



# Guide to How we are Paid UK and Ireland

## About Marsh

A global leader in insurance broking and innovative risk management solutions, Marsh's 35,000 colleagues advise individual and commercial clients of all sizes in over 130 countries.

Marsh is a wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC), the leading global professional services firm in the areas of risk, strategy and people.

With annual revenue over US\$ 17 billion and nearly 76,000 colleagues worldwide, MMC helps clients navigate an increasingly dynamic and complex environment through four market-leading firms. In addition to Marsh, MMC is the parent company of Guy Carpenter, Mercer and Oliver Wyman.

## Our Commitment to Transparency and Disclosure

We pride ourselves on being an industry leader in transparency and disclosure and aim to treat our customers fairly at all times. We will not deliberately put ourselves in a position where our interests, or our duty to another, prevent us from meeting our obligations to clients. We have procedures and controls in place to identify and manage any potential conflicts, and so protect our clients' interests. We do not place our own financial interests ahead of our clients' interests when carrying out our role.

**To help our clients to make fully informed decisions we will tell them:**

- The roles we perform;
- Our interests in, and payment arrangements with, insurers; and
- The insurers we intend to or have approached prior to placing any insurance.

## Our Business Divisions

We offer a wide range of insurance, reinsurance and risk consulting services to clients. Below is a brief summary of our business divisions.

### Specialty

Specialty brings together the specialties of aviation, construction, real estate, surety (guaranteeing another party's obligations), energy, marine, FINPRO (financial and professional organisations), credit, PEMA (private equities mergers and acquisitions), and Bowring Marsh (property, casualty and terrorism insurance).

### Corporate

Corporate serves medium-sized and large companies across the UK and Ireland, as well as international clients' business in the region. It also includes our education practice (which provides risk and insurance solutions to schools, colleges and universities) and Marsh Private Clients, which supports the needs of consumers (individuals not using our services for business purposes).

### Client Advisory Services

Client Advisory Services includes our analytics, risk consulting, captive consulting and risk financing capabilities. It also houses our claims advisory, claims advocacy and claims consulting teams and our Insurer Consulting Group.

For more information about us, visit our website at [www.uk.marsh.com](http://www.uk.marsh.com).

## How we are Paid

We are paid in a variety of ways. Payments fall into the following categories.

### 1. Client Service Revenue

### 2. Insurer Revenue

### 3. Other

## 1. Client Service Revenue

### Client Fees and Commission (Sometimes Commission is Referred to as Brokerage)

These are the payments, agreed with our clients, for us arranging and placing insurance or reinsurance policies.

Commission is paid to us by an insurer. It is a percentage of the premium for the policy. The amount of commission depends on several factors, including the type of insurance and the insurer our client chooses to use.

Some clients negotiate a fee for our services instead of, or in addition to, the commission paid to us by insurers.

### Wholesale Broking

We receive wholesale broking payments when we are appointed by another (retail) broker who has a direct relationship with a client wanting insurance. The retail broker (which may be another Marsh office) instructs us to approach insurers on behalf of their client. The payment to us may be a fee or a commission.

### Consulting

We provide a range of consultancy services to clients and, normally we are paid in the form of a fee.

## 2. Insurer Revenue

Client Advisory Services includes our analytics, risk consulting, captive consulting and risk financing capabilities. It also houses our claims advisory, claims advocacy an

### Insurer Consulting

We receive separate payments from insurers for providing consulting, data analytics or other services. The services are designed to improve the offerings available to our clients, help insurers identify new opportunities, and enhance insurers' operational efficiency. The nature and scope of the services depends on the insurer and the location. There is a list of the insurers who pay us for consulting services on our website at: [www.uk.marsh.com/AboutUs/LeadingtheWayinTransparency.aspx](http://www.uk.marsh.com/AboutUs/LeadingtheWayinTransparency.aspx).

### Insurer Administration and Other Services

We have developed a number of panels, facilities, quota shares, line slips and other placement arrangements with insurers. These placement solutions deliver benefits to our clients which may include enhanced coverage, lower premiums, insurance market capacity or a combination of all of these. Each offering is periodically assessed in the light of ongoing developments in the insurance market.

We receive separate payments from insurers for the administration and management of these arrangements. A list of our quota-share and Placement Plus arrangements can be viewed on our website at: [www.uk.marsh.com/AboutUs/LeadingtheWayinTransparency.aspx](http://www.uk.marsh.com/AboutUs/LeadingtheWayinTransparency.aspx).

We may receive payments from insurers for work we have done on their behalf. This work may include committing an insurer to insuring a risk, producing policy documents and settling claims. We may also receive payments for risk-management or risk-engineering services, marketing, distribution and IT systems.

### Contingent Commission

In parts of our business, some insurers pay us 'contingent commissions' when we meet set goals. The amount of commission is based on business placed with the insurer over a year. This means that the amount of contingent commission for a policy will not be known at the time the policy is taken out. We never accept commission based only on the volume of business we give an insurer. We may take profit-related commission. If we do, we will tell you this.

## 3. Other

### Related-Party Transactions

We and our subsidiaries or affiliates own shares in and have contracts with certain insurers and wholesale brokers. You can get more information from our website at: [www.uk.marsh.com/AboutUs/LeadingtheWayinTransparency.aspx](http://www.uk.marsh.com/AboutUs/LeadingtheWayinTransparency.aspx).

We also own or have links with other insurance- related businesses that may provide services associated with a client's account.

### Intra-Group

The Marsh & McLennan ("MMC") group contains a number of other companies. Mercer is a premier human resource consulting firm that may provide health and benefits consulting and insurance placement expertise to Marsh clients. Guy Carpenter

& Company is a leading reinsurance broker, and it may place reinsurance for insurance companies that insure a client's risk through Marsh. Oliver Wyman is a global leader in management consulting that may provide actuarial or consulting services to Marsh clients.

### Other

In the process of handling clients' money we may earn interest on, or benefit from, investment income or exchange rates.

We receive payments from the companies that provide premium-finance facilities to allow our clients to pay their premiums in monthly instalments.

We may participate in insurance company promotional events or employee training and development provided by insurers.

## Any Questions Just Ask

We encourage you to ask questions about any aspect of your relationship with us. Please feel free to ask a member of your servicing team. If you want to raise any issues or have any concerns about how we are paid, email us at:

**[ourcompensation@marsh.com](mailto:ourcompensation@marsh.com)**



**Chartered**

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