

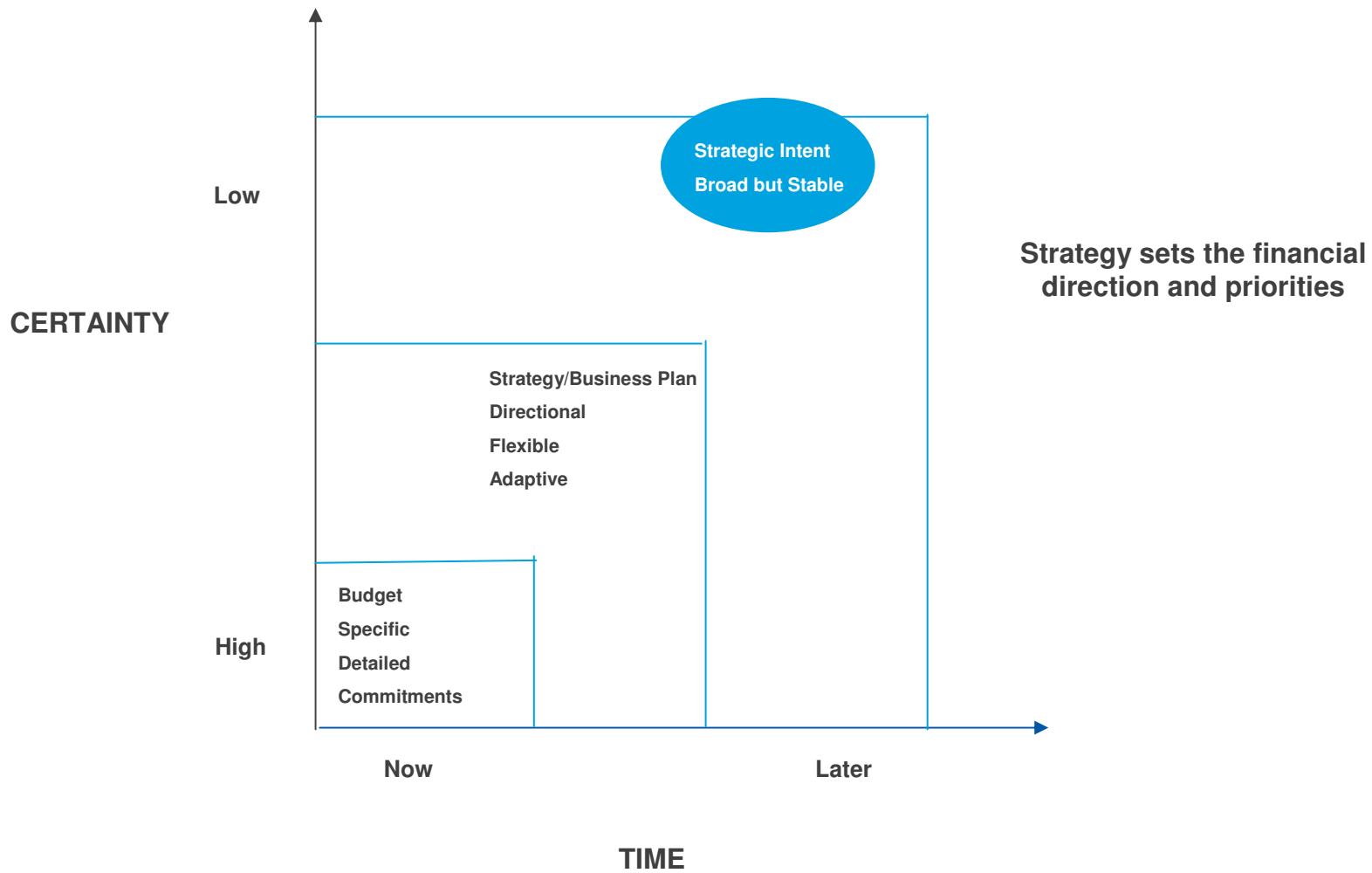
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Industry Strategic Goals and Objectives Brokers Perspective 2009 CIIA Conference September 22, 2009

Strategy's Importance to Finance



■ Brokerage Sales and Distribution of Insurance Products

- Brokers can earn various types of income
 - Commission
 - Retail Commission
 - Wholesale Commission
 - Fees
 - Brokerage
 - Consulting
 - Service Fees e.g. premium Finance
 - Market or Placement Driven
 - Contingent Payments
 - Enhanced Commissions

Brokerage

Strategy Levers – Growth in Revenues and EBITA

- Insurance Specialization
 - Lines of Insurance
 - Programs or Select Carriers
- Client Specialization
 - Size
 - Global
 - Commercial
 - Small Commercial
 - Consumer
 - Complexity of Risk
 - Risk Management Approach
 - Basic insurance needs
 - Enterprise Risk management
- Additional Services within value chain
 - Captives
 - Wholesale (non-admitted markets)
 - Premium Financing
 - Risk Consulting
 - Technology Platforms
- Expense Control and Operating Efficiency/Leverage
 - Producer Recruiting and Retention
 - Client Service and Retention
 - Operating model and design



Brokerage Strategy Considerations

- Commoditization of Traditional Insurance Products
 - Differentiation by sales and service
 - Standardized facilities/products i.e. can not broker to 10 markets
 - Low cost providers (e.g. technology)
- Fragmented Market Place
 - Carrier supported or owned brokers
- New, Complex Risk are emerging
 - Weather
 - Pandemic
- Insurance Market Conditions
 - Rates, competition
 - Insured values
 - Changes in regulation
- Talent Management and Retention