

Directors' & Officers' Liability Insurance Benchmarking Report 2010



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Directors' & Officers' Liability (D&O) Insurance

Benchmarking Report 2010

Executive Summary

Corporate directors and officers in the United Kingdom are faced with the twin pressures of evolving corporate governance regulation worldwide and the increasingly litigious and highly regulated environment within the UK itself. With these developments, UK companies are forced to take a closer look at their D&O policies to see if they afford appropriate coverage to both head office and foreign entities and executives.

Airmic conducted a survey of its members to understand D&O purchasing patterns and to provide data against which risk managers can benchmark their own D&O insurance programmes. The production and publication of this benchmarking report was sponsored by ACE European Group Limited,

Key Findings

- As anticipated, the larger companies (those with turnover of more than £1 billion) pay materially higher premiums than the smaller companies and larger companies also buy higher limits
- Public companies purchase materially higher D&O limits than non-public companies and public companies listed in the US purchase even higher limits than those not traded on US exchanges
- As with last year, D&O premiums vary widely by industry group, with Financial Institutions on average paying the most for coverage
- Public companies assume a higher retention on company reimbursement (Side B cover) than private companies and US listed companies have higher deductibles than companies not listed in the US
- Multi-national master policies are still the most commonly used cover among Airmic members responding to the survey
- Perception of the risk of being sued has not increased substantially; there is no substantial difference in the perceptions between public and non-public respondents; and the presence of operations in the US did not strongly influence that perception
- The survey showed that as companies get larger, the processes for managing the placement of D&O Insurance become more sophisticated:
 - larger companies tend to collect D&O exposure information by using the head office to inquire across organisations, whereas smaller companies rely on head office held information only
 - companies are moving away from completion of a standard proposal form, with larger companies (in particular) using narrative reports and proposal forms supplied by brokers to supplement their reporting mechanisms
 - larger companies also prefer to formally present and discuss D&O exposure information to underwriters in meetings

Introduction: Developing Trends in D&O Risks

Faced with the twin pressures of evolving corporate governance regulation worldwide and the increasingly litigious environment in the UK, D&O insurance is becoming more important. UK companies are forced to take a closer look at their D&O policies to see if they have got both head office and foreign executives covered.

Foreign executives at risk

Over the years, multi-nationals have relied on global D&O policies to insure their directors and officers worldwide. However, with more and more countries changing their laws to allow class action activities, insurance advisers are underscoring the need for multi-national companies to examine their risks and check whether or not they are complying with the local requirements in countries where they do business.

Companies need to decide whether to buy global and / or local D&O cover. This is the big question that companies with operations in multiple countries need to answer. After examining their risks, they need to decide whether to purchase a single master policy or buy policies locally and have a global policy that provides excess insurance, possibly with Difference in Conditions / Difference in Limits cover included (DIC/DIL). While it is essential to have a global D&O insurance policy that provides high limits and broad protection, it is equally important to have local D&O policies to protect foreign executives in jurisdictions where the global policy may not be effective.

Evolving D&O Landscape in UK

UK's legal environment now makes it easier for shareholders to file suits against corporate directors and officers. Stricter legislation is increasing the pressure on D&O cover. The Bribery Act 2010, for example, presents new legal risks for companies as the law criminalises acts of corruption and improper payments by commercial organisations regardless of where they are incorporated or where the bribery takes place.

This has implications for corporate directors and officers who may be liable to civil and criminal charges for breaches of offences such as bribing, taking a bribe or failing to stop bribery from occurring within an organisation. The implementation of this new law significantly raises the importance of D&O cover, requiring companies to ensure that sufficient risk management mechanisms are in place. The legislation applies to all companies, partnerships and individuals based in anywhere in the UK, as well as foreign companies and individuals doing business in the UK.

The UK Corporate Manslaughter and Corporate Homicide Act 2007 enables the prosecution of larger organisations where a corporate management failing has led to death by introducing the new legal test of senior management's contribution to the company's breach of duty. The legislation covers companies and other corporate bodies, in the public and private sector, as well as Government departments, police forces and certain unincorporated

bodies, such as partnerships. Companies are taking note of this law as it could significantly increase their liability and that of their senior executives.

Another relevant law is the Companies Act 2006 which extends the ability of shareholders to bring derivative action against corporate directors and officers. Today, shareholders can sue a company for a broader range of conduct than was possible under the previous Companies Act 1985. Under the current law, shareholders may file suit against directors for negligence even when the directors concerned have not personally profited from the activity. Apart from promoting greater shareholder involvement, the Act also introduces a number of new requirements for public companies, some provisions of which only apply to companies whose shares are listed on the London Stock Exchange.

These new provisions are likely to affect future development, performance and position of the business and information on environmental matters, employment and corporate social responsibility issues. While the UK has yet to see a flurry of derivative actions under the Act, this legislation has definitely placed greater emphasis on directors' liability in shareholder claims. Other legal developments have criminalised pollution by companies, increasing the duty of executives to ensure safe working practices.

As expected, the changing legal landscape in the UK is breeding shareholder activism akin to that of the US system. While US-style class action suits are not permitted under UK law, collective action is possible through mechanisms such as the Group Litigation Order (GLO). The GLO enables a group of common claims to be managed as a single case when there are common issues of law.

Contributing to the growing number of D&O-related lawsuits in the UK is the increasing availability of third party funding of legal expenses. Funding options available to a prospective claimant include publicly listed companies, hedge funds, private equity houses, and offshore investors. Payment for the funding of the claim can account for a substantial portion of the winnings.

Risks are magnified for companies listed on multiple stock exchanges. UK companies with securities traded on US exchanges, for example, also are vulnerable to legal proceedings when criminal charges are filed. The number of lawsuits filed against European companies and executives in US courts is on an upward trend. The Greenwich NatWest example has demonstrated the full force of the Extradition Act 2003, which empowers the US to pursue extradition proceedings against UK nationals.

The most recent case to hit centre stage is that of the London-headquartered BP plc. The company is facing multiple derivative actions, multiple Securities Class Action Suits and an investigation from the Securities and Exchange Commission (SEC) in New York for potential insider trading.

Katherine Firpo, a shareholder filed a shareholders' derivative lawsuit in Louisiana against the BP and 15 of its directors and officers, seeking recovery against the BP defendants for

breach of fiduciary duty and corporate waste. The state of Alabama also filed a lawsuit against BP for damaging Alabama's coast and economy through "negligent or wanton failure to adhere to recognized industry standards."

Amid these and other cases, the SEC is also investigating potential insider trading surrounding the oil spill, whether BP properly disclosed information to the market and whether BP insiders might have illegally made a fortune on non-public information.

The aftermath of the global economic downturn has resulted in a flurry of lawsuits against financial institutions. Directors increasingly find themselves in the middle of investigations as shareholders and regulators look for people to hold responsible.

UK has also witnessed heightened enforcement activities of regulators. The Financial Services Authority (FSA) began to take disciplinary action against individual executives of a company for breaches of FSA rules in 2007. The agency previously had taken action against companies alone.

The implementation of the European Union's Transparency Obligations Directive under the Companies Act in 2006 gave the FSA the power to impose additional obligations on public companies in terms of disclosure of major acquisitions, financial reporting and dissemination of information to shareholders and the general public.

With the mounting issues and developments in the D&O arena both inside and outside the country, UK companies must look at their risks with a keener eye.

Directors and Officers Liability (D&O) Survey

Thrust into the spotlight by a spate of corporate governance shortfalls, the credit crisis, reforms in the legal system and increasing regulatory actions, D&O liability insurance has become a closely watched topic. In the UK, companies and their directors are increasingly exposed to these issues.

To provide risk managers with actionable benchmarking data needed to make better informed decisions about their D&O insurance programmes, Airmic conducted an on-line survey of its members between 23 September and 15 October 2010. 79 members responded to the survey request.

The poll covered a comprehensive list of topics including the structure of D&O programmes, D&O insurance strategy and developments in D&O insurance. The survey was conducted to enable risk managers to understand D&O purchasing patterns and to provide data against which risk managers can benchmark their own D&O programmes.

The 2010 benchmarking survey is the second stage of an initiative started by Airmic in 2009. The initial survey presented a snapshot of the D&O market in the UK. This second survey provides a more comprehensive discussion of the D&O market in the UK and analyses key trends in that market.

The survey was administered, and the results were analysed, by Advisen Ltd., a global provider of information and analytical tools for risk managers and the commercial insurance industry. Although this is the second survey conducted by Airmic and Advisen that addresses D&O insurance, it is the first survey to specifically address D&O insurance in considerable detail.

In addition to investigating financial data, such as limits and premiums, the survey also covered subjective information about insurance buying practices. The range of practices included programme design processes and governance.

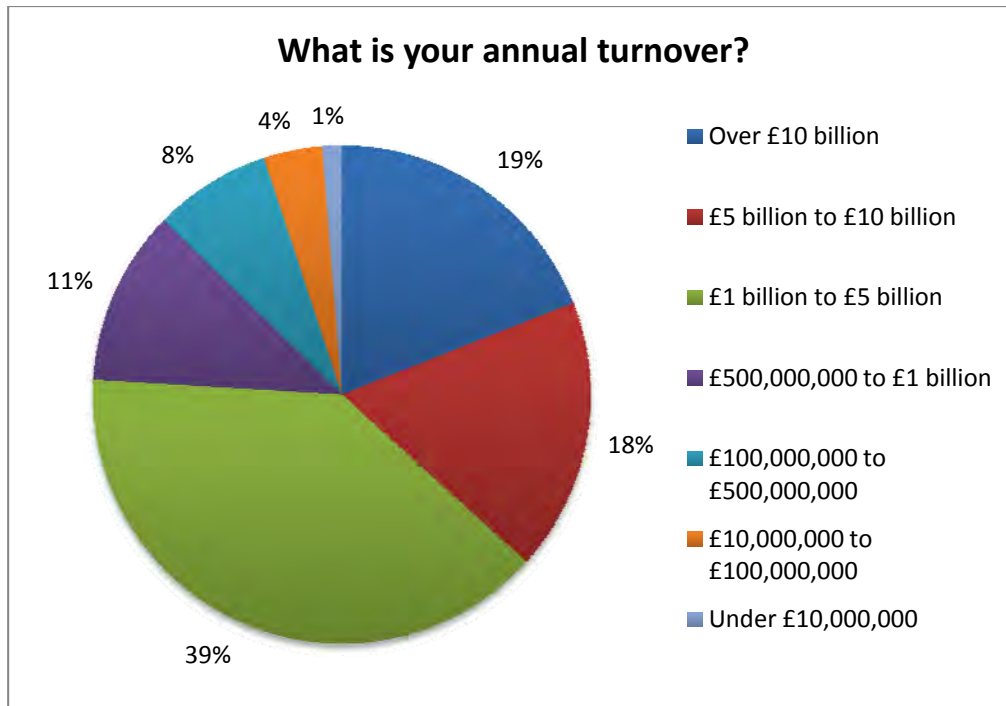
When more than one response was received from the same company, the most complete response was used and other responses were discarded to avoid double counting. The information supplied was reviewed for consistency and verified using outside sources where available and appropriate.

The Airmic D&O Benchmarking study enables risk managers to compare their D&O programme against their peers – an especially valuable exercise in the current dynamic litigation environment. The various tables in this report provide insight into D&O limits purchased and premiums paid for coverage purchased both within the UK and outside.

Analysis of D&O Survey Results

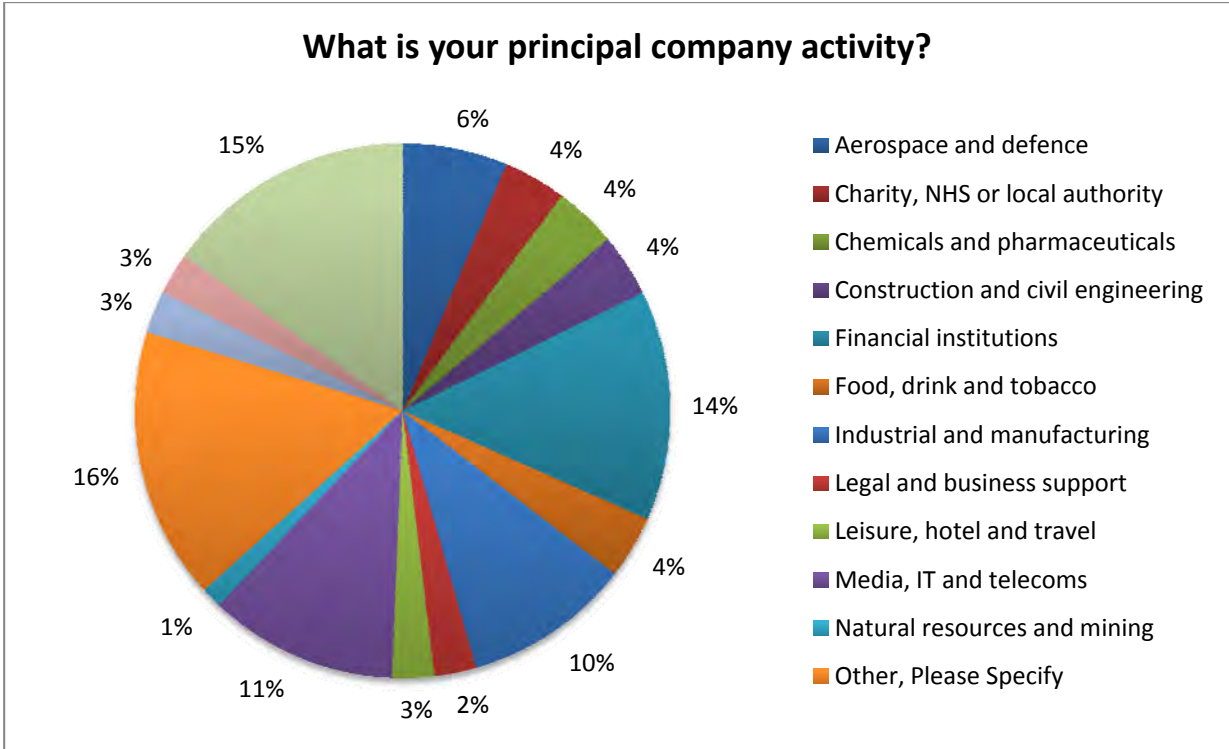
1. Company Structure

Survey respondents are mostly from large companies representing a broad spectrum of industry groups. One fifth of participating companies have an annual turnover of more than £10 billion, with more than half having a turnover of more than £1 billion.



Respondents are widely distributed across industry sectors. The largest sectors represented are “Retail and Distribution” (15%), “Financial Institutions” (14%), “Media, IT and Telecoms” (11%) and “Industrial and Manufacturing (10%).

Nearly 60% of respondents represent public limited companies, 75% of which are listed on non-US exchanges such as London, Brussels and Germany. More than three quarters of the survey participants were from companies incorporated in the UK. Of the total number of respondents, 41% operate in more than 31 countries. One fifth of the companies operate in the UK only.

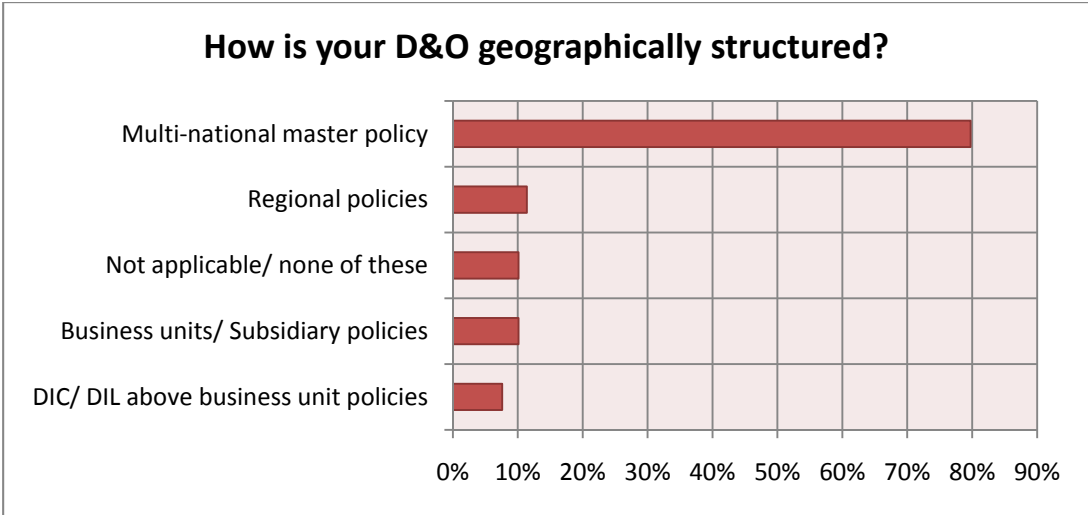


2. Structure of D&O Programme

For many years, risk managers of companies that operate in multiple countries used the same master D&O liability insurance programmes for executives of parent companies and directors and officers of their foreign operations. With the emergence of new laws on corporate governance in many parts of the world, however, companies must fully understand the environments in each of the countries where they do business and structure their risk management practices based on these different environments.

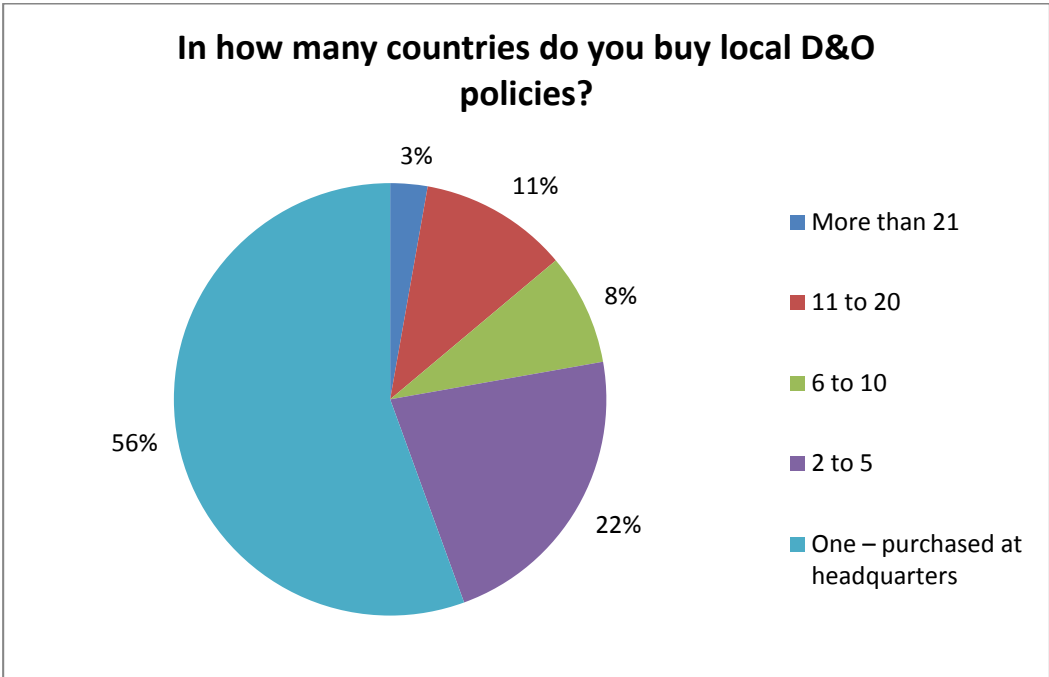
It is also important to note the need for executives of companies that operate on a global basis to stay abreast of new international laws and the protections available to respond to their increasing exposure. With this development, risk managers are aware of the concern that traditional master programmes may not be sufficient to protect foreign executives.

For the Airmic members polled, the survey found that multi-national master policies are still the most commonly used cover (80%). A number of respondents said that they are using Side A coverage, which provides protection to the directors and officers, but not the corporation (company reimbursement or Side B cover). Some of the respondents structured their programmes globally to provide the protection where it was going to do the most good. One respondent, for example, said “£75 million with a further £25 million ring-fenced for the Board and selected UK non-executive directors.” This response indicates that the company is trying to provide dedicated cover for the executives.



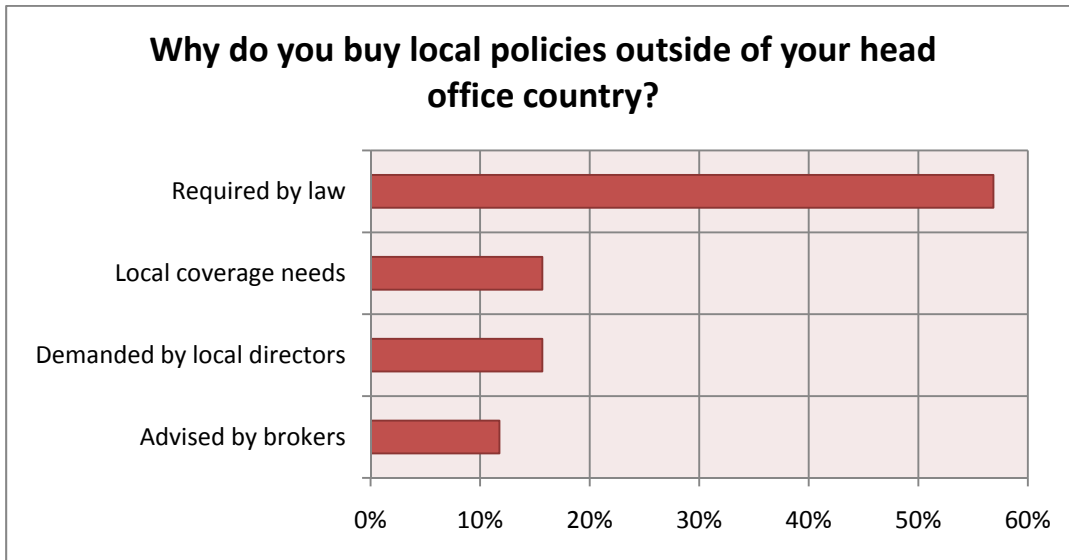
Advisen excluded respondents with companies operating only in the UK from the analysis of the question “In how many countries do you buy local D&O policies?”.

Survey results show that the multi-nationals polled tended to purchase a single policy at head office. 22% of those who buy D&O additional cover beyond head office purchase D&O policies from only two to five countries, while 11% buy local policies in only 11 to 20 countries. This is noteworthy since 60% of the respondents operate in 21 or more countries.



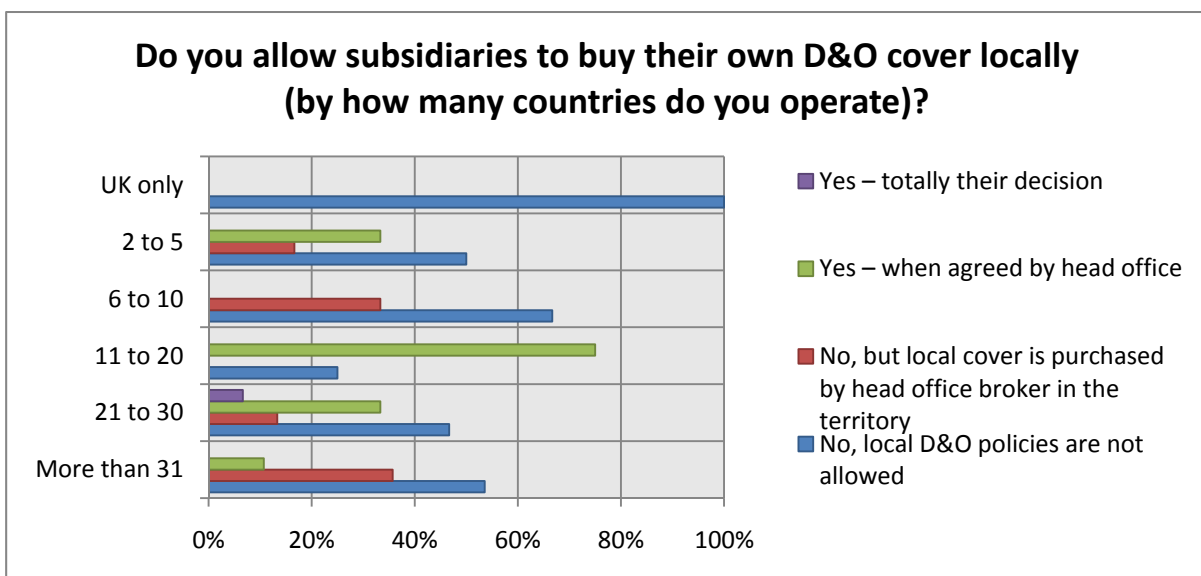
Nearly 60% of respondents whose companies purchase cover beyond head office say they do so because they are required by law. However, the purchase of cover beyond head office is also conducted under the direction of the head office. One respondent added “primary policy with single underwriter with additional single underwriter layers in excess, but considering need for local policies outside of the UK.”

This indicates that the issue of programme structure is being re-examined. Another response showed the complexities in design: “Primary, First and Second Excess insurers issue policies in local territories with 1st and 2nd excess insurers dropping to primary basis for local policies issued by them.”

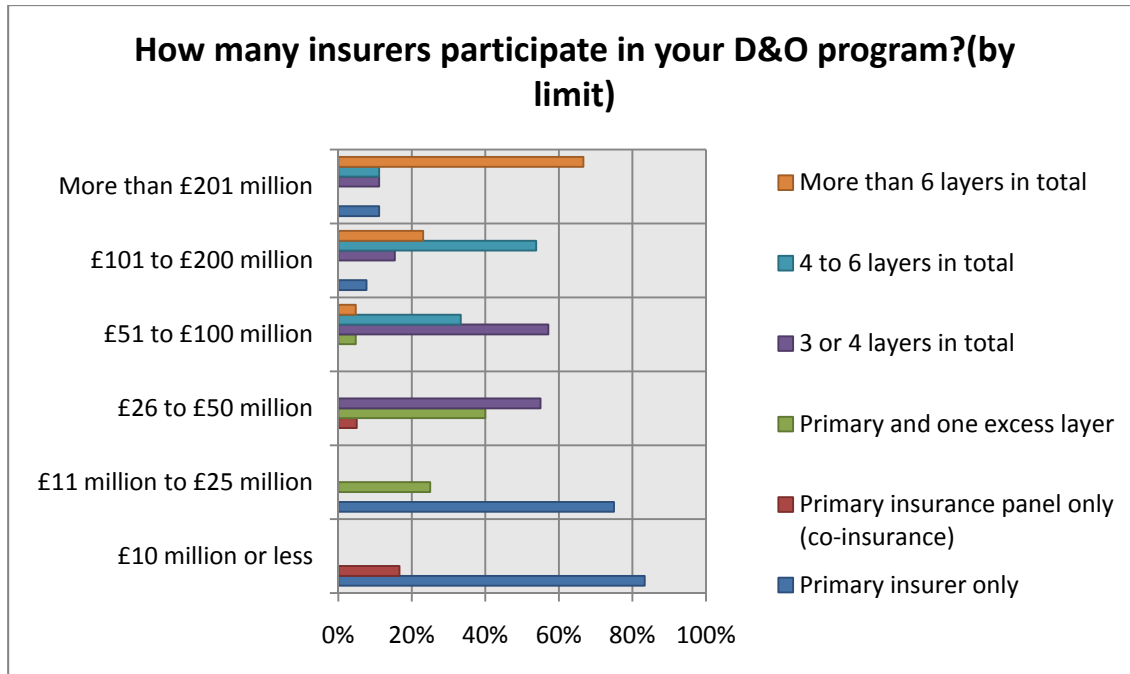


Half of the respondents do not allow their subsidiaries to buy their own D&O cover locally, because purchase of local D&O policies are not allowed. For one quarter of the survey participants, local cover is purchased by head office broker in the territory.

It is interesting to note that among companies operating in more than 31 countries, local D&O policies are not allowed. This indicates that companies in the UK are not yet addressing the issue of global versus local D&O cover.

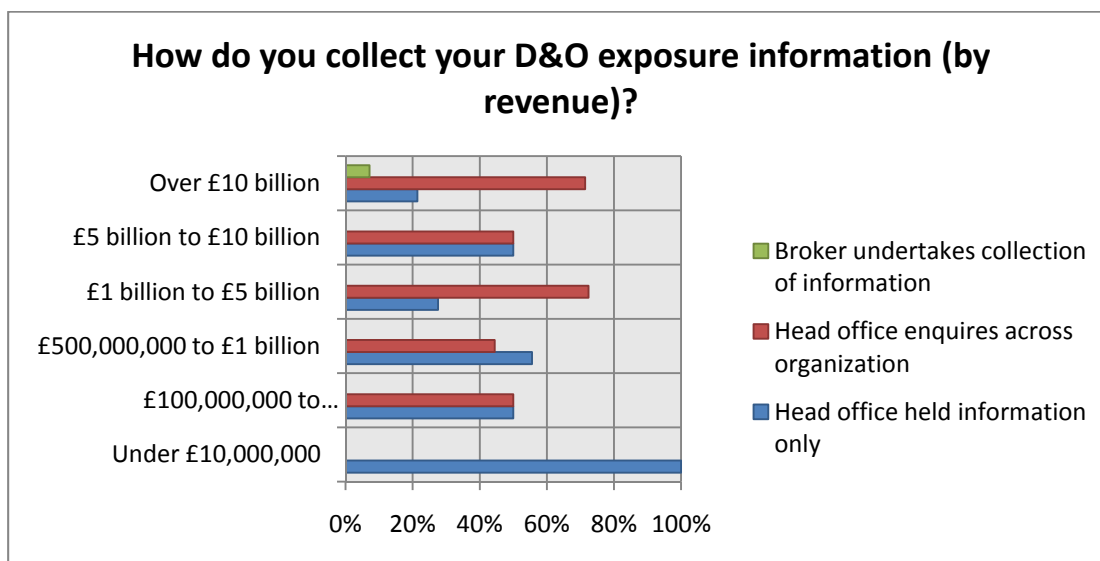


Companies with higher limits involve more layers of insurers in their D&O programmes. Those with limits beyond £201 million tend to have more than six layers in total, while companies with £10 million or less have primary insurer only.

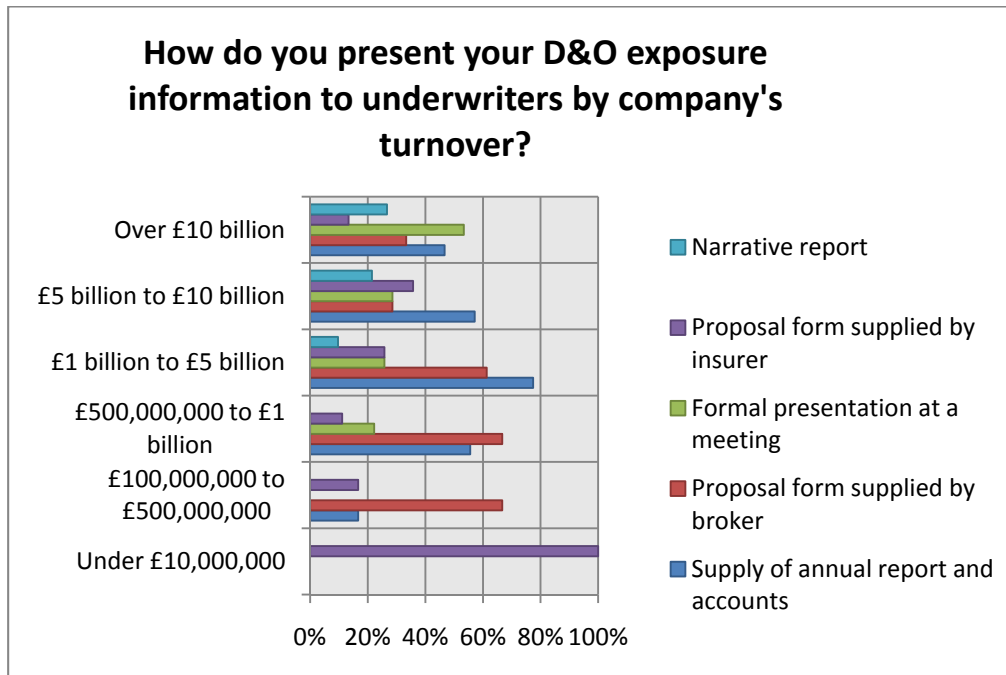


3. D&O Insurance Strategy

As companies get larger, the processes for managing placement become more sophisticated. The larger companies tend to collect D&O exposure information by using the head office to inquire across organisations, while the smaller companies rely on head office held information only. The need for involvement outside of head office is probably driven by the underwriters in local jurisdictions requiring additional information.



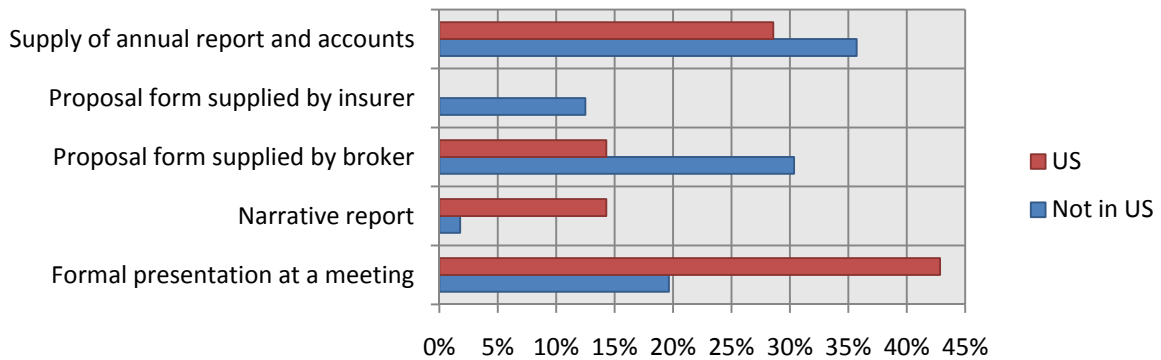
Survey responses also show a trend away from the standard “filling out of the proposal form”. Companies, particularly the larger ones, are using narrative reports and proposal forms supplied by brokers to supplement their reporting mechanisms. Over 50% of companies with a turnover over £10 billion prefer to formally present D&O exposure information to underwriters in meetings compared to none in the companies with turnover below £500 million.



Public companies favour formal presentations at meetings, while private companies tend to use proposal forms supplied by insurers and brokers and narrative reports. Both public and private companies use annual reports and accounts to present D&O information to underwriters.

Formal presentation at a meeting is also popular among companies with stocks traded in the US. Companies not listed in the US usually provide underwriters with a copy of the annual report, together with the completed proposal forms supplied by brokers.

How do you present your D&O exposure information to underwriters by listing location?

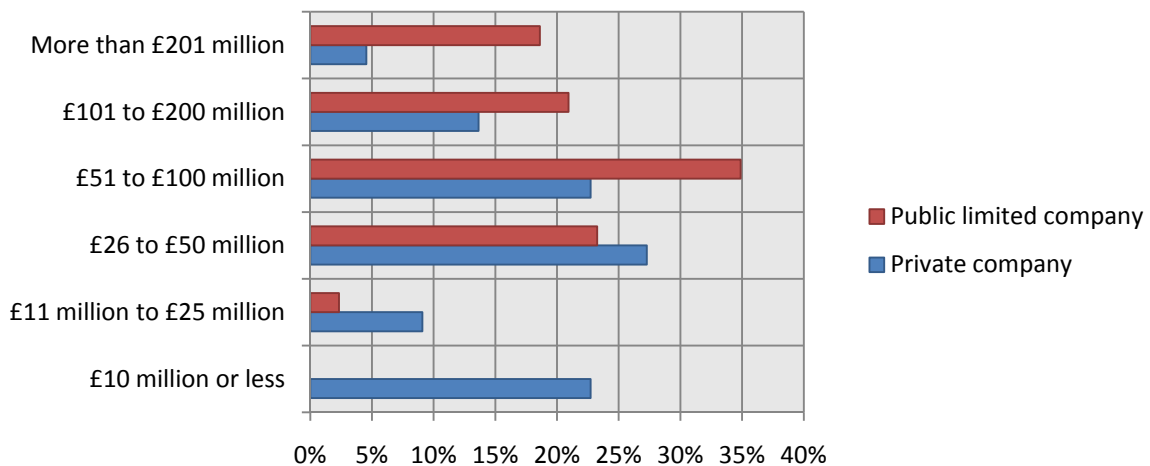


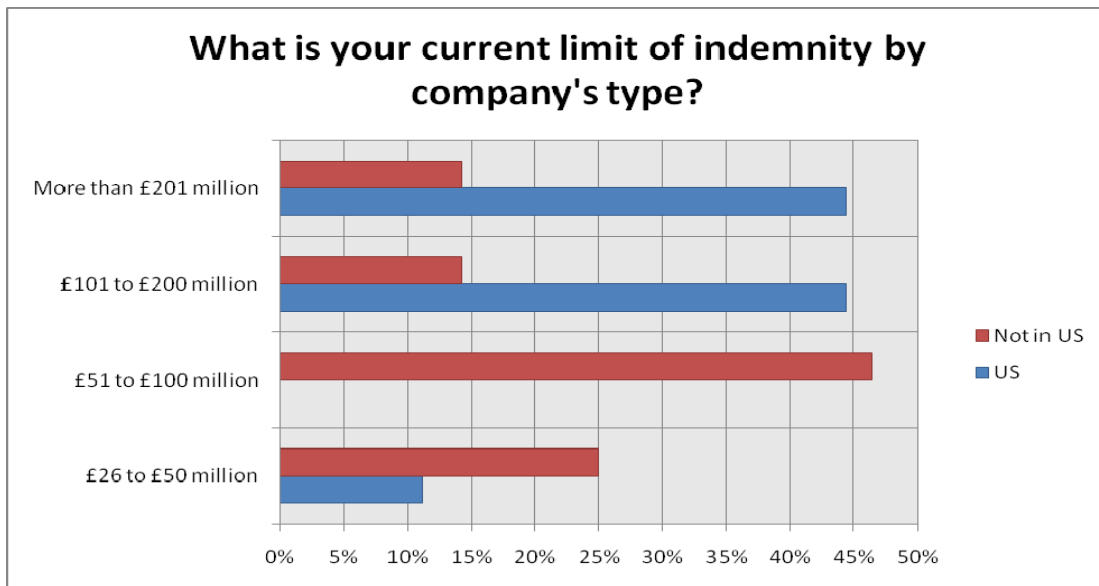
One of the constant issues that risk managers face is the design of appropriate protection including adequate limits and appropriate retention of risk. 72% of Airmic members polled say that they determine appropriate limits of indemnity through advice from brokers, while 70% said they (also) use peer benchmarking.

It was particularly evident in the survey responses that captives are not involved in the D&O programme. More than 70% said their captives are not involved, while only two respondents confirmed that their captives are involved by writing the primary layer or co-insuring on the primary layer.

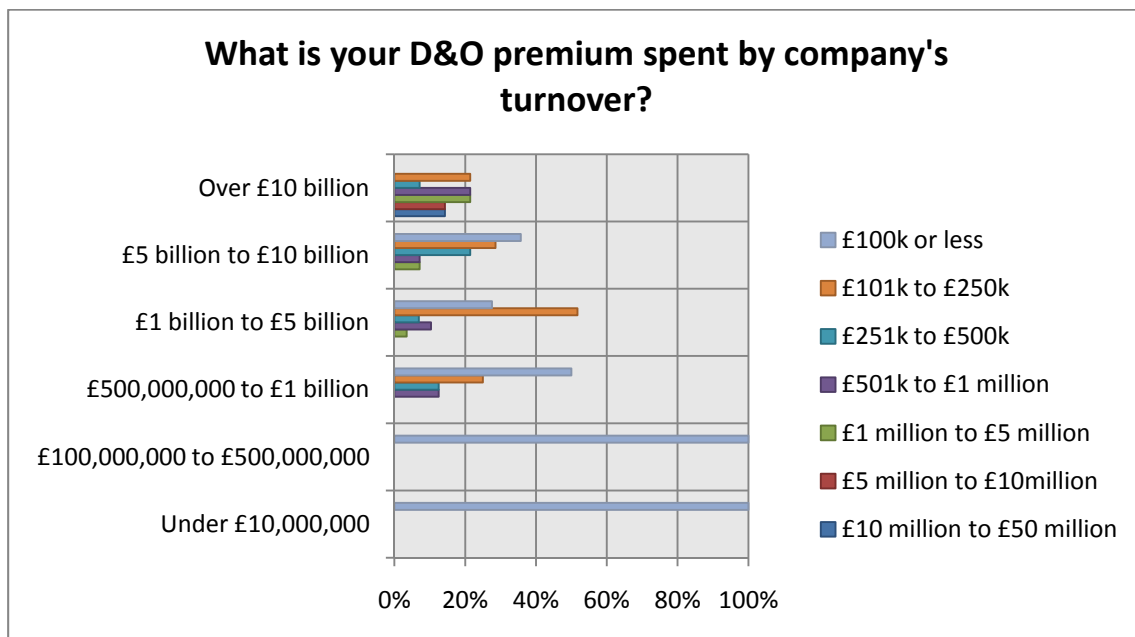
In terms of current limit of indemnity, public companies purchase higher limits than non-public. Companies with securities traded on US exchanges purchase materially higher D&O limits than those not in the US.

What is your current limit of indemnity by company's type?



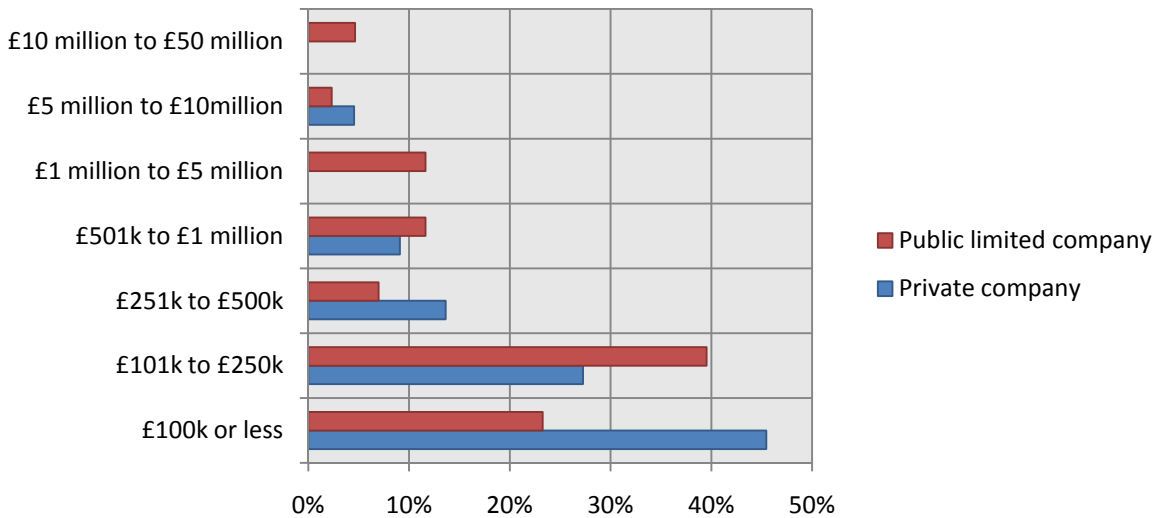


As noted in the 2009 Airmic Benchmarking report, D&O premiums for survey respondents vary by company size. The larger companies paid materially higher premiums than the smaller companies.

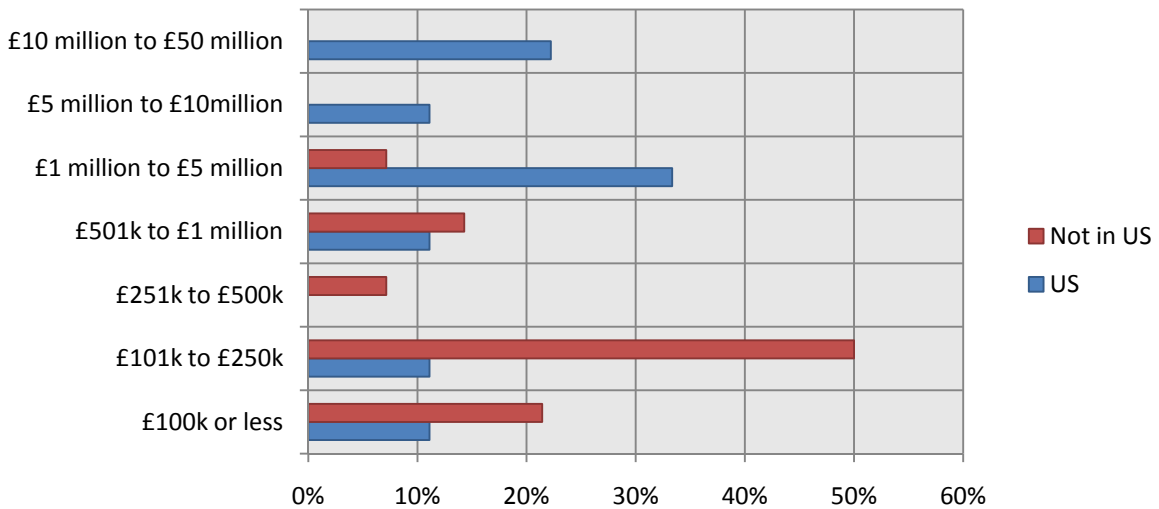


In terms of premium spent, the response of Airmic members polled is consistent with the responses gathered in the 2009 survey. The premium spend of public companies was significantly higher than non-public companies. Similarly, the premium spend of those listed in the US was higher than those not listed in the US.

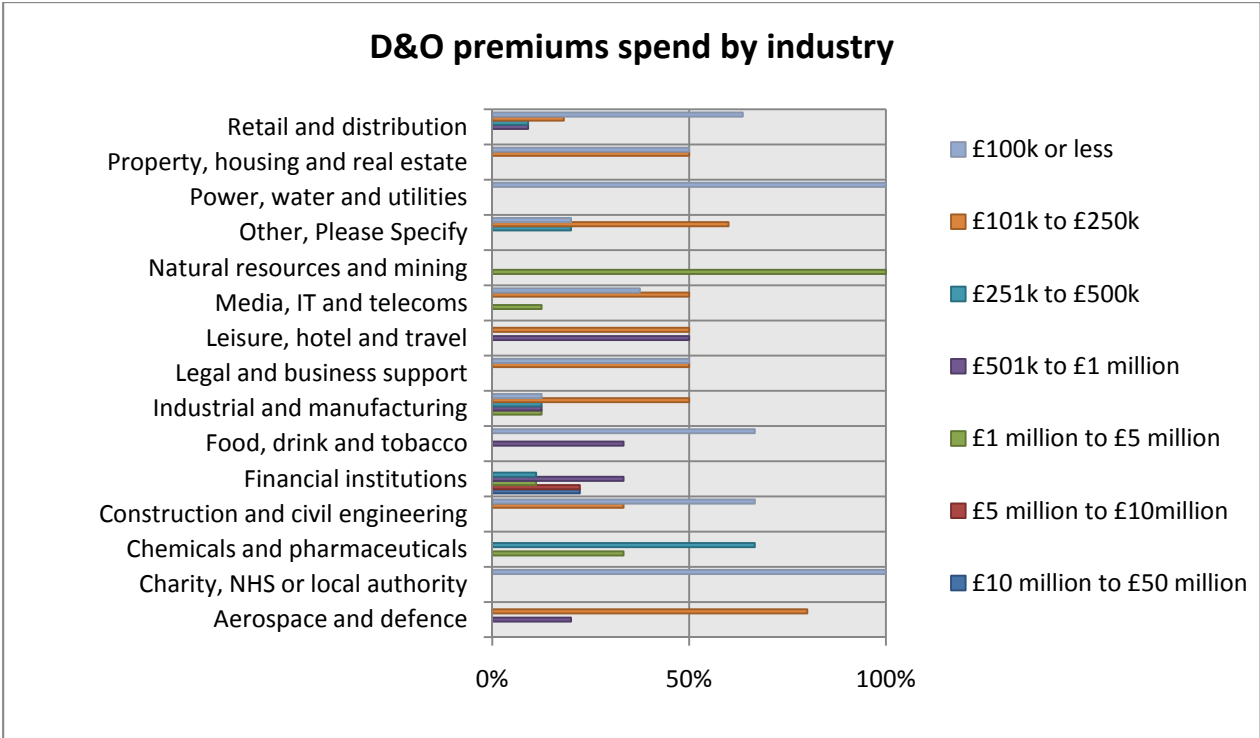
What is your D&O premium spent by company's type?



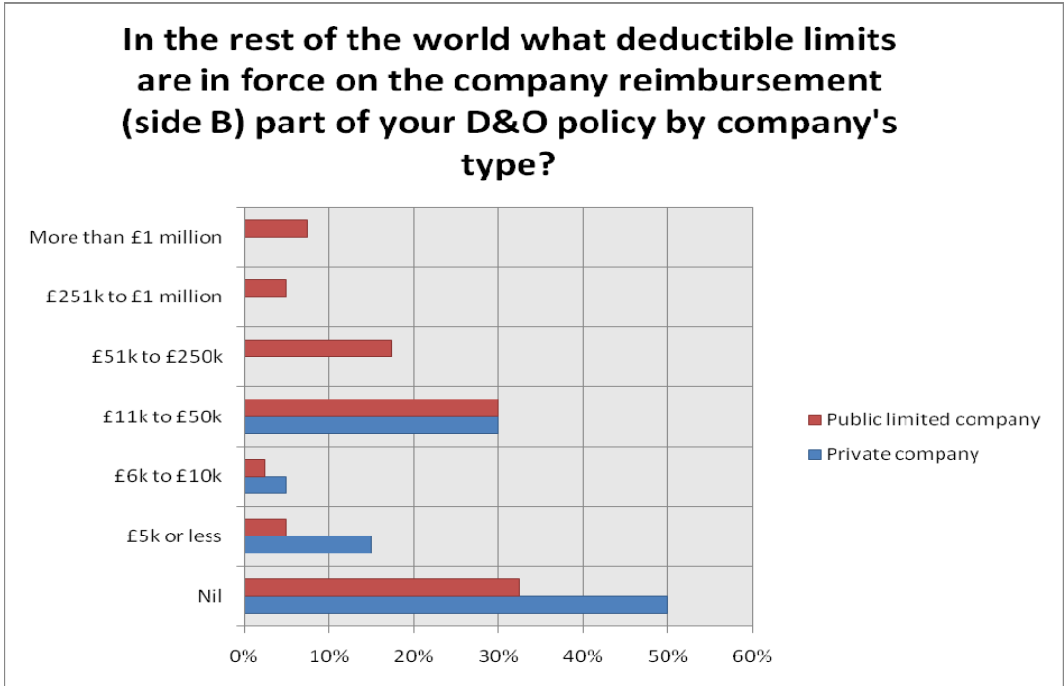
What is your D&O premium spent by listing location (listed company only)?



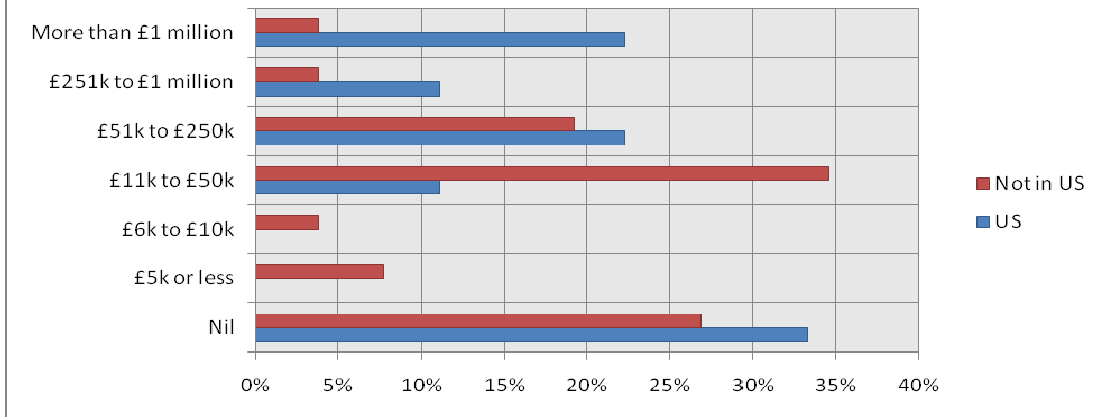
As with last year, D&O premiums vary widely by industry group, with Financial Institutions on average paying the most for coverage. Natural Resources and Mining, followed by Chemicals and Pharmaceuticals occupied the second and third spots.



Public companies assumed a higher retention on the company reimbursement (Side B) than private companies. Similarly, US listed companies had higher deductibles than non-US listed companies.



In the rest of the world what deductible limits are in force on the company reimbursement (side B) part of your D&O policy by listing location?

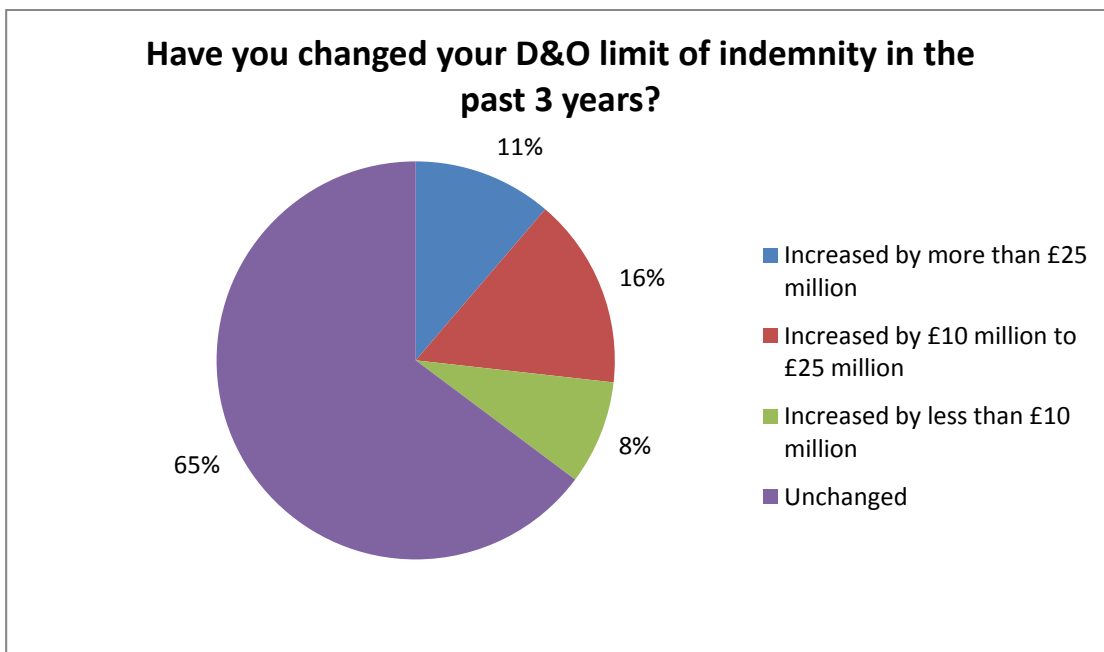
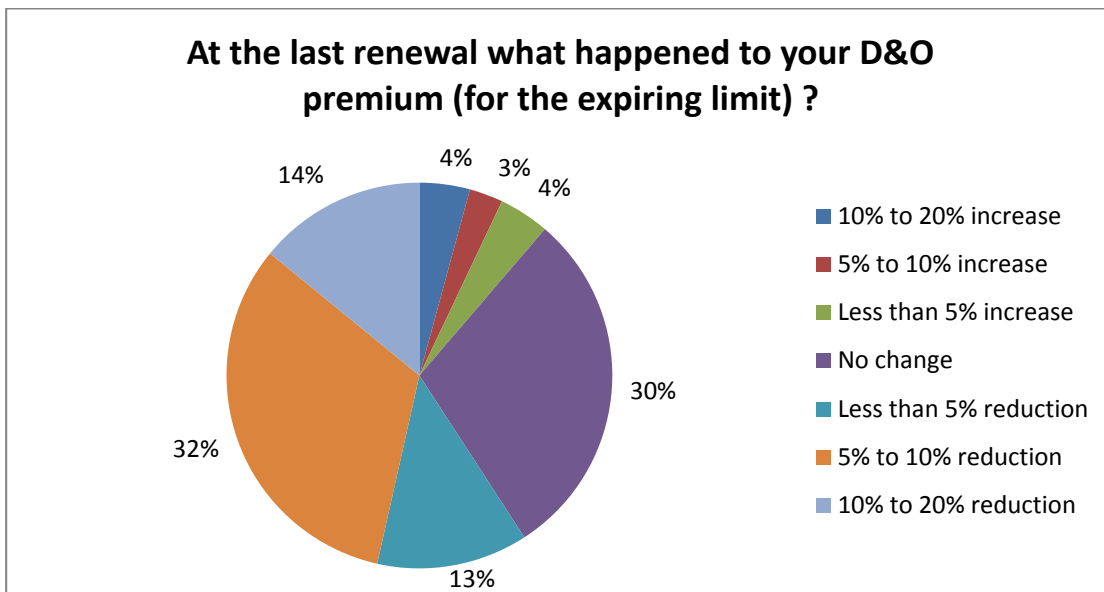


When asked to provide further information about the importance of their D&O insurance strategy, one respondent said “to ensure policy wording keeps up to date with new relevant legislation.” Another said “adequately protect directors and the company in accordance with best practice across the FTSE.” Both responses underline how wording and limits complement each other.

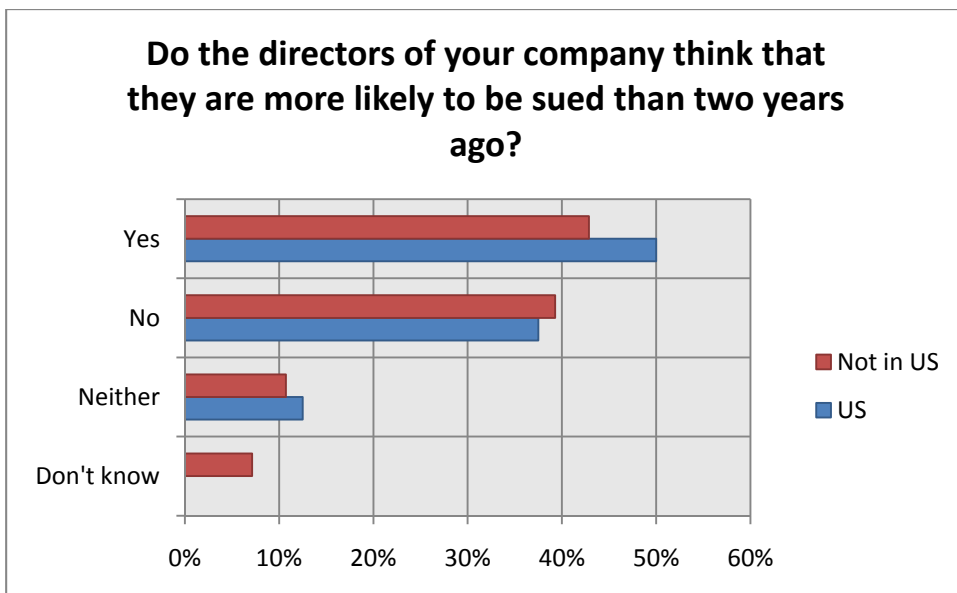
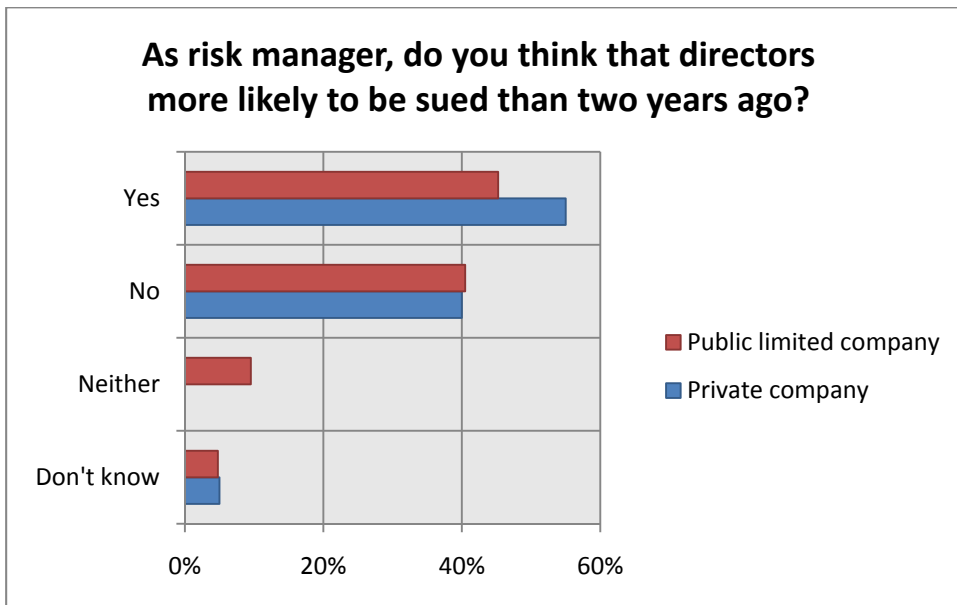
4. Developments in D&O Insurance

Insurance premiums in general and D&O premiums in particular are in decline. In a recent (2009) commentary, a leading insurance broker said “The market in commercial D&O remains extremely soft. In London, we have in excess of £525m [€639m] capacity available. There is more than enough capacity to accommodate every commercial risk that I’ve seen in the last three years.”

In the Airmic survey, more than 30% of the respondents say there was a 5% to 10% reduction in their D&O premium for the expiring limit. Another 30% say there was no change in premium charged for the same limit. Also, over 60% of the respondents say their D&O limit of indemnity did not change in the past three years.



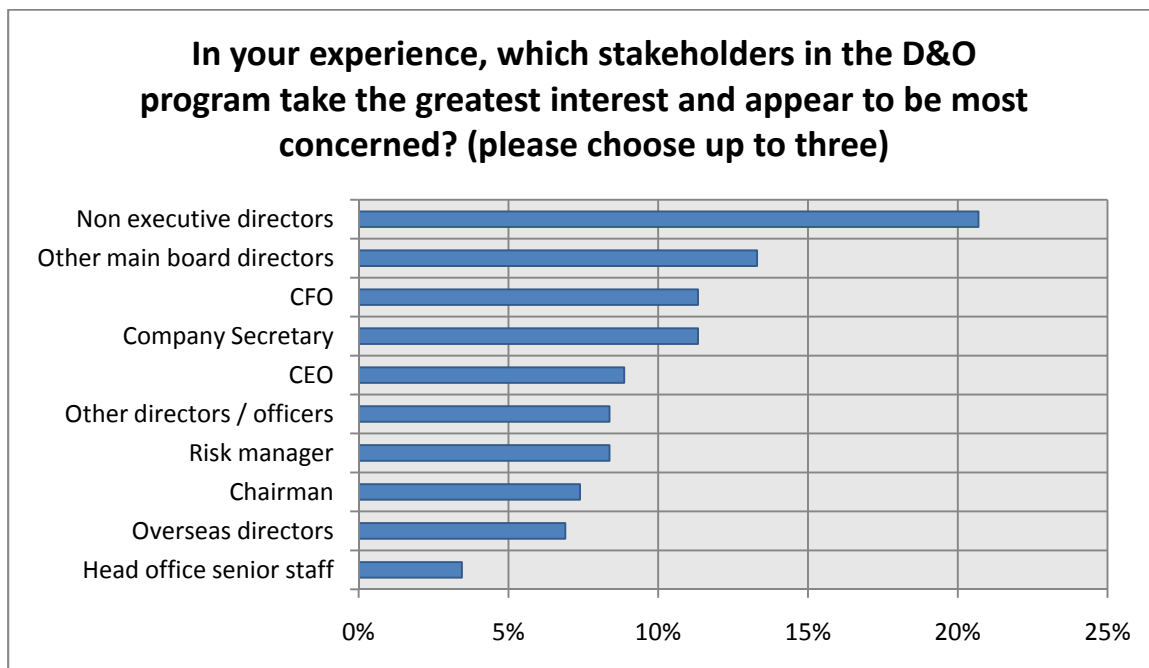
The respondents' perception of their risk of being sued has not increased substantially in the past two years. There is no substantial difference in the perceptions between public and non-public respondents. Those who indicated that the risk has increased cited heightened regulatory action, changes in the legal environment and shareholder activism as reasons for their thinking. A respondent also indicated the importance of having expanded coverage for regulatory investigation costs. The presence of operations in the US also did not strongly influence that perspective.



5. Governance

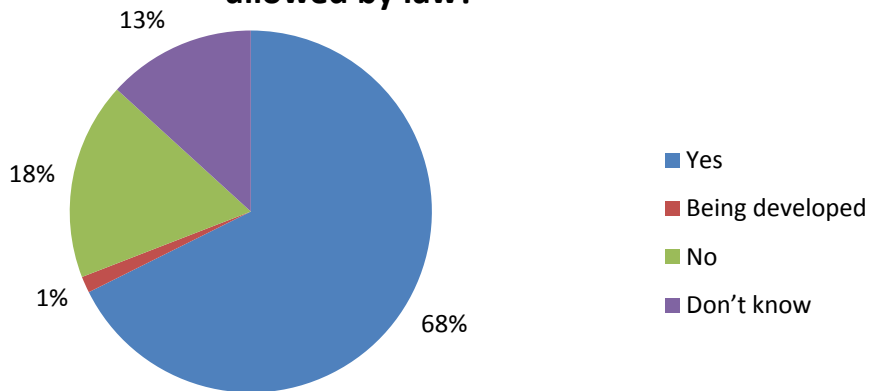
Governance involves management, cohesive policies, guidance and decision rights for a given area of responsibility. In assembling a D&O programme, it is important to employ well-established governance processes to assure involvement by the appropriate people and committees within the company.

In the survey, over a fifth of respondents said non-executive directors take the greatest interest in the D&O programme, followed by other main board directors (13%), CFOs (11%) and corporate secretaries (11%).



Almost 70% of the respondents say their company has a “Deed of Indemnity” to provide directors with the maximum indemnity allowed by law. A Deed of Indemnity sets out the extent of the indemnity provided by a company to its directors and officers. Indemnification by the company under the Deed of Indemnity is likely to be the primary facility to which directors and officers have recourse.

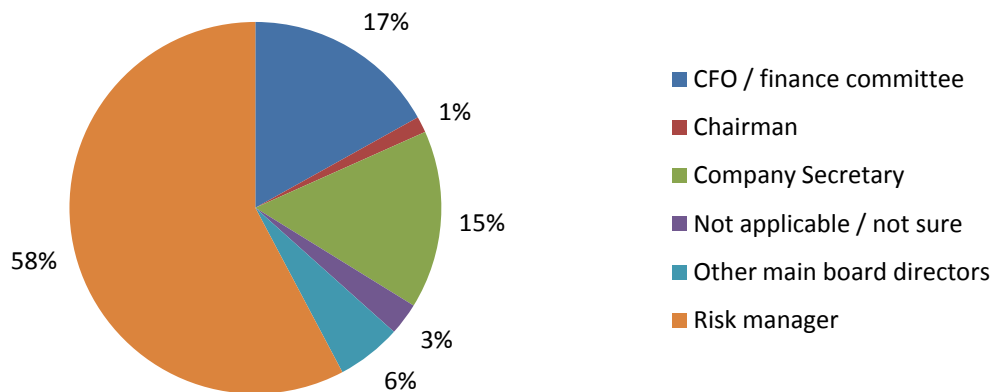
Does your company have a “Deed of Indemnity” to provide directors with the maximum indemnity allowed by law?



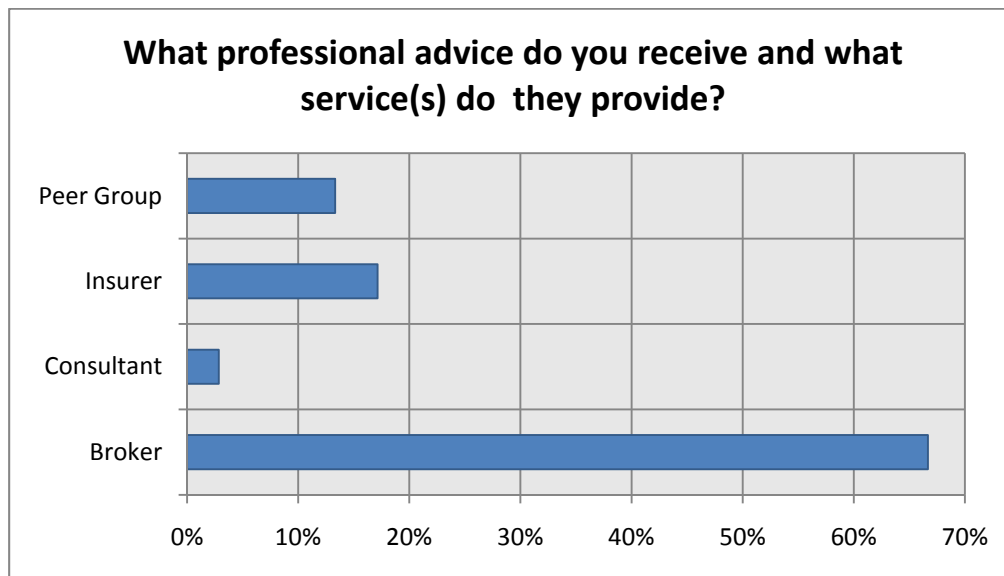
Nearly 60% say the risk manager leads decision making on the structure of their D&O programme. The CFO or the Finance Committee, however, ultimately validates the structure of the D&O insurance programme.

It is interesting to note some comments made by respondents. One said that “overall strategy is determined by a collective decision of the main board, but decisions on implementation are made by risk manager.” Another respondent said that the main responsibility for development and decision-making lies with the in-house legal function in conjunction with risk management function, subject to the approval of the CEO or the board.

Who leads decision making on the structure of your D&O program and whether to buy Side A / Sides A&B / Sides A&B&C etc?



In deciding on D&O matters, it is always recommended that companies select experts who are competent and experienced in giving professional advice. Nearly 70% of the respondents say they receive professional advice from brokers. One respondent mentioned that they arranged to have “a legal review of wording by independent broker/insurer.” This is fairly typical as organisations will frequently hire outside counsel to review wording



6. Conclusions

The 2009 and 2010 annual surveys of Airmic members discovered the trend that companies in the UK, particularly public companies and those traded in the US, are buying large amounts of insurance coverage as their corporate executives face mounting risks. The survey also shows that larger companies pay materially higher premiums than the smaller companies. Larger companies also buy higher limits. This demonstrates that as companies expand, so too does the demand for D&O insurance.

While the respondents' perception of their risk of being sued has not increased substantially, results of the poll show that about 30% of companies that responded to the survey bought £100 million or more D&O liability coverage. Clearly, the increasing number of issues and developments in the area of D&O liability is forcing UK companies to look at their risks with a keener eye.

The 2010 Airmic D&O Benchmark Survey is the report of the second comprehensive annual survey of risk managers to provide actionable benchmarking data, and to track trends in cost of risk. Airmic anticipates that continued strong support for the survey will result in a valuable, annually updated tool that will enable risk managers to make better-informed insurance buying decisions and to better manage their companies' cost of risk.

Airmic D&O Survey – ACE commentary

A different landscape

For executives within multi-national companies, the post credit-crisis landscape is an unfamiliar one. The introduction of a greater degree of legislation for corporations and the increasing threat of litigation to near-US levels means risk managers must reconsider their exposures and create a D&O insurance strategy accordingly.

The evolving and complex nature of the D&O environment often means risks are intangible and not easily quantified. Our property underwriter colleagues can easily recognise property damage whether it occurs in Brazil or London. Underwriting D&O risks, on the other hand, requires an intimate knowledge of the local conditions and nuances in every territory that its global clients operate.

Local expertise for global coverage

One of the most significant changes highlighted in the survey has been the addition of local policies in selected territories, supplementing the master policy. Multi-national master policies are still the preferred cover for the majority of Airmic members polled, but the results also show that 44% of multi-national organisations have now chosen to add local policies. This shift in clients' purchasing habits reflects a growing awareness that the laws and regulations of different territories may require a more tailored solution.

For example, some countries restrict the movement of monies in and out of the territory and, in some cases, permission must be sought from the national bank before monies can be paid into the country from outside. As a result, companies may need to purchase a local policy to pay claims in these territories. In others, such as Russia, policies from outside are not admitted by the insurance regulator. The penalties may be severe: in some countries, not only the risk manager, but their broker and insurer can face imprisonment if they are found to be breaking the law.

ACE's multi-national approach to D&O is still a relatively new concept. The increasing sophistication of the market and the challenges it presents mean that global expertise is a minimum requirement. Underwriters must be aware that what may be assumed to be an indemnifiable claim in the UK could actually be a non-indemnifiable claim elsewhere. Even within the EU, there is great variation. For example, the rules governing indemnification are different in the UK compared to the Netherlands. In the UK, the law specifies when a company may or may not indemnify its directors, while the equivalent Dutch law is silent.

This means that all claims could potentially be classified as non-indemnifiable, with the consequence of lowering deductibles across the board. Meanwhile, some countries do not have a D&O market at all. For example, Serbian law does not recognise "claims made", so

the basis upon which all D&O policies are written has no validity, a potentially massive stumbling block. It is possible to develop solutions, but it involves considerable time and effort on the part of underwriters and lawyers.

Know your limits

The multi-national approach also raises the question of whether limits on cover are aggregated across a portfolio, or whether they are simply increased. Some companies supplementing a master policy will usually choose to maintain the same overall limit, but distribute it where it is most needed. So, for example, a client that previously took out a £25m master policy may add local policies in 10 key territories worth £1m each, but retain the total limit at £25m. This offers comprehensive local protection, while keeping exposure at a comfortable level for insurers.

However, there are also potential pitfalls. If, for example, there is a claim on the master policy which wipes out the total limit, there would be no cover left for subsequent claims elsewhere. But the local insurance regulator (an example being in Russia) may refuse to recognise the concept of aggregation and insist that as the policy was issued in that country, the insurer must pay the claim.

There may also be upward pressure on limits internally, as directors and officers in local territories realise that their level of protection is much lower than under the master policy – in the example above, a maximum of £1m as opposed to £25m. This can result in a push to increase the limit on the local policy so it is equivalent to the original master policy.

The survey shows that Airmic members are at present keeping a tight rein on their subsidiaries when it comes to purchasing insurance, with the majority of local policies overseen by head office. ACE's own experience is that aggregated limits are still the most common choice – only 1 in 10 of our multi-national clients are currently choosing not to aggregate.

A question of capacity

Nevertheless, a move away from aggregation would raise significant concerns over capacity, even in current (January 2011) 'soft' market conditions. As an influx of capacity has caused premiums to drop sharply, companies have been able to buy greater amounts of coverage, and the demand for higher limits is not necessarily perceived to be a problem. Whilst there is a great deal of capacity in the market, there are still only a handful of players large enough to cope with the level of exposure that such high limits would entail, and with the global reach to write that portfolio of cover.

If buyers decided to go down the non-aggregated route, that could provide a significant challenge to the capacity of the market. Suddenly, out of more than 40 insurers, there would

be only a few that are able to take on that level of exposure. This would result in a situation with different insurers writing different parts of policies, with the risk of a lack of consistency – something we could become commonplace in the future.

Of course, no discussion of the D&O market would be complete without addressing capacity. D&O has become very attractive for insurers in recent years, and a significant number of firms have joined the market. A number of class actions by shareholders in the US have been dismissed, leading to a naive perception that there are few claims. But underwriters viewing the market through rose-tinted spectacles are in for an unpleasant surprise when it inevitably completes its cycle.

D&O claims tend to be catastrophic – when it's bad, it's very, very bad. Though the “claims made” nature of D&O means it is a short-tail business, claims themselves can take a long time to conclude, and settlements can be very large. Often, these are things easily overlooked – there are not often immediate large payouts because the claims are developing in the background, with legal costs being incurred before any settlement or damages are awarded. In the long term, it is possible that the settlements and damages being awarded will result in some of the new entrants and those setting premiums at unsustainable levels being caught out.

The right partner

Risk managers considering their D&O insurance strategy should select an insurer partner who pro-actively provides up-to-date advice based upon a thorough understanding of all the potential territories in which they operate, and ensure that this insurer partner also has the global reach to anticipate and deliver solutions to protect them.

About ACE

The ACE Group is one of the few truly global insurance and reinsurance organisations. Established in Bermuda in 1985 by a consortium of 34 Fortune 500 companies, ACE has built a distinguished history based on continuous growth and strategic acquisitions. This focus has helped make it one of the most innovative providers of insurance, reinsurance and financial products and services in today's global marketplace. With each acquisition and the addition of new product lines, ACE has successfully extended its reach, while providing a broad range of products and services that meet the unique needs of its local and multi-national clients. ACE has offices in 53 countries and the ability to serve the needs of clients in more than 170.

At ACE, our approach is to listen to our clients, to understand the range of global risk exposures they face and use our expertise and global network to design solutions. The insurance market is forever evolving and at ACE we actively seek out new anomalies and complexities which occur every day. We rely on our local knowledge and global network to identify and address exposures for our clients.

Our capabilities

Today we serve a variety of clients from around the world and are widely recognised for our underwriting expertise and superior claims handling. We pride ourselves on the quality and experience of our staff, who are specialists in their individual fields. Using this expertise, we focus on market segments where this specialist knowledge creates a natural alliance with clients and tailor our products and services to support the key business goals of those select segments.

Strength and stability

The ACE Group's consolidated gross premiums written in 2009 amounted to USD19.2 billion and assets in excess of USD77 billion. The Group's market capitalisation is currently circa USD18 billion. ACE's core operating insurance companies – including ACE European Group Limited – hold financial strength ratings of AA- (Very Strong) from Standard & Poor's and A+ (Superior) from A.M. Best.

We provide outstanding products and services within an environment of financial strength and stability and seek to establish long term relationships with both our clients and their brokers. For more information visit www.aceeurope.co.uk

About Advisen

Advisen is headquartered in New York and integrates business information and market data for the commercial insurance industry and maintains critical risk analytics and time-saving workflow tools for over 530 industry leading firms. Through its work for the broadest customer base among information service providers, Advisen delivers actionable information and risk models at a fraction of the cost to have them built internally. Designed and evolved by risk and insurance experts and used daily by more than 100,000 professionals, Advisen combines the deepest data sets in the industry with proprietary analytics and offers insight into risk and insurance that is not available on any other system. For more information, visit www.advisen.com or call +1.212.897.4800 (New York) or +44 (0)20 7929 5929 (London).

About Airmic Membership

Airmic has a membership of about 950 from about 450 companies . it represents the insurance buyers for about 75% of the FTSE 100, as well as very substantial representation in the mid 250 and other smaller companies. Airmic members control about £5 billion of annual insurance premium spend. A further £2billion of premium spend is allocated to captive insurance companies within member organisations. Additionally, members are responsible for the payment of insurance claims from their company finances to the value of at least £2 billion per year. In addition to insurance responsibilities, many Airmic members are responsible for broader risk management activities, including project, operational and enterprise risk management. Many members operate at very senior level within their organisations with direct input at Audit Committee and / or Executive Risk Management Committee, as well as making regular Board presentations. Further information on the benefits of Airmic membership can be found at: www.joinAirmic.com