

OUR OPERATING PRINCIPLES REGARDING INSURANCE FACILITIES / PORTFOLIO SOLUTIONS

Our mission at Marsh is simple. We exist to serve clients.

In an effort to advance the interests of our clients, we constantly search for innovative offerings and solutions.

Insurance coverages for our clients have traditionally been placed on an individual basis. As a result, a separate underwriting process typically occurs for each policy that is placed with insurers.

In recent years, there has been an increase in the market of placements made on a "portfolio" or "pooled" basis. These placements are commonly called "facilities" and can range from quota shares and line slips to contested panels and other forms of pre-arranged capacity.

The process of aggregating risks – within defined parameters – into a single "facility" offers the potential of enhanced terms and conditions for our clients.

Accordingly, to increase the options available to our clients, we have created a limited number of portfolio solutions or "facilities" for specified risks.

To mitigate the potential for conflicts of interest, Marsh has developed operating principles for facilities as follows:

1. CLIENT BENEFIT	Each facility should provide a demonstrable benefit to clients.
2. CARRIER SELECTION	There should be a sound basis, and process, for selecting insurers.
3. VOLUNTARY PARTICIPATION	Clients should be advised that participation is voluntary and have an opportunity to opt out.
4. MARSH COMPENSATION	Marsh's compensation should reflect the value provided by the facility.
5. DISCLOSURE	Clients should be advised in writing that Marsh receives income from insurers for services related to facilities.
6. ANNUAL REVIEW	Once established, facilities should be reviewed every twelve months to confirm these criteria remain valid.



Chartered

The information contained herein is based on sources we believe reliable and should be understood to be general risk management and insurance information only. The information is not intended to be taken as advice with respect to any individual situation and cannot be relied upon as such.

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