO: [REDACTED]

FROM: [REDACTED]

SUBJECT: 2002 Profit Sharing Agreement

[REDACTED]

At your request, I attach a revised offer of a 2002 Profit Sharing Agreement. We have made two further concessions:

- 1. Based on your assurance that you will enforce a "no shopping" policy for Chubb accounts, we have built the previously discussed \$1 million retention bonus into the basic formula.
- 2. We have sweetened the upper range of growth for the two lowest loss ratio brackets.

Consistent with our position all along, we have not sweetened the lower end of the growth ranges because that would be inconsistent with your own description of how you intend to utilize the Chubb market. In a year of strong rate and roll-on increases, the lower ranges would represent little, if any, effort on your part.

[REDACTED], I know this is fair. One can only hope that it is acceptable, and that we can move on in a more positive spirit.

cc: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Exhibit 3
AIG

To: FILE
Subject: ██████████ - DEAD - Eff 10/1/03

This was not a real opportunity. Incumbent Zurich did what they needed to do at renewal. We were just there in case they defaulted. Broker (██████████) said Zurich came in around \$750K & wanted us to quote around \$900K.

██████████

Memo from the desk of [REDACTED]

12/2 atty Clover Givner
- P.H. W. Gilman -
Get to right number of
"We'll kill you"

Exhibit 4
ACE

From: [REDACTED]
Sent: Monday, November 03, 2003 10:33 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: MMGB Model Concerns

Sensitivity: Confidential

[REDACTED]
Agree we should discuss. Please work with [REDACTED] and set up the meeting. I know I have some time this Friday.

—Original Message—

From: [REDACTED]
Sent: Monday, November 03, 2003 3:26 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: MMGB Model Concerns
Importance: High
Sensitivity: Confidential

[REDACTED] and I had conversations on how the MMGB "model" operates and we have concerns about potential legal issues for ACE. The potential legal exposure to ACE came to the forefront after conversations [REDACTED] had with MMGB over dinner last week. The specifics of the conversation left both [REDACTED] and I feeling uneasy.

Marsh is consistently asking us to provide what they refer to as "B" quotes for a risk. They openly acknowledge we will not bind these "B" quotes in the layers we are be asked to quote but that they "will work us into the program" at another attachment point. So for example if we are asked for a "B" quote for a lead umbrella then they provide us with pricing targets for that "B" quote. It has been inferred that the "pricing targets" provided are designed to ensure underwriters "do not do anything stupid" as respects pricing.

[REDACTED] and my concern (as well the whole MMGB Underwriting Team) is that our actions on "B" quotes could potentially be construed as simply creating the appearance of competition. In this day and age I think we need to be extremely careful in how the MMGB business model seeks to "control" the marketplace. In my opinion ACE cannot be seen as aiding MMGB in providing quotations for "competitive appearance purposes" only.

This is unlike our prior life where at our previous employer (AIG) we were never asked for "B" quotes thus it was never an issue.

I know MMGB is unique in it's business model; both [REDACTED] and I support the business model but believe we should have an open discussion regarding the model and how we operate within it. I think we (you, [REDACTED] and I) should have a conversation with [REDACTED] to establish parameters & procedures that ensure we are not exposing ACE to any legal problems

[REDACTED]

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Excess Casualty
 Routing TL 32 C
 1601 Chestnut Street
 Philadelphia, PA 19103
 www.ace-ina.com

Fax Transmission

To: Greg Doherty
 cc:
 Company/Department: MMGB
 Fax:
 Tel:
 Re: Fortune Brands

From: [Redacted]
 Fax: [Redacted]
 Tel: [Redacted]
 Date: 12/17
 E-mail: [Redacted]@ace-ina.com
 Pages including cover: 15

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law.

Per [Redacted] increase to \$ 1.1M

Greg,
 Attached is signed confirmation.

Note:

1. As per my previous email the Employee Benefits endorsement should be XS 604310 for Umbrella not XS 604373 for our Excess form. I've attached & signed
2. As per my previous email we have instituted our new Blended Pollution wording which includes of the SIR wording. [Redacted] advised he discussed the use of this new form with the MMGB team. I've attached & signed.
3. The manuscript endorsements have been signed but are subject to legal review and amendments to conform to our policy form.

Finally just to confirm our underlying limits attached is marked up schedule with the follow changes

1. GL agg. increase to 10M Gen. Agg. and 10M Prod. Agg. Also Canadian GL agg. increased to 10M.
2. Liquor Liability included in the above GL limits. Not a stand alone policy.
3. Foreign EL must be US domiciled carrier in USD limits
4. Our policy will not include the stand alone Pollution policy as a schedule underlyer.

Any further q's let me know.



QUOTE CONFIRMATION

12 # of Pages including attachments

Insured: Fortune Brands, Inc.
Address: 300 Tower Parkway
Lincolnshire, IL 60069-3640

It Contact:

It is hereby understood and agreed that coverage is QUOTED as follows:

Self-Insured Retention: \$500,000

Insurance Co.: ACE Excess Casualty
Selling Carrier: ACE American Insurance Company
Admitted: Yes x No ___ Insured Domicile
Yes x No ___ CAC Domicile
Yes x No ___ MGB Domicile

Quote Exp. Date: 01/01/2003
Effective Date: 01/01/2003
Expiration Date: 01/01/2004
Coverage Type: Umbrella
Policy Form: Occurrence
Retro Date: N/A

(on Declarations Page)
Adjustable/Flat: FLAT
Exposure Base: N/A
Annual Premium: \$990,000
Minimum Earned: 25%
Payment Terms: 30 days
Commission: 10%

Underwriter: [redacted]
Date: December 16, 2002

Limits:
\$25,000,000 Each Occurrence
\$25,000,000 Products/Completed Ops Aggregate
\$25,000,000 General Aggregate - where applicable

Selling Carrier Form #:
Form XS-4U17B (9/98)

Additional Endorsements:

Excess of: See attached Schedule of Underlying
DEFENSE OUTSIDE & IN ADDITION TO UNDERLYING POLICY LIMITS
AND DOES NOT ERODE UNDERLYING AGGREGATES

Schedule of Underlying
Employee Benefits Liability Follow Form XS 604310
Home Element & Named Peril Pollution (15/30) Subject to a \$2M SIR-XS 60Z97 (10/02)
Late Amendatory Endorsements - If applicable
Attention Maintenance Endorsement:
- "Insured's Retained Amount" = \$500,000 Per Occurrence
- Applies to Uncovered Underlying and/or Underlying Aggregate Erosion
Amendment of Exclusion "R" (deletes Terrorism Exclusion except where excluded in Underlying Insurance).

Terrorism Premium Allocation - \$50,000

Premium shown on Quote Sheet contemplates rejection of UM/UIM in all states. Additional Premium will apply if the insured elects to purchase UM/UIM Limits.

Additional Exclusions:
Tobacco Products-XS-604352
Tobacco Health Hazards-Manuscript
Fungi or Bacteria (Mold) XS-11489
Fetal Alcohol Exclusion
(Intent-Insurance does not apply to any liability or claim arising out of the effects of Fetal Alcohol Syndrome-Specific wording to be approved by legal)

SUBJECT TO:
1. Batch Provision-Client needs to define or quantify what they consider a batch, lot or production run. (i.e. How many items are in a batch? How often do they released batches? How do they track items (serial #s)? How do they keep track of raw materials that go into their product?)

TO BE DETERMINED:
Batch Provision-Subject to definition by client

Note: If any state taxes or surcharges are applicable, they will be in addition to the quoted premium.

QUOTED BY: [redacted]

Date: 12/17/02

CA Broker: [redacted]
CA Office: Chicago, IL
Policy No.:

CA Authorization to Bind: [redacted]

Chicago, IL

Required Underlying Limits: See Addendum

It is agreed that all Insurance Contracts and Premium Agreements subsequently issued shall conform to our QUOTE.

MGB Broker: Greg J. Doherty MGB Office: New York Direct Dial #: 212-345-5086

Marsh Global Broking, A Division of Marsh Inc.

12/16/2002 1:50 PM

ACE-INA-005754

CONFIDENTIAL

Excess Casualty
Routing TL 32 C
1601 Chestnut Street
Philadelphia, PA 19103
www.ace-ina.com

Fax Transmission

To:
Greg Doherty

From:
[REDACTED]

cc:

Fax:
[REDACTED]

Company/Department:
MMGB

Tel:
[REDACTED]

Fax:
2031

Date:

Tel:

E-mail:
[REDACTED]@ace-ina.com

Re:
Fortune Brands

Pages including cover:
2

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law.

Per our conversation attached is revised confirmation. All terms & conditions remain unchanged.

One of the ACE Group of Insurance & Reinsurance Companies

CONFIDENTIAL

ACE-INA-005755

QUOTE CONFIRMATION

12 # of Pages including attachments

Insured: Fortune Brands, Inc.
Address: 300 Tower Parkway
Lincolnshire, IL 60069-3640
Contact:

It is hereby understood and agreed that coverage
is QUOTED as follows:

Self-Insured Retention: \$500,000

(on Declarations Page)

Adjustable/Flat: FLAT

Exposure Base: N/A

Annual Premium: \$1,100,000

Minimum Earned: 25%

Payment Terms: 30 days

Commission: 10%

Insurance Co.: ACE Excess Casualty
Selling Carrier: ACE American Insurance Company
Domicile: Yes x No Insured Domicile
Yes x No CAC Domicile
Yes x No MGB Domicile
Underwriter:
Date: December 12, 2002

Quote Exp. Date: 1/1/2003

Effective Date: 1/1/2003

Expiration Date: 1/1/2004

Coverage Type: Umbrella

Policy Form: Occurrence

Retro Date: N/A

Limits:

\$25,000,000

Each Occurrence

\$25,000,000

Products/Completed Ops Aggregate

\$25,000,000

General Aggregate - where applicable

Selling Carrier Form #:
Form XS-4U17B (9/98)

Additional Endorsements:

Excess of: See attached Schedule of Underlying
DEFENSE OUTSIDE & IN ADDITION TO UNDERLYING POLICY LIMITS
AND DOES NOT ERODE UNDERLYING AGGREGATES

Schedule of Underlying

Employee Benefits Liability Follow Form XS 604310
Home Element & Named Peril Pollution (15/30) Subject to a \$2M SIR-XS 60Z97 (10/02)
Late Amendatory Endorsements - if applicable
Retention Maintenance Endorsement:
- "Insured's Retained Amount" = \$500,000 Per Occurrence
- Applies to Uncovered Underlying and/or Underlying Aggregate Erosion
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Fungi or Bacteria (Mold) XS-11469
Fetal Alcohol Exclusion
(Intent-Insurance does not apply to any liability or claim arising out of
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(i.e. How many items are in a batch? How often do
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(serial #s)? How do they keep track of raw materials
that go into their product?)

TO BE DETERMINED:

Batch Provision-Subject to definition by client

Note: If any state taxes or surcharges are applicable,
they will be in addition to the quoted premium.

QUOTED By:



Date

CA Broker:
CA Office: Chicago, IL
Policy No.:

CA Authorization to Bind:

Chicago, IL

Required Underlying Limits:

See Addendum

12/17/2002 11:40 AM

ACE-INA-005756

CONFIDENTIAL

OM
C
TE
ME
BJECT
TACHMENT
DY

: [REDACTED] TL32C </O=ACE/OU=[REDACTED] CN=RECIPIENTS/CN [REDACTED]
: [REDACTED] TL32C </O=ACE/OU=[REDACTED] CN=RECIPIENTS/CN [REDACTED]
:
: = 12/18/2002
: 19:27:13 GMT
: MMGB Biz
: Here is my list.

LEADS

Fortune Brands-

Lead \$25M-Original quote \$990,000 Premium w/ possibility of Batch. We were more competitive than AIG in price and terms. MMGB requested we increase premium to \$1.1M to be less competitive, so AIG does not loose the business. Not guaranteed a 1st layer excess position.

[REDACTED]

Lead \$25M-\$2,300,000 Premium [REDACTED] more aggressive pricing and attachments

[REDACTED]

Lead 15M-Occurrence 1st Reported Form

Premium \$800,000

Very Good chance to write this account which is subject either the Lead on [REDACTED] or 1st layer excess on [REDACTED] (see below)

[REDACTED]

Lead \$25M-\$395,000 Premium

AIG renewal expiring very competitively priced. Not a strong candidate for binding.

1st Layer XS

[REDACTED] \$25M x \$25M \$800,000 Premium. Strong chance to write in conjunction with [REDACTED]

[REDACTED] \$25M x \$50M Premium \$500,000-Still waiting MMGB's confirmation of where they will place us in the layers excess of the lead \$25.

I'm still working on [REDACTED] \$25 x \$25-estimated premium \$250,000. If we can do per location agg we may be in the run for this.

[REDACTED]
[REDACTED]

ACE Excess Casualty

[REDACTED]
[REDACTED]

[REDACTED]@ace-ina.com <mailto:[REDACTED]@ace-ina.com>

[REDACTED]

From: Greg.J.Doherty@marsh.com
Sent: Friday, June 20, 2003 10:25 AM
To: [REDACTED]@ace-ina.com
Subject: Marsh 7/1 Premium

[REDACTED]

Currently, we have about \$6M in new business which is the best in Marsh Global Broking so do not want to hear that you are not doing "B" quotes or we will not bind anything.

Greg

O
ROM
C
CC
ATE
IME
BJECT
TTACHMENT
ODY

[REDACTED] G TL32C </O=ACE
: [REDACTED] TL32C </O=ACE
:
:
= 06/26/2003
: 15:46:52 GMT
: Brambles USA
: \NYLITSUPP01\FILES02\22323\1014\Quote_Emails\Attachments\ATTACH0020
: \4b2ff0f0d8dcd411a2ba0090273ac5400870463b@libexuab.ace-ina.com.#1.image001.jpg
:
: [REDACTED]

This is another AIG protection job by NY. [REDACTED] just called to ask if we can beat \$850,000 for Lead 25m. I've advised him to go direct to you, as I cannot make this call.

Our rating has risk at \$890,000 and I advised MMGB NY that we could get to \$850,000 if needed. Doherty gave me song & dance that game plan is for AIG at \$850,000 and to not commit our ability in writing!

Apparently both Marsh Atlanta and Client are extremely unhappy with AIG and if we can put offer on table at \$800,000 we'll get it.

[REDACTED] direct number is [REDACTED]

FYI, Brambles is manufacturer of commercial/industrial pallets/containers, information/data storage, waste management, some [REDACTED] locations (being sold). Total revenues 2002 \$1,046,016,000. Fleet of 789 mostly med./heavy trucks; 3,198 employees.

Primary:

GL 2/4/4 *we would require \$250,000 trailing SIR

AL 2

EL 1/1/1

ACE-INA-005786

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Losses:

Worst aggregate years for GL are 1996 at \$1,489,757 and 1999 at \$1,443,986.
Submission has losses back to 1993.

Large losses:

AL	2001	\$1,022,186	Individual struck by IV
GL	1999	\$ 435,000	Claimant struck by pallet
GL	2000	\$ 925,187	Claimant slip/fall
GL	1996	\$1,491,759	Damage to contents

Regards,

[REDACTED]
Senior Vice President - ACE Excess Casualty
[REDACTED]
[REDACTED]
[REDACTED]@ace-ina.com <mailto:[REDACTED]@ace-ina.com>

CONFIDENTIAL

ACE-INA-005787

TO
FROM
CC

BCC
DATE
TIME
SUBJECT
ATTACHMENT
BODY

: [REDACTED] M 9180 </O=ACE/OU=THORNTON/CN=RECIPIENTS/CN=[REDACTED]>
: [REDACTED] WJ TL32C </O=ACE/OU=THORNTON/CN=RECIPIENTS/CN=[REDACTED]>
: [REDACTED] TL32C </O=ACE/OU=THORNTON/CN=RECIPIENTS/CN=[REDACTED]>
: TL32C </O=ACE/OU=THORNTON/CN=RECIPIENTS/CN=[REDACTED]>
:
: = 07/03/2003
: 18:17:08 GMT
: RE: Post Mortem Analysis
:
: [REDACTED]

We are already capturing this information (for Phila. files) and posting it to "dead file" review sheet which accompanies all files to the dead file room.

[REDACTED] and my focus is MMGB I can advise that 9 out 10 dead items involved MMGB not soliciting a quote from us due to ACE not being on the "game plan". The other lost opportunities are usually inadequate attachments or pricing which doesn't meet our rating plan.

Regards,

[REDACTED]

Senior Vice President - ACE Excess Casualty

[REDACTED]

[REDACTED]

[REDACTED]@ace-ina.com <mailto:[REDACTED]@ace-ina.com>

-----Original Message-----

From: [REDACTED] 9180
Sent: Thursday, July 03, 2003 1:56 PM

To: [REDACTED]

Cc: [REDACTED] TL32C; [REDACTED] A TL32C
Subject: Post Mortem Analysis

Folks,

While it seems we are on track for meeting our re-forecast budget for July, there were a number

of deals that we quoted for the 6/30 & 7/1 effective dates that we were unsuccessful on. To gain as much insight as possible into reasons why, and to learn from these so we may adjust and adapt going forward, I would like each of you to prepare a Post Mortem analysis on these unsuccessful deals. Basically, I would like us to capture the following information:

Account Details:

- Name of Account
- Effective Date
- Broker and Broker City
- Class of Business
- Incumbent
- Successful Carrier
- Layer Quoted
- Bound Pricing
- Other ACE Relationships with Insured

Reasons Unsuccessful (be as explicit as you can):

- Coverage: Which specific aspect of coverage, i.e. form, endorsements, etc...
- Pricing: If so Compare to our quoted vs. bound pricing and why we were off (loss experience, aggregate exposure, etc...)
- Attachments: which LOB
- Capacity: 50M vs. our 25M
- Other

Lets be as thorough and specific as possible as this information can be very useful in our discussions going forward. I have attached a rough outline of a spreadsheet for your use. Feel free to add as much to this as you would like.

I would like to have everyone's responses back no later than Friday, July 18th.

I'm not promising this is the last e-mail of the week(!), but in case it is I hope everyone has a happy and safe 4th of July. Enjoy the long weekend.



Exhibit 5
Munich

04/02/2001 06:56 PM

To: [redacted] AmericanRe@American Re, [redacted] AmericanRe@American Re,
[redacted] AmericanRe@American Re, [redacted] AmericanRe@American Re,
[redacted] AmericanRe@American Re
cc: (bcc: [redacted] AmericanRe)
Subject: Meeting Agenda: Friday, April 6

Hi Folks:

Here is an expanded iteration of the agenda where I have inserted comments that each of you provided. Perhaps this will facilitate how we orchestrate this dialog.


MGB Meeting 4-6-01.

Forwarded by [redacted] AmericanRe on 04/02/2001 06:54 PM

04/02/2001 05:55 PM

To: [redacted]@marshmc.com
cc: [redacted]@marshmc.com, [redacted] AmericanRe@American Re,
[redacted] AmericanRe@American Re, [redacted] AmericanRe@American Re,
[redacted] AmericanRe@American Re, [redacted] AmericanRe@American Re
Subject: Meeting Agenda: Friday, April 6

Attached herewith is an agenda that we can use as a framework for our discussion on Friday.

I appreciate your and [redacted]'s flexibility in coming to Princeton.

See you at 10:00 a.m. on Friday.

With best regards,


MGB Meeting 4-6-01.

Marsh Global Broking Excess Casualty / RiskPartners

Meeting Agenda

Friday, April 6, 2001

Essex Room – Plaza II

1. MGB working environment and protocols

- ✓ Market selection
- ✓ Market competition

Know your Competition-We believe that there are a few counter-active competitive threads woven into the fabric of our MGB relationship. First, from a Marsh perspective, the Western Region is one of the last bastions of placement freedom to be corralled by the forces of MGB. This is evidenced by the recent visit of [REDACTED] and [REDACTED] who were reciting chapter and verse of the MGB Handbook to the local authorities. Account Executives are kicking and dragging the entire way, but local Marsh Senior Management has seen the light and will loudly sing the MGB anthem. It would take an extremely strong and articulate Marsh AE to keep a placement local and avoid the MGB dragnet. That said, it is not unusual for the local AE to become involved in a placement and/or find his/her own markets to compete with MGB (so to keep the placement local). Also, the level of cooperation (in an already strained atmosphere) between the local placing broker (who doesn't want to do business with MGB in the first place, but is forced to) and MGB is not at all consistent with RiskPartners information needs and requests. The second element of competition comes from within Marsh itself through the other Global Broking teams. Clearly there is no love lost between those representing the interests of RiskPartners [REDACTED] and the other Global Broking Teams. I sense that the competing Global Broking Teams within Marsh will do anything to stab their brethren while they sleep. The bottom line is that when you factor all of these competitive threads into a deal, it ends up strangled with frustration, panicked, desperate and something that requires many leaps of underwriting faith to bring home. Lastly, from a competitive market perspective, our competition within MGB is clearly AIG and the Zurich (see note above) and we are giving no preferential position with either of these markets.

Observation: [REDACTED] is being set up for failure and Marsh has not demonstrated that they are truly committed to delivering quality deals to RiskPartners on a sustained and consistent basis.

Action: Clearly, RiskPartners is not getting its' seat at the table. This should be communicated to Senior Marsh Management.

- ✓ [REDACTED] relationship with coordinators

It appears fairly clear that forces within MGB would like to see [REDACTED] and the RiskPartners team fail. Right'now, it appears we're probably running 4th in a 3 horse race amongst viable excess casualty markets. I'm not sure how we posture with [REDACTED] on this point, other than to

state that MGB needs to decide whether or not they want us to be a viable player in their stable of companies.

Concentric Circles- Since [redacted] represents Marsh to RiskPartners, we are left to deal with [redacted] organizational shortcomings.

Action: RiskPartners needs to have a better understanding of [redacted] internal challenges. If possible, we need to assist him in getting organized and we need to do a better job in CLEARLY communicating our expectations of his performance. This should be done on a deal-by-deal basis, e.g., not a topic per se of our meeting next Friday. In a strange kind of way, I think [redacted] wants to be told how to respond.

- ✓ Define the parameters of an MGB Account

WHAT IS A GLOBAL BROKING ACCOUNT - WHAT MUST BE PLACED BY MGB AND WHAT CAN BE PLACED BY THE BRANCH?

WHAT IS A GLOBAL BROKING PLACEMENT - UMBRELLA VS BUFFER - BUFFER ATTACHMENT MAKES A DIFFERENCE?

Finally I believe that getting the clearest possible definition of GB's definition is critical.

It is already clear that the questions [redacted], Marsh Atlanta, raised on the casualty practices conference call in that respect, and the definition coming from [redacted] differ. If there is not clarity here, it is another major area of communication with the retail offices, and perhaps clients, that becomes a minefield.

And when we start to deal with our staff on these issues as they become exposed to GB, we need to have clear answers, consistent with the way we do business, for them on these issues if we are to lead and mentor as managers.

2. Communications

- ✓ Between MGB and Client Advisory
- ✓ RiskPartners existing relationships with Client Advisory

My major concern is communication with the retail offices, client advisory, and our insureds.

Perhaps the typical underwriter that they deal with is in New York and never sees these people. But we see them regularly in everything from planned client meetings to chance encounters on the sidewalks outside our building to nearby restaurants since the Atlanta Marsh office is right next door.

We will be asked or even challenged on whether we are quoting, whether we would entertain other options, layers, etc - while we encourage them to direct all correspondence, questions through global broking, they can be quite frustrated with us if we refuse to answer, discuss or at least listen.

Then if they are not getting the information or quotes out of Global Broking, it gets worse. Even if the simple exchange "Have you quoted" with a "yes, call [REDACTED]" can become a loaded communication if GB is choosing within their own agenda not to release our numbers. For me, this leads to the second concern, business ethics.

I am not some Goody Two Shoes who believes that truth is absolute but I do feel I have a pretty strict ethical code about being truthful and honest with people. And when I told I have to say certain things I know to be untrue to people I respect and have known for a long time, it is not what I feel I should be asked to do or what this company stands for. Yet it has already happened several times and I have either had to dodge the client and broker on the issue, which won't always work, or risk making GB angry by telling a carefully edited version of the truth, which was more than they wanted out but less than satisfying to the client or broker.

And this idea of "throwing the quote" by quoting artificially high numbers in some predetermined arrangement for us to lose is repugnant to me, not so much because I hate to lose, but because it is basically dishonest. And I basically agree with the comments of others that it comes awfully close to collusion or price fixing in the broader usage at GB. I say we quote what we think is our best number and if they chose to alter the quote for fear our number is found out, then let them make that call and take the consequences. Although again we run into the issue of what we do when the retail office asks me "How could you quote \$500,000 for that layer?" and my dilemma when I know I quoted \$250,000.

- ✓ MGB hidden agendas
- ✓ MGB focus – RiskPartners Regions and not Princeton

We would prefer to have [REDACTED] initially communicate with the region if he takes exception to or would like to appeal a response that he has received from a regional AE.

"I'm In Your Corner" - For all the negatives, frustrations, phone calls and lack of success voiced by the regions, clearly [REDACTED] is doing his level best to carve out a niche for RiskPartners.

Action: Give [REDACTED] a hug and a kick in the butt at the same time. He needs our help and we need Marsh.

- ✓ Proactive marketing – giving RiskPartners a heads up on activity three months out

[REDACTED] ends, crusts, scraps, leftovers best describe much of what we have seen so far.

Action: MGB needs to communicate to us their activity list for the next 90 days. This should be updated monthly on a rolling basis, otherwise, we will remain in a completely in the dark as well as in a reactive mode dealing only with distressed business. There has to be some golden nuggets (as opposed to a gold plated iron spike) in the Marsh book that they can let RiskPartners have a look at. If they don't give us a hard look at good business in the future then RiskPartners needs to reassess our objectives with MGB and why we're doing this.

3. Opportunities

✓ The Chubb book

Smoke, but no fire,- We have no idea what has happened or is happening with the Chubb Excess Book as we have seen only one account that was written with Chubb. Ironically, it was [REDACTED], an account that [REDACTED] wrote.

Action: If Marsh is truly committed to growing the RiskPartners relationship, then we need to have a list of anticipated Chubb opportunities for the remainder of the year. And we need ask where the Chubb business has moved to since their announcement. This will allow us to better plan our resources and time.

✓ Timeliness

While submission quality seems erratic, the lead time being afforded is typically insufficient.

Information, or lack thereof-

Action: With any submission, RiskPartners needs to quickly identify and communicate to MGB "must have" information. The request must be framed in the context of "no information, no quote". MGB needs to clearly understand what we need and RiskPartners needs to clearly and immediately articulate our requests to MGB:

WE NEED MORE TIME - INFORMATION IS LATE - AND SKIMPY!

✓ Distressed accounts (not seeing a good cross section of the book)

This point ties in with previously mentioned items. We continually appear to be viewed as a market of last resort. I.e. problem accounts, E&S opportunities, tough classes, problems with incumbent carriers. While I can understand their commitment to incumbents, we should be seeing some better opportunities.

Sustained Insanity- To date, most (all?) of the new business activity that we have seen is as a result of non or under-performance of a competing insurance market.

Action: Marsh needs to demonstrate its' commitment by delivering a couple of quality deals to each region that don't look like they just came from a MGB placement shelter.

✓ Coverage integration (MGB reluctant to pursue)

Since when does 1+1 = 1???

Action: Dedicated MGB E&O person or refer E&O to FINPRO and let [REDACTED] deal with them directly.

✓ Pricing

WHAT ARE THE RULES ON PRICING - ARE WE TO QUOTE OUR NUMBERS OR WHAT MGB WANTS US TO QUOTE - HOW DOES THEIR INTERNAL PREFERRED MARKET THING WORK?

MGB STILL HAS A SOFT MARKET ATTITUDE - WE GET MORE PRICE DRIVEN DEALS FROM THEM THAN ANYONE. THE LOCAL OFFICES DON'T PUSH US FOR PRICE THE WAY THEY DO!

✓ Client meetings:

□ Drive by's

We are often times expected to attend client meetings on very little notice. When we do have advance notice, MGB cannot give us the names of the attendees at the meeting, an agenda or a list of client issues or concerns. We may or may not have an uw submission in advance of a meeting with a new client. We are also being asked to attend meetings with prospective clients when MGB has already decided that RP will not be given a real opportunity on the respective placement.

MEETINGS WITH RM'S IN NYC - THESE ARE NO MORE THAN DRIVE BYS AND WE GET NO TIME TO REVIEW THE INFORMATION. (IT'S TUESDAY NIGHT AND I STILL DO NOT EVEN HAVE CLEARANCE INFORMATION - MUCH LESS A SUBMISSION - ON AN ACCOUNT WHERE I WILL MEET WITH THE RISK MANAGER ON THURSDAY!!!) THERE IS AN ADDITIONAL COST - BOTH TIME / EFFORT / AND MONEY TO DO THESE. WHAT IS OUR RETURN ON THIS INVESTMENT

□ Account Management focus (Client focus)

Action: MGB needs to get us more involved with the customer.

ACTION: We began our involvement at the last minute in all but one case. We are not part of the initial marketing plan of either C/A or MGB. Even when we are the last viable alternative we operate in the checklist environment of what MGB had planned for the risk which does not allow us to listen to the client and deliver a solution. The later is our strength-not quoting the lowest price in the least amount of time!

□ Role of Marsh Client Advisory

□ Post binding issues

Customarily, we have a number of "outstanding items" that remain after binding accounts (sometimes on a subject to basis). We have almost no luck in getting a response on outstanding

information (policy forms, captive info., loss details, etc.) after the account is bound. These issues typically fester and create larger problems down the road, ie. [REDACTED] etc.

4. Insurance capabilities:

- ✓ PESLIC
- ✓ Follow Form Excess
- ✓ Punitive Damages

07/12/2001 03:55 PM

To: [REDACTED] AmericanRe@American Re
cc:
Subject: Input on Marsh Global Broking

I have attached a log we have been keeping on our activity since the first of the year.

Although the success rate on a percentage basis is not dazzling, there are some extenuating circumstances.

Several times we have been told that we are a back-up or waiting in the wings and not to expend much effort. Personally we have appreciated a realistic assessment - usually it seems they are giving the incumbent every chance to renew, even at an increase, if deemed reasonable. Since beating out an incumbent market purely on pricing is not our approach, that has seemed reasonable to us.

Quality of submission does vary but seems to me more a function of the retail office where it originates - while admittedly Global Broking could do more initial screening to advise what data they have already asked the retail office for, we have found them reasonably cooperative on our requests for data. A few have had inadequate lead time but that has not been a major problem - and several have involved a last minute surprise from an incumbent carrier that been expected to renew their layer.

As far as internal politics, certainly we have had a few incidents where we have had a bad taste in our mouth - e.g. [REDACTED]. And it does make us walk a tightrope with the retail office - but we have not backed down on continuing our relationship/dialogue with the retail offices. In several cases it has benefited the GB placement. We have our discussions about what we can and can not discuss with the retail office (e.g. the "third rail" of PSA commission) but we have walked the tight rope pretty successfully so far. Granted, it is more effort.

While I have my reservations about the long term difficulties of trying to work within their model, I feel it is an awfully short time frame to close the door. We have gotten past some of the initial learning curve and growing pains, and while I would hardly call it an unqualified success, I would be willing to give it the balance of the year for a few more accounts/examples.



Marsh Global Broking Submissio

**Marsh Global Broking Submissions
As of 7/9/01**

Insured

Opportunity

Result

[REDACTED]	Quoted 10MM for \$390,000	Lost -courtesy quote not expected to bind
[REDACTED]	Quoted lead 25MM for \$725,000	Lost to primary carrier - local Marsh office(not Global Broking) placed
[REDACTED]	Quoted 25MM xs 25MM for \$200,000	Marsh promised to Zurich - only provided benchmark
[REDACTED]	Quoted 3MM xs 2MM Auto Liability - 1MM IAD for \$680,000	Bound
[REDACTED]	Lead 50MM Umbrella	Declined - Umb and E & O should be with the same carrier
[REDACTED]	3MM xs 2MM Auto Liability with IAD	Moved to another broker on a BOR during qualification
[REDACTED]	Lead Umbrella	Declined - gray area between GL and professional
[REDACTED]	Quoted 50MM xs 100MM for \$220,000	Bound
[REDACTED]	Lead Umbrella/Excess Liability	Declined - trucking exposure
[REDACTED]	Lead Umbrella/Excess Liability	Market block only
[REDACTED]	Quoted 26MM xs 25MM - \$115,000	Bound
[REDACTED]	Lead Umbrella/Excess Liability	Declined - gray area between professional and GL exposures
[REDACTED]	Indication provided for Lead \$50MM	Back-up quote if incumbent was unable to deliver
[REDACTED]	Indication provided for Lead \$10MM	Benchmarking for Marsh - remained with AIG, the incumbent
[REDACTED]	Lead Umbrella Liability	Can only provide short limit - 5MM or 10MM - will benchmark Lead 25

[REDACTED]

Excess Umbrella

Still open but layer excess of 200MM now offered will be accommodated

[REDACTED]

Excess Third party

q

Need to replace London aviation market similar to [REDACTED] - being qualified

GRM Eastern Region Comments in Preparation for the July 20th Meeting with MGB

Submission Quality

- MGB continues to act a "pass thru". They add very little to the transaction. Basically, a "cost plus" situation. They do not review information to ensure it is complete or makes sense before they send it to us.
- Client meetings continue to be set-up before underwriting data is available. This may not be [REDACTED]'s fault. We have no idea how long submissions rest on the coordinators' desks.
- Even when submissions reach our desks with (90) days before the effective date, their system breaks down. We review the information and ask our additional questions, usually within days. Then the fun starts.... We get no answers to our questions after repeated e-mails and phonecalls... The (90) lead time is now down to (4) days, they still can't get answers to our questions, and they tell us just to exclude what we're not comfortable with so they can provide the coordinator with a quote, ([REDACTED])
- The few times that we actually get exposure to the retail operations (at MGB's direction), we tend to get more complete answers, data, submissions, etc., ([REDACTED]).
- Submissions will sometimes state, "Refer to last year's submission" as an answer to an underwriting question. This is of no help for potential new clients to RiskPartners, [REDACTED].

MGB Personnel

- There appears to be several active internal MGB conflicts. The [REDACTED] relationship appears fairly well strained. [REDACTED] would welcome a change after (6) months of working with [REDACTED].
- [REDACTED] does not appear to have a very strong relationship with several of the coordinators. Although [REDACTED] appears to have stronger relationships with most of them, it is clear that the AIG & Zurich teams have stronger coordinator relationships than we do.
- [REDACTED] appears to be one of the stronger coordinators in our region. [REDACTED] seems indifferent (at best) towards RiskPartners.

- [REDACTED] is actually a stronger supporter or "cheerleader" than [REDACTED] was. [REDACTED] would be a better replacement if a change were ever contemplated down the road.

RiskPartners Pricing / Limits Deployment

- If you look at our quote activity with MGB throughout 2001, you'll clearly note that we became "uncompetitive" with the MGB marketplace between April and July, (See attached).
- The expense load guidelines as well as our newly revised net unit auto rates seem to be driving the variances in our excess pricing and the remainder of the marketplace. We are pricing risks based on where we feel they need to be priced today. Zurich (the market we are losing to most often) appears to be satisfied raising rates 15% over expiring.
- We appear to be more conservative than our peers are when it comes to assessing UL aggregate attachments on umbrella business.
- If we decide to continue the MGB relationship, we need the ability to use \$50MM in capacity on a select basis.

Competitor Information

- Our perceived competition within MGB includes: AIG (\$50MM), Zurich (\$50MM), Chubb (Excess only, \$50MM), [REDACTED] (\$25MM), [REDACTED] (\$25MM), [REDACTED] (Excess only, \$50MM), and the Bermuda facilities (Excess only, \$50-150MM). To a lesser extent, we occasionally see [REDACTED] and [REDACTED].
- Zurich is currently very aggressively pricing umbrella business, inclusive of auto or professional liability driven casualty exposures. On more than one occasion we have quoted a "multiple" of their premium proposal. They are also utilizing \$50MM on a regular basis. It appears that Zurich is comfortable accepting a 10-15% rate increase over expiring pricing, whereas we are attempting to price new accounts at adequate rates now. When compounded with the current expense loads that we are currently utilizing, we currently stand almost no chance at competing with Zurich on umbrella business. They have also accepted aggressive aggregate attachments. Their pricing approach seems to be just what MGB is looking for in this time of market transition. By our estimates, their hit ratio must be north of 75% on true new business opportunities, ([REDACTED]).
- MGB continues to ask us for "false quotes" to allow them to manipulate market pricing and present other carriers' quotes in a more favorable light, ([REDACTED]).

Overall Relationship

- It appears that Marsh has no interest in supporting RiskPartners in the excess casualty arm of MGB. Absent MGB senior management's strong endorsement and our ability to become more competitive (either we lower our pricing expectations or the market meets ours), we have doubts about the future with MGB casualty.
- At the end of the day, pricing still drives that operation. They are not capable of selling anything other than price. Currently, we are not perceived as a competitive market.
- Currently, we are not getting many opportunities to quote excess liability on accounts where we are not awarded the lead umbrella. It seems that those layers are already destined for other PSA carriers who are solely focusing on excess business. By the time a decision is reached on the umbrella, the excess has already been awarded to Chubb (██████████).
- MGB has made several flippant remarks about the variations in responses from the different regions.
- Does it make sense to maintain the current PSA arrangement based on no growth, few bona fide prospects and significant frustration? Perhaps a lesser commission would be more appropriate based on the reality of our growth potential.
- We were 0 for 6 on 6/30 & 7/1 business. We weren't even close on several accounts. How did the other regions fare? This does not seem to be working.
- Maybe both sides need to modify their formulas....(PSA commission as well as our expense loads). The result might produce more competitive proposals at still acceptable underwriting margins.

07/11/2001 08:36

PM

To: [REDACTED]@MARSHMC.COM
cc: (bcc: [REDACTED]/AmericanRe)
Subject: [REDACTED] RENEWAL

I BEEN THINKING LONG AND HARD ABOUT YOUR SUGGESTION THAT WE ARTIFICIALLY INFLATE THE QUOTATION THAT [REDACTED] PROVIDED YOU ON DEFFENBAUGH EARLIER TODAY.

MY FEELING IS, THAT TO INCREASE OUR PRICE TO GIVE US NEGOTIATING ROOM, IN OTHER WORDS, TO MARK UP THE ITEM IN ORDER TO PUT IT ON SALE FOR THE ORIGINAL PRICE, IS REALLY NOT THE WAY WE WANT TO DO BUSINESS.

WE ARE GETTING A 100% RATE INCREASE, AND [REDACTED] HAS A RELATIONSHIP WITH BOTH THE LOCAL OFFICE, AND IF I'M NOT MISTAKEN, THE INSURED. WE HAVE BEEN ON THIS ACCOUNT FOR AT LEAST FIVE YEARS, AND ARE CURRENTLY LOSS FREE WITH IN EXCESS OF \$1,000,000 IN THE BANK. IN MY OPINION, WE JEOPARDIZE OUR RELATIONSHIP WITH BOTH CLIENT ADVISORY IN KANSAS CITY AND THE INSURED IF WE WERE TO PLAY THIS GAME.

WHILE YES I AGREE WE MIGHT WIN THE GAMBLE AND GET THE EXTRA MONEY, THE DOWNSIDE RISK TO OUR REPUTATION, AND THE WAY WE DO BUSINESS, IN MY OPINION, IS TO GREAT.

WHOA - HOW 'BOUT THAT LECTURE !!!

IT WASN'T MEANT TO BE A LECTURE, I JUST WANTED YOU TO HEAR (READ) MY THOUGHT PROCESS.

PLEASE FEEL FREE TO PRESENT OUR RENEWAL QUOTATION.

04/26/2001 11:10

AM

To: [REDACTED]@marshmc.com>
cc: (bcc: [REDACTED]/AmericanRe)
Subject: Re: [REDACTED]

YOU KEEP ASKING WHY WE HAVEN'T HIT ON ANY BUSINESS, AND HERE'S AN EXAMPLE.

IF FEDEX GETS THEM HERE ON TIME, I'LL BE GETTING ON THURSDAY OR FRIDAY THE SPECS ON A \$30,000,000,000 ACCOUNT WHICH NEITHER [REDACTED] (WHO, BY THE WAY IS ON VACATION THIS WEEK) NOR I HAVE EVER UNDERWRITTEN.

I'M CURIOUS HOW YOU EXPECT ME FIND THE TIME TO REVIEW THE SPECS, ON AN ACCOUNT OF THIS SIZE AND COMPLEXITY, AT THE LEVEL OF DETAIL THAT WILL ALLOW [REDACTED] AND ME TO CONDUCT A COMPETENT MEETING WITH THE RISK MANAGER NEXT WEEK ? I CANNOT ALLOW MY COMPANY TO BE PRESENT AT A MEETING - SIMILAR TO A-B MEETING - WHERE WE ARE NOT GIVEN THE INFORMATION AND OPPORTUNITY TO BE FULLY PREPARED.

I'M SURE THAT IF I DROP EVERYTHING ELSE ON MY DESK - FROM EVERY OTHER BROKER THAT WAS ABLE TO GET THE APPROPRIATE INFORMATION HERE ON A TIMELY BASIS - I COULD ACCOMPLISH THAT TASK. BUT, THAT'S NOT HOW WE CONDUCT BUSINESS.

[REDACTED] OF DETROIT CLIENT ADVISORY, SENT ME AN AGENDA AND A THUMBNAIL SKETCH OF THE PROGRAM STRUCTURE WHICH WE WILL USE AS THE BASIS FOR OUR DISCUSSION NEXT WEEK.

ON ANOTHER SUBJECT, I STILL DO NOT HAVE ANY INFORMATION ON [REDACTED] WHICH WAS PROMISED TO US ON MARCH 23, 2001.

WE NEED TO MAKE THIS ON-GOING ISSUE AN AGENDA ITEM FOR OUR NEXT MEETING IN PRINCETON.

CIZ

[REDACTED]@marshmc.com> on 04/25/2001 06:05:19 PM

[REDACTED]@marshmc.com> on 04/25/2001 06:05:19

PM

To: [REDACTED]/AmericanRe
cc: [REDACTED]/AmericanRe
Subject: [REDACTED]

I figured you'd want specs before your RIMS meeting, so I'm sending them via Federal Express.

03/14/2000 10:34 AM

To: [REDACTED]@marshmc.com
cc: (bcc: [REDACTED]/AmericanRe)
Subject: GE

As a follow up to our conversation, the context is as follows.

The Client directed Marsh to re-negotiate the payment terms on their lead umbrella after agreement by all parties. The umbrella placement was an integral part of a broader business decision relating to other risk taking decisions that we were considering for the Client. Suffice it to say that the economic impact associated with the proposed revised payment terms was significant to RiskPartners.

In the AE (RP) to AE (Marsh) discussion, we felt that we were in this together with Marsh and that we should collaboratively try to find a way to share in the financial impact rather than have RiskPartners shoulder the entire burden. In the course of this discussion, certain references were made to the MMGB PSA, and otherwise documented in correspondence to Marsh. We acknowledge that this was inappropriate behavior and will do the necessary to eliminate all documentation, electronic or otherwise, that references or otherwise alludes to the PSA.

I apologize for the consternation that this has caused within the Marsh organization.

[REDACTED]
Senior Vice President
Munich-American RiskPartners
Princeton, New Jersey

Princeton

From: [REDACTED] AmericanRe@American Re]
Sent: Friday, March 23, 2001 9:52 PM
To: [REDACTED]
Subject: Re: [REDACTED] Meetings - REVISED

Figured I'd cut [REDACTED] off at the pass on this one.

----- Forwarded by [REDACTED] AmericanRe on 03/23/2001 04:51 PM -----



03/23/2001 04:45 PM

To: [REDACTED]@marshmc.com>
cc: [REDACTED] AmericanRe@American Re



Item Removed.txt

Subject: Re: [REDACTED] Meetings - REVISED

I spoke to [REDACTED] as well. I don't mind standing in for the other regions when there's something at stake. However, I'm having a hard time rationalizing our presence at this meeting.

RiskPartners is meeting with this client ([REDACTED]) in our NY office on April 24th.

MGB has advised us that this not a real opportunity. While I usually jump at a chance to do some flag-waving, we'll have the opportunity to do that in our own office the very next day.

Feel free to call me if you wish to discuss further.



[REDACTED]@marshmc.com> on 03/23/2001 04:07:26 PM

To: [REDACTED] AmericanRe
cc: [REDACTED]@marshmc.com>, [REDACTED] AmericanRe
Subject: Re: [REDACTED] Meetings - REVISED

[REDACTED] -- I spoke with [REDACTED]. Could you send someone to the April 23 meeting, 3:00 - 4:00?

<<< Memo from [REDACTED]@amre.com on 23 March, 2001, 12:12 Friday >>>

[REDACTED]@amre.com on 23 Mar 2001, 12:12 Friday

To: [REDACTED]
cc: [REDACTED]
Subject: Re: [REDACTED] Meetings - REVISED

[REDACTED]

WE DON'T HAVE THE STAFF TO ATTEND MEETINGS JUST FOR THE SAKE OF BEING A "BODY".
WHILE YOU MAY NEED "A LIVE BODY", WE NEED A "LIVE OPPORTUNITY".

WE'LL TAKE A PASS.

[REDACTED]

[REDACTED] <[REDACTED]@marshmc.com> on 03/22/2001
03:45:11 PM

To: [REDACTED]/AmericanRe
cc: [REDACTED]@marshmc.com
Subject: Re: [REDACTED] Meetings - REVISED

[REDACTED] this month's recipient of our Coordinator of the Month Award, requests a body at the rescheduled April 23 [REDACTED] meeting. He says he just needs a live body. Anyone from New York office would do.

Given recent activities, perhaps you can send someone from your janitorial staff -- preferably a recent hire from the U.S. Postal Service.

----- Forwarded by [REDACTED]
[REDACTED]/NYC-NY/US/Marsh/MMC on 22 Mar 2001, 16:41 Thursday

[REDACTED]

9 Mar 2001, 15:56 Friday

To: [REDACTED]
cc: [REDACTED]
Subject: Re: [REDACTED] Meetings - REVISED

MARP had passed on this one, in part because you advised there wasn't much of an opportunity this year. Has anything changed, and in any event do you need at least a New York body for form sake?

<<< Memo from [REDACTED]/NYC-NY/US/Marsh/MMC on 09 March, 2001, 15:34 Friday >>>

----- Forwarded by [REDACTED]/NYC-NY/US/Marsh/MMC on 9 Mar 2001, 15:21 Friday -----
From [REDACTED] on 9 Mar 2001, 15:33 Friday
To: [REDACTED]; [REDACTED]; [REDACTED]
[REDACTED] (more below)
cc:
Subject: [REDACTED] Meetings - REVISED

You will recall that we had scheduled [REDACTED] meetings for 3/21 and they were subsequently cancelled. CA has requested that we reschedule for the week of 4/23. The client will be travelling the two weeks prior and the first week of May is RIMS. The request therefore, at the risk of incurring the markets' wrath due to the black periods, is can we meet with [REDACTED] on 4/23? Suggest the schedule outlined below. Let me know asap.

Thanks

----- Forwarded by [REDACTED]/NYC-NY/US/Marsh/MMC on 9 Mar 2001, 15:08 Friday -----
From [REDACTED] on 1 Mar 2001, 09:40 Thursday
To: [REDACTED]; [REDACTED]; [REDACTED]
[REDACTED] (more below)
cc:
Subject: [REDACTED] Meetings - 3/21

Current placement is:

AIG - \$50MM xs P
Chubb - \$50MM xs \$50MM
[REDACTED] - \$50MM xs \$100MM

The renewal is 7/1 and we need to introduce competition. For the 7/1/02 renewal, [REDACTED] is very interested in a integrated program so that will likely come up in the meeting. We will not have renewal submissions prior to the meeting, but I'll get you something. Attending are [REDACTED] and [REDACTED] from Detroit and [REDACTED] and [REDACTED] from [REDACTED]

Meeting schedule:

March 21, 2001

10:30 - 11:30 - Chubb
11:30 - lunch - Zurich
2:00 - 3:00 - [REDACTED]
3:00 - 4:00 - Munich [REDACTED] is fine, unless someone from Chicago is in)
4:00 through dinner - AIG Like to have [REDACTED]

To: [REDACTED]/NYC-NY/US/[REDACTED]/MMC, [REDACTED]
[REDACTED]/NYC-NY/US/Marsh/MMC@MMC, [REDACTED]/NYC-NY/US/Marsh/MMC@MMC,
[REDACTED]/NYC-NY/US/Marsh/MMC@MMC, [REDACTED]
[REDACTED]/NYC-NY/US/Marsh/MMC@MMC
cc:
From: [REDACTED] NYC-NY/US/Marsh/MMC

To: [REDACTED]/NYC-NY/US/JHMarsh/MMC, [REDACTED]
[REDACTED]/NYC-NY/US/Marsh/MMC@MMC, [REDACTED] NYC-NY/US/Marsh/MMC@MMC,
[REDACTED]/NYC-NY/US/Marsh/MMC@MMC, [REDACTED]
[REDACTED]/NYC-NY/US/Marsh/MMC@MMC
cc:
From: [REDACTED] NYC-NY/US/Marsh/MMC

To: [REDACTED]/NYC-NY/US/Marsh/MMC@MMC
cc:
From: [REDACTED] NYC-NY/US/Marsh/MMC

To: [REDACTED] NYC-NY/US/Marsh/MMC@MMC
cc: [REDACTED] NYC-NY/US/JHMarsh/MMC
From: [REDACTED] NYC-NY/US/Marsh/MMC

To: [REDACTED] NYC-NY/US/Marsh/MMC@MMC
cc: [REDACTED] NYC-NY/US/Marsh/MMC@MMC,
[REDACTED]@amre.com@Internet, [REDACTED]@amre.com@Internet,
[REDACTED]@amre.com@Internet
From: [REDACTED]@amre.com



att1.eml

- att1.eml

From: [REDACTED]@marshmc.com]
Sent: Thursday, December 06, 2001 8:18 PM
To: [REDACTED]
Subject: Re: [REDACTED] Meeting (3/1/02 renewal)

In that case, is [REDACTED] coming to New York on Jan 15?

<<< Memo from [REDACTED]@amre.com on 06 December, 2001, 17:55 Thursday >>>

[REDACTED]@amre.com on 6 Dec 2001, 17:55 Thursday

To: [REDACTED]
cc: [REDACTED]
Subject: Re: [REDACTED] Meeting (3/1/02 renewal)

[REDACTED]:

Thanks for your note. We recently completed an account restructuring within the region and [REDACTED] now handles [REDACTED]. Under separate cover, I'll forward to you the new account manager/underwriter listing for Marsh.

[REDACTED]@marshmc.com> on 12/06/2001
02:26:33 PM

To: [REDACTED]/AmericanRe@American Re
cc: [REDACTED]
Subject: Re: [REDACTED] Meeting (3/1/02 renewal)

Last year, MARP wrote 25 p/o 50 X 250 at \$27,500. In addition, you were indicating a reasonably competitive lead 25 X P, but we called you off when incumbent AIG came in with an acceptable deal. (We owed them, as they cheaped it the previous year in competition to help us get the business in broker competition.) I don't know yet whether there will be an opportunity on the 3/1/02 lead renewal. [REDACTED] was the underwriter, so if you have no objection I'd like him to work on it again this year.

[REDACTED] wants to meet with carriers in New York Jan 14 and 15. Particularly if a lead opportunity comes up, we need someone from MARP. If [REDACTED] is going to be in New York/Princeton around that time, great; otherwise, it would be helpful if [REDACTED] could send someone. Request is for a lunch meeting with MARP on Tuesday, Jan 15.

12/06/2001 04:34 PM

----- Forwarded by [REDACTED]
[REDACTED]/NYC-NY/US/Marsh/MMC on 6 Dec 2001, 16:34 Thursday

From [REDACTED] on 6 Dec 2001, 14:58 Thursday

To: [REDACTED]
cc:
Subject: Re: [REDACTED] Meeting (3/1/02 renewal)

Any representative from MARP is fine. We're looking at all options. The client buys \$400 million in limit and is nervous about the shrinkage of limits from certain markets and would like to meet with all viable candidates. We have not set a plan yet.

[REDACTED]
<<< Memo from [REDACTED]/NYC-NY/US/Marsh/MMC on 05 December, 2001, 17:32 Wednesday >>>

[REDACTED]
5 Dec 2001, 17:32 Wednesday
To: [REDACTED]
cc:
Subject: Re: [REDACTED] Meeting (3/1/02 renewal)

As you know, MARP is in San Francisco. Do you want a body from Princeton?

Also, please recall MARP was indicated a competitive lead last year, which we called off when AIG came in competitively. Let me know if you need a MARP alternative -- keeping in mind, of course, that two years ago AIG did us a massive favor writing this account on the cheap in the face of competition.

<<< Memo from [REDACTED]/NYC-NY/US/Marsh/MMC on 05 December, 2001, 15:04 Wednesday >>>
From [REDACTED] on 5 Dec 2001, 15:04 Wednesday
To: [REDACTED]; [REDACTED]; [REDACTED]
cc: [REDACTED]; [REDACTED]
Subject: [REDACTED] Meeting (3/1/02 renewal)

Hilton will be in town for a renewal meeting on January 14 and 15. We need to schedule the meetings with the following carriers:

[REDACTED] AIG
[REDACTED] Zurich, [REDACTED], Ace, [REDACTED]
[REDACTED] [REDACTED], Chubb
[REDACTED] MARP, [REDACTED]

Last year, the client did not have an impressive time with Global Broking. I had just had my accident and was out, and the client (already skeptical of GB) was not impressed with the lack of coordination. It was understandable, but not a pleasant experience. Therefore, we need our underwriters to be prepared and act like they have the authority to put up millions of dollars on behalf of their companies.

I propose the following schedule:

Monday, January 14th

9:30 - 10:30 [REDACTED]
10:30 - 11:30 [REDACTED]
11:30 - 1:00 Zurich (Lunch included)
1:30 - 2:30 [REDACTED]
2:30 - 3:30 [REDACTED]
3:30 - 4:30 Ace
4:30 - 5:30 AIG
6:30 - 9:00 AIG Dinner

Tuesday, January 15th

9:30 - 10:30 [REDACTED]
10:30 - 11:30 Chubb
11:30 - 1:00 MARP (Lunch included)

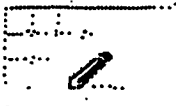
Please report back to April with acceptance of these times. Thanks.

To: [REDACTED]/NYC-NY/US/Marsh/MMC@MMC
cc: [REDACTED]@amre.com@Internet
From: [REDACTED]@amre.com

San Francisco

From: [REDACTED] /AmericanRe@American Re]
Sent: Wednesday, December 19, 2001 1:49 PM
To: [REDACTED]
Subject: Re: [REDACTED]

wiseass....



12/19/2001 12:43 PM

To: [REDACTED] <[REDACTED]@marshmc.com>
cc: [REDACTED] /AmericanRe@American Re (bcc: [REDACTED] /AmericanRe)



~~DLNK0.URL

Subject: Re: [REDACTED]

Dear Mr. [REDACTED]

Thank you very kindly for forwarding what would appear to be an excellent risk to our attention. We regret to say, after careful consideration coupled with a detailed and extensive analysis, we must decline to participate on this risk. While I have personally seen the extremely courteous drivers of [REDACTED] trucks on the road, my visual inspection of these rigs does not override this troublesome class of business. While it is likely that [REDACTED] is the rose among thorns, AmRe's financial investment in this class of business has not met expectations. We would be happy to revisit this risk with your company should the insured be willing to notch their retention and premiums upwards a tad.

As the new year comes upon us and this program takes effect, I wish our well meaning competition the very best as they celebrate this well earned, competitive and hard fought victory.

Regards,



[REDACTED] <[REDACTED]@marshmc.com> on 12/18/2001 06:28:31 PM

To: [REDACTED] /AmericanRe@American Re
cc: [REDACTED]
Subject: [REDACTED]

Specs were forwarded in November for this Trucking company. Zurich's

renewal quote is \$175,000 for 25 x p. Primary AL is \$2MM.

██████ is asking for non-quotes. If you didn't already response to ██████
██████, please feel free either to decline for class or quote higher
(please).