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In addition to our renowned rankings of insurance brokers, surplus lines insurers, benefits consultants and numerous other service providers, this year we have added many new charts and tables illustrating trends in all of the sectors covered by *Business Insurance*.

By drilling down and analyzing data collected by our research team, we are able to provide key insights into industry developments during the past several years and help readers anticipate future trends.

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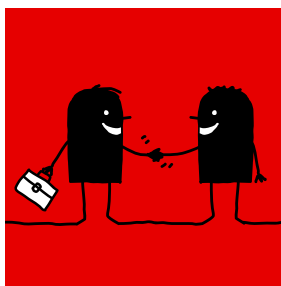
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# AGENTS & BROKERS

In 2009, brokerage revenue for the 10 largest bank-owned brokers declined 3.2% from 2008.

## LARGEST BANK-OWNED BROKERS\*

1	Wells Fargo Insurance Services Inc.	\$1,560,908,000
2	BB&T Insurance Services Inc.	\$1,081,485,400
3	Regions Insurance Group Inc.	\$102,275,000
4	BancorpSouth Insurance Services Inc.	\$83,797,442
5	Huntington Insurance Inc.	\$63,236,000
6	Eastern Insurance Group L.L.C.	\$58,944,299
7	Associated Financial Group L.L.C.	\$52,045,467
8	BBVA Compass Insurance Agency Inc.	\$47,363,163
9	First Niagara Risk Management Inc.	\$44,362,122
10	Old National Insurance	\$36,620,797

\*Companies that derive less than 50% of revenues from commercial retail brokerage or employee benefits are not ranked. Source: BI survey

## LARGEST EUROPEAN COMMERCIAL RETAIL BROKERS

Based on commercial brokerage revenues from European offices

1	Aon Corp.	\$1,939,000,000
2	Marsh & McLennan Cos. Inc. <sup>1</sup>	\$1,555,000,000
3	Willis Group Holdings P.L.C.	\$557,000,000
4	Gras Savoye & Cie.	\$430,730,850 <sup>2</sup>
5	Jardine Lloyd Thompson Group P.L.C.	\$297,402,390 <sup>3</sup>
6	Verspieren	\$263,790,944 <sup>2</sup>
7	Funk Gruppe GmbH	\$133,776,000 <sup>2</sup>
8	Siaci St. Honore	\$112,176,750 <sup>2</sup>
9	Lockton Cos. L.L.C.	\$111,728,000
10	GrECo International Holding A.G.	\$69,056,286 <sup>2</sup>

<sup>1</sup> Revenues do not include HSBC Insurance Brokers Ltd.; purchase completed April 2010. <sup>2</sup> Euro=\$1.3935; fiscal year ending Dec. 31. <sup>3</sup> British pound=\$1.5661; fiscal year ending Dec. 31. Source: BI survey

## Soft market restricts growth for brokers

The continuing soft insurance market meant ongoing headaches for brokers in 2010, and an uncertain economy further complicated matters.

As Willis Group Holdings P.L.C. Chairman and CEO Joe Plumeri discussed Willis' performance for the first half of the year—a performance with which he said he was pleased given the double whammy of soft rates and a poor economy—he also said “the environment, though, remains pretty tough.”

“In the U.S., we have not seen evidence of sustained recovery yet,” he said. “Economies in a number of other countries where we do business also remain under considerable pressure. And the rate environment is still...very soft and unlikely to change significantly through the remainder of 2010 in the absence of major loss activity.”

Although major insurance brokers reported some improvement in results during the third quarter, the environment remained challenging. An October report by Marsh Inc. found that directors and officers liability rates declined an average of 8.7%, general liability rates dropped an average of 6.7%, commercial property rates fell an average of 6.1%, workers compensation rates dropped an average of 5.3% and automobile liability rates barely budged, dropping an average of 0.1%.

An old issue—contingent commissions—re-emerged early in the year when, five years after being banned from accepting contingent commissions from insurers, the world's three largest brokers reached agreement with state authorities allowing them to resume collecting contingents.

As a result, Marsh, Aon Corp. and Willis no longer were limited in the types of compensation they can receive or held to the rigorous disclosure required in their 2005 settlements. In those settlements, the brokers agreed to give up contingents, change their business practices and pay more than \$1 billion in client restitution to settle allegations that they steered business to insurers that paid the highest contingent commissions.

Although all three brokers welcomed the move, saying it would level the playing field and reduce the administrative and financial burden of complying with the settlements, the three took varying stances on whether they would or would not accept contingents.

The Risk & Insurance Management Society Inc. said it was “dismayed” by the decision to lift the contingent commission ban. RIMS and some prominent industry figures have condemned contingent commissions as presenting an inherent conflict of interest for brokers.

While some brokers, such as Brown & Brown Inc., continued a tried-and-true growth strategy by acquiring other insurance agencies and brokerages, Aon executed the largest acquisition of the year by going outside the traditional brokerage realm. In July, Aon said it would acquire benefit consultant and human resources outsourcing giant Hewitt Associates Inc. in a transaction valued at \$4.9 billion. The deal was the biggest ever involving a benefit consultant, resulting in the combined entity Aon Hewitt Inc.

The brokerage world lost one of its most influential figures in September when Robert Clements, former president of Marsh & McLennan Cos. Inc. and founder of Integro Insurance Brokers Ltd., died three days short of his 78th birthday. Mr. Clements was credited with helping to establish the modern Bermuda insurance market.

—By Mark A. Hofmann

The world's 10 largest insurance brokers represented \$29 billion in brokerage revenues in 2009. The three largest brokers had \$21 billion of the \$29 billion total.

## WORLD'S 10 LARGEST INSURANCE BROKERS

Ranked by 2009 brokerage revenues

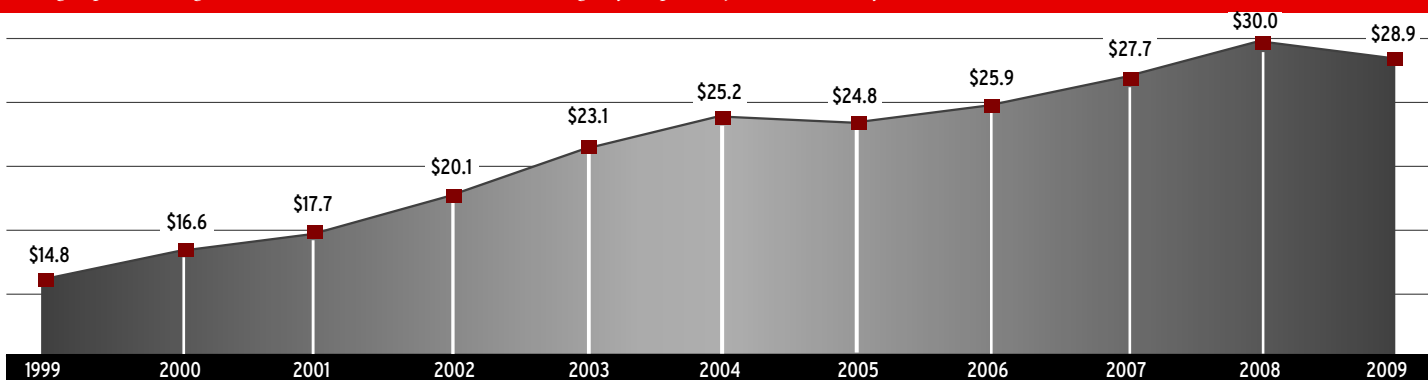
Rank	Company	2009 brokerage revenues
1	Marsh & McLennan Cos. Inc. <sup>1</sup>	\$10,507,000,000
2	Aon Corp.	\$7,410,000,000
3	Willis Group Holdings P.L.C.	\$3,210,000,000
4	Arthur J. Gallagher & Co.	\$1,711,683,000
5	Wells Fargo Insurance Services Inc.	\$1,560,908,000
6	BB&T Insurance Services Inc.	\$1,081,485,400
7	Brown & Brown Inc.	\$964,862,833
8	Jardine Lloyd Thompson Group P.L.C.	\$957,983,370 <sup>2</sup>
9	Lockton Cos. L.L.C.	\$765,885,000 <sup>3</sup>
10	Gras Savoye & Cie.	\$754,719,600 <sup>4</sup>

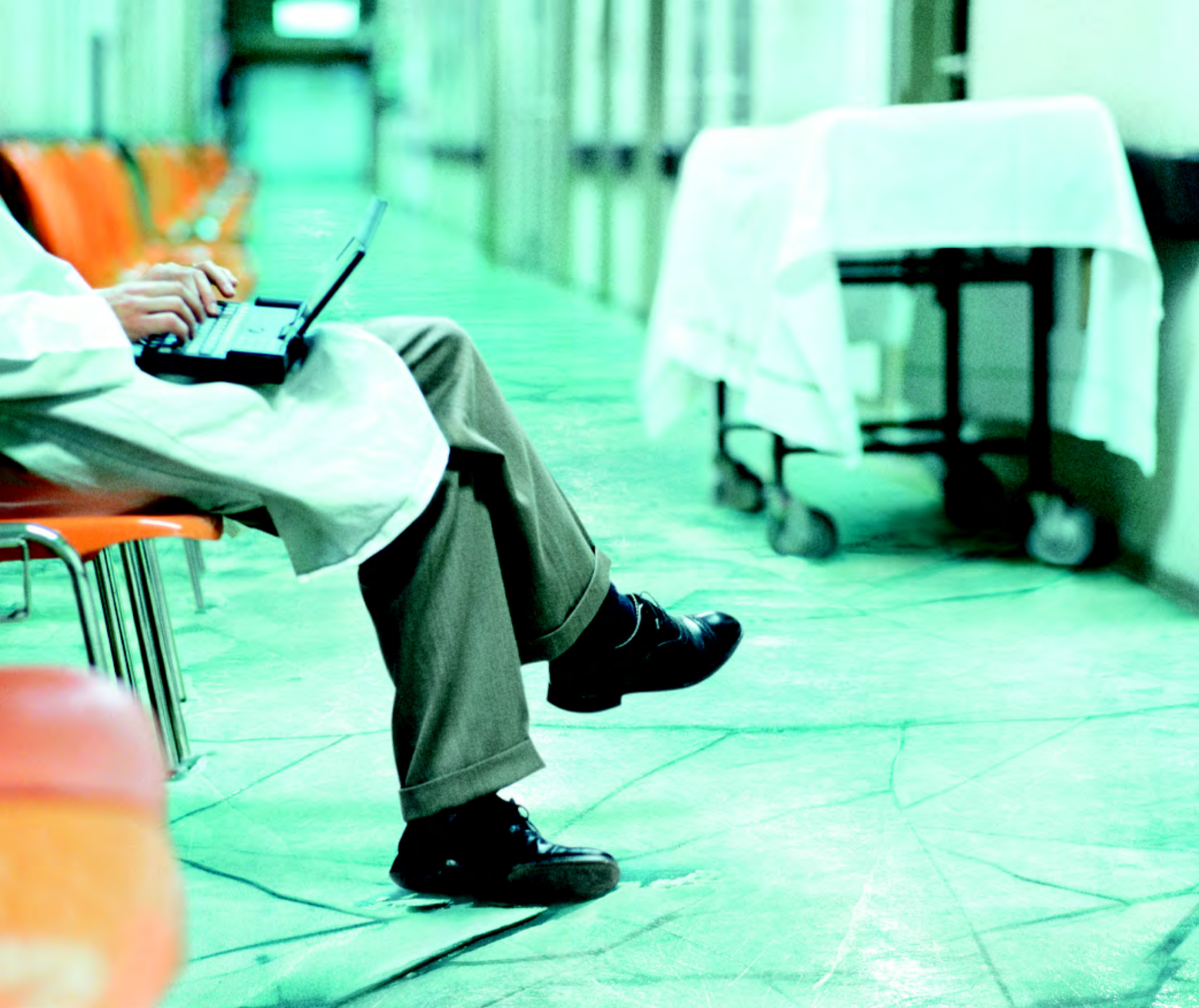
<sup>1</sup> Revenues do not include HSBC Insurance Brokers Ltd.; purchase completed April 2010. <sup>2</sup> British pound=\$1.5661 (2009); fiscal year ending Dec. 31. <sup>3</sup> Fiscal year ending April 30. <sup>4</sup> Euro=\$1.3935 (2009); fiscal year ending Dec. 31. Source: BI survey

Brokerage revenues of the world's 10 largest insurance brokers have increased 95.3% since 1999.

## A DECADE OF GROWTH

As a group, the 10 largest insurance brokers' revenues increased in eight of the past 10 years, in billions of dollars.



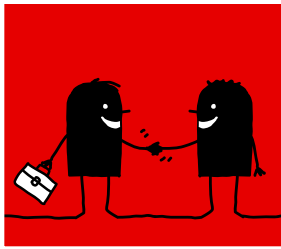


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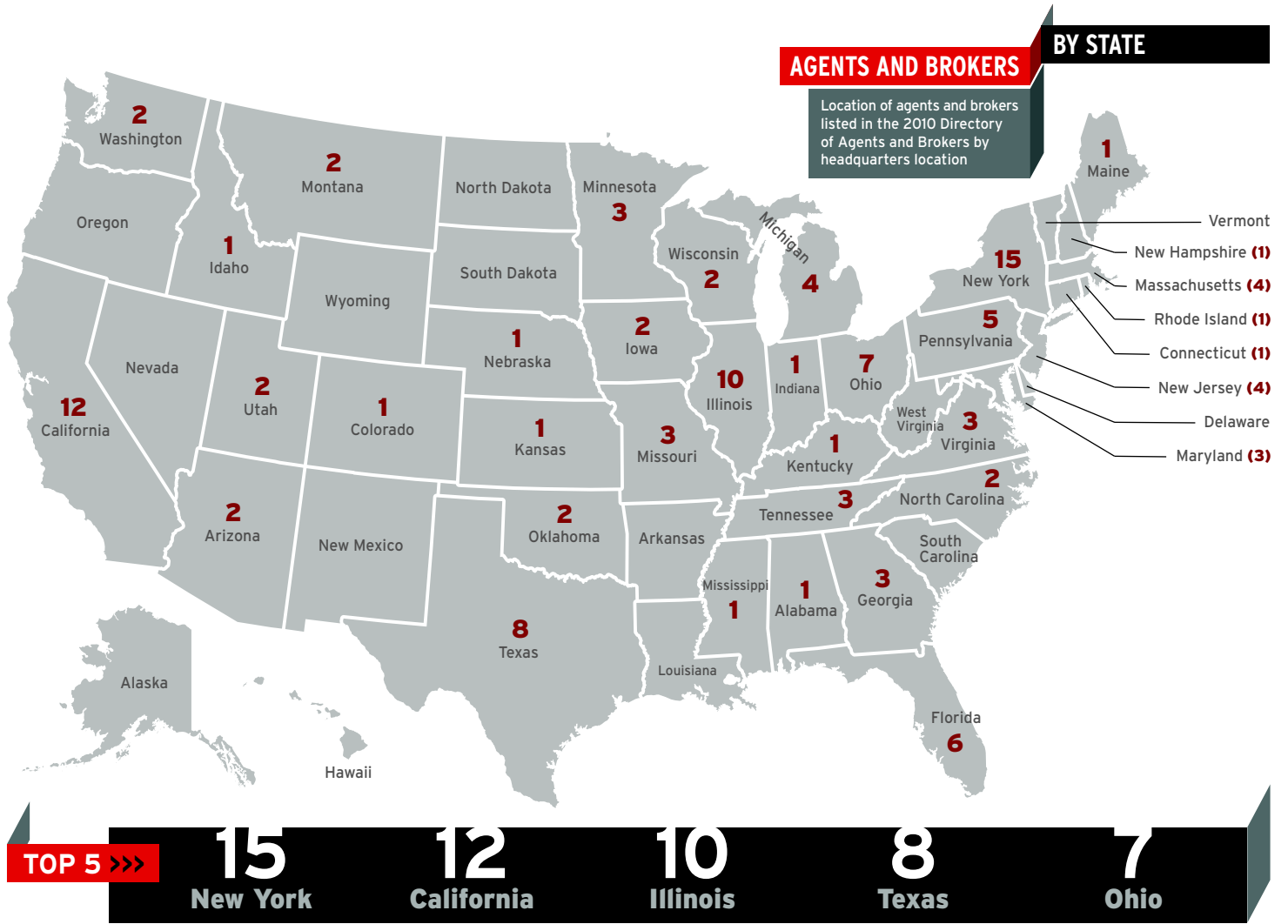
The 100 largest brokers of U.S. business comprised more than \$21 billion in revenues in 2009 from U.S. based clients. The 8.3% decline is just the second in 10 years.

### 100 LARGEST BROKERS OF U.S. BUSINESS

Ranked by 2009 brokerage revenues generated by U.S.-based clients\*

1	Marsh & McLennan Cos. Inc.	\$4,938,290,000
2	Aon Corp.	\$2,667,600,000
3	Willis Group Holdings P.L.C.	\$1,669,200,000
4	Wells Fargo Insurance Services Inc.	\$1,560,908,000
5	Arthur J. Gallagher & Co.	\$1,523,397,870
6	BB&T Insurance Services Inc.	\$1,081,485,400
7	Brown & Brown Inc.	\$961,968,245
8	USI Holdings Corp.	\$628,009,000
9	Lockton Cos. L.L.C.	\$528,460,650
10	Hub International Ltd.	\$514,936,020
11	Alliant Insurance Services Inc.	\$351,961,786
12	Leavitt Group	\$192,073,000
13	CBIZ Benefits & Insurance Services Inc.	\$154,100,000
14	Jardine Lloyd Thompson Group P.L.C.	\$134,117,672
15	Frank Crystal & Co. Inc.	\$129,320,000
16	Hays Group Inc., dba Hays Cos.	\$111,400,000
17	Bollinger Inc.	\$106,123,953
18	J. Smith Lanier & Co.	\$104,692,172
19	Regions Insurance Group Inc.	\$102,172,725
20	John L. Wortham & Son L.P.	\$96,607,844
21	Beecher Carlson Holdings Inc.	\$93,829,316
22	Holmes Murphy & Associates Inc.	\$91,730,069

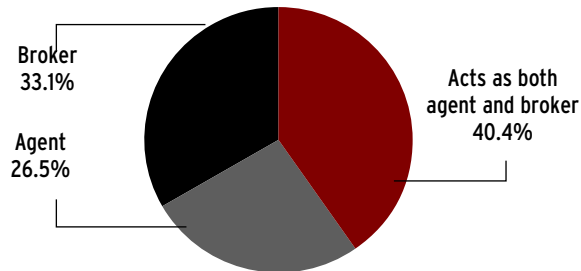
\*Companies that derive less than 50% of revenues from commercial retail brokerage or employee benefits are not ranked.



Source: BI survey

### AGENT OR BROKER

Business type of all companies listed in Business Insurance's directory



Source: BI survey

Revenues of agents and brokers listed in the directory of agents and brokers were lower in almost all sectors of business in 2009 compared with 2008.

### AGENTS AND BROKERS AT A GLANCE

Breakdown of 2009 revenues for all companies listed in the directory and percentage change from 2008.

Gross revenues	\$39,053,821,772	-3.46%
Brokerage revenues	\$37,699,315,863	-3.04
Commercial retail	\$19,698,252,171	-3.99
Wholesale	\$1,279,549,213	-7.41
Reinsurance	\$3,221,330,233	24.79
Personal lines	\$1,337,095,937	-6.40
Employee benefits	\$9,013,213,429	-2.84
Services	\$3,149,874,880	-14.75
Investments	\$447,583,662	-44.09
Other	\$906,922,247	17.48
Employees	195,086	-2.71
Retail offices	4,002	-1.21

Source: BI survey

### CEO COMPENSATION AT PUBLICLY TRADED BROKERAGES

Ranked by 2009 total compensation



1

Brian Duperreault, president and CEO  
Marsh & McLennan Cos. Inc.

SALARY: \$1,000,000  
TOTAL: \$13,500,000



2

Joseph J. Plumeri, chairman and CEO  
Willis Group Holdings P.L.C.

SALARY: \$1,000,000  
TOTAL: \$10,918,303



3

Gregory C. Case, president and CEO  
Aon Corp.

SALARY: \$1,500,000  
TOTAL: \$10,409,711



4

J. Powell Brown, president and CEO  
Brown & Brown Inc.

SALARY: \$499,789  
TOTAL: \$4,207,875



5

J. Patrick Gallagher Jr.,  
chairman, president and CEO  
Arthur J. Gallagher & Co.

SALARY: \$1,000,000  
TOTAL: \$3,828,177

448

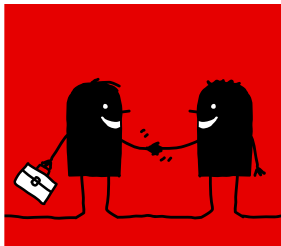
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In 2009, revenues from benefits for U.S. benefit specialist brokers totaled \$749 million. Revenues from only the top 10 U.S. benefit specialist brokers comprised 87% of the total.

### LARGEST U.S. BENEFIT SPECIALISTS

Brokers that derive 50% or more of 2009 gross revenues from benefits business\*

Company	Revenues from benefits	% of gross revenues
USI Holdings Corp.	\$320,321,000	50.95%
CBIZ Benefits & Insurance Services Inc.	\$97,000,000	56.07%
Trion Group Inc., dba Trion	\$70,300,000	100.00%
Associated Financial Group L.L.C.	\$31,776,250	60.94%
Fringe Benefits Management Co.	\$30,621,525	100.00%
Higginbotham & Associates	\$29,197,277	53.34%
SilverStone Group Inc.	\$19,779,000	63.20%
Loomis Co.	\$18,181,500	50.16%
T&H Benefits L.L.C.	\$17,617,769	95.50%
Benefit Controls Cos.	\$17,550,000	100.00%

\*Includes commissions and fees from brokering group benefits coverage, benefit consulting and health care administration.  
Source: BI survey

### 100 LARGEST BROKERS OF U.S. BUSINESS

Ranked by 2009 brokerage revenues generated by U.S. based clients\*

Continued from page 4

23	Mesirow Insurance Services Inc.	\$89,036,480
24	Hylant Group Inc.	\$86,028,510
25	BancorpSouth Insurance Services Inc.	\$83,797,442
26	Neace Lukens Holding Co.	\$83,571,922
27	IMA Financial Group Inc.	\$77,853,206
28	Insurance Office of America Inc.	\$77,591,871
29	Barney & Barney L.L.C.	\$70,723,620
30	Trion Group Inc., dba Trion	\$70,300,000
31	Heffernan Group	\$68,087,000
32	Conner Strong Cos. Inc.	\$66,879,120
33	T&H Group Inc.	\$63,930,253
34	Huntington Insurance Inc.	\$63,236,000
35	Ascension Insurance Inc.	\$59,023,000
36	Eastern Insurance Group L.L.C.	\$58,944,299
37	Woodruff-Sawyer & Co.	\$58,800,000
38	Cottingham & Butler Inc.	\$57,828,000
39	Integro USA Inc.	\$56,880,000
40	Capacity Group of Cos.	\$55,262,173
41	Higginbotham & Associates	\$54,691,729
42	Frenkel & Co. Inc.	\$53,643,495
43	Associated Financial Group L.L.C.	\$52,045,467
44	Western States Insurance	\$51,967,665
45	BBVA Compass Insurance Agency Inc.	\$47,363,163
46	Marshall & Sterling Enterprises Inc.	\$46,512,300
47	Horton Group Inc.	\$46,305,623
48	Edgewood Partners Insurance Center	\$45,777,000
49	Mahoney Group	\$44,129,635
50	First Niagara Risk Management Inc.	\$43,918,501
51	INSURICA Insurance Management Network	\$43,455,811

\*Companies that derive less than 50% of revenues from commercial retail brokerage or employee benefits are not ranked.

Continued on next page



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Ranked by 2009 brokerage revenues generated by U.S.-based clients\*

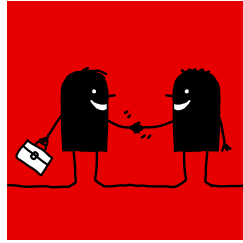
Continued from previous page

52	William Gallagher Associates Insurance Brokers Inc.	\$42,560,372
53	McQueary Henry Bowles Troy L.L.P.	\$42,260,000
54	Propel Insurance	\$41,724,000
55	InterWest Insurance Services Inc.	\$41,582,914
56	Riggs, Counselman, Michaels & Downes Inc.	\$41,198,771
57	Lawley Service Inc.	\$40,492,433
58	Assurance Agency Ltd.	\$39,827,000
59	Oswald Cos. & Affiliates	\$39,093,120
60	Rose & Kiernan Inc.	\$38,682,270
61	Andreini & Co.	\$38,000,000
62	Guaranty Insurance Services Inc.	\$37,281,548
63	Old National Insurance	\$36,620,797
64	Bowen, Miclette & Britt Inc.	\$36,541,769
65	Graham Co.	\$36,513,491
66	Kinloch Holdings Inc.	\$36,204,300
67	Van Gilder Insurance Corp.	\$36,090,991
68	Loomis Co.	\$34,937,000
69	Moreton & Co.	\$34,056,000
70	Parker, Smith & Feek Inc.	\$33,651,000
71	Frost Insurance Agency Inc.	\$33,610,469
72	Payne Financial Group Inc.	\$33,400,405
73	Sterling & Sterling Inc.	\$32,500,000
74	Starkweather & Shepley Insurance Brokerage Inc.	\$32,491,000
75	SullivanCurtisMonroe Insurance Services L.L.C.	\$32,305,000
76	Dawson Cos.	\$32,155,362
77	Scott Insurance	\$32,047,000
78	SilverStone Group Inc.	\$30,802,000
79	Fringe Benefits Management Co.	\$30,621,525
80	M3 Insurance Solutions Inc.	\$29,826,100

\*Companies that derive less than 50% of revenues from commercial retail brokerage or employee benefits are not ranked.

Continued on next page

In the 2010 Directory of Agents and Brokers, 83.1% of all companies that were listed were privately owned. The top 10 had nearly \$1.8 billion in brokerage revenue during 2009.



**LARGEST PRIVATELY OWNED BROKERS**

Privately owned brokerage firms that are not owned by banks or private equity firms. Ranked by brokerage revenue\*

Rank	Company	2009 brokerage revenues
1	Lockton Cos. L.L.C.	\$765,885,000 <sup>1</sup>
2	Leavitt Group	\$192,073,000
3	Frank Crystal & Co. Inc.	\$129,320,000
4	Hays Group Inc., dba Hays Cos.	\$111,400,000
5	Bollinger Inc.	\$106,123,953
6	J. Smith Lanier & Co.	\$104,692,172
7	John L. Wortham & Son L.P.	\$97,583,681
8	Beecher Carlson Holdings Inc.	\$95,744,200
9	Holmes Murphy & Associates Inc.	\$91,730,069
10	Hylant Group Inc.	\$86,028,510

\*Companies that derive less than 50% of revenues from commercial retail brokerage or employee benefits are not ranked.  
<sup>1</sup> Fiscal year ending April 30.  
 Source: BI survey

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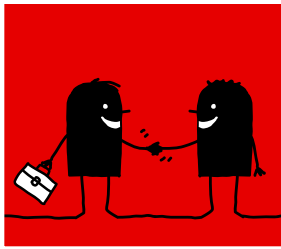
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### 100 LARGEST BROKERS OF U.S. BUSINESS

Ranked by 2009 brokerage revenues generated by U.S.-based clients\*

Continued from previous page

81	Roger Bouchard Insurance Inc.	\$29,351,224
82	Risk Strategies Co.	\$28,424,600
83	Lovitt & Touche Inc.	\$26,880,122
84	Cobbs, Allen & Hall Inc.	\$26,796,446
85	Robertson Ryan & Associates Inc.	\$26,397,987
86	Haylor, Freyer & Coon Inc.	\$25,993,838
87	PSA Financial Center & Affiliates	\$25,080,778
88	Seitlin	\$24,438,455
89	RJF Agencies Inc.	\$24,061,000
90	R.C. Knox & Co. Inc.	\$23,594,000
91	Precept Group	\$22,600,000
92	Daniel & Henry Co.	\$22,379,000
93	Bankers Insurance L.L.C.	\$22,159,119
94	Momentous Insurance Brokerage Inc.	\$22,000,000
95	Brower Insurance Agency L.L.C.	\$21,661,000
96	Schiff, Kreidler-Shell Inc.	\$20,298,000
97	Bolton & Co. Insurance Brokers	\$20,207,507
98	Sitzmann Morris & Lavis Inc.	\$19,111,000
99	Cook, Hall & Hyde Inc.	\$18,736,000
100	AH&T Insurance	\$18,531,277

\*Companies that derive less than 50% of revenues from commercial retail brokerage or employee benefits are not ranked. 1 Revenues do not include HSBC Insurance Brokers Ltd.; purchase completed April 2010. 2 Fiscal year ending April 30. 3 British pound=\$1.5561 (2009); fiscal year ending Dec. 31. 4 Fiscal year ending March 31. 5 Formerly Tannenbaum-Harber Co. Holdings Inc. 6 Formerly Fred A. Morton & Co. 7 Fiscal year ending Aug. 31. Fiscal year ending Feb. 28. Source: BI survey

The average revenue per employee for the top 20 most productive agents and brokers was \$271,582 in 2009, a slight increase from 2008.

### MOST PRODUCTIVE AGENTS AND BROKERS

Intermediaries\* ranked by 2009 brokerage revenues per employee

1	Mid American Group Inc. <sup>1</sup>	\$349,870	11	BKCW L.P., dba Bigham Kliewer Chapman & Watts Insurance	\$255,314
2	T&H Benefits L.L.C.	\$318,084	12	Bollinger Inc.	\$253,279
3	Alliant Insurance Services Inc.	\$311,507	13	Conner Strong Cos. Inc.	\$249,066
4	Frank Crystal & Co. Inc.	\$304,282	14	Kinloch Holdings Inc.	\$243,800
5	Western Benefit Solutions L.L.C.	\$299,500	15	Risk Strategies Co.	\$234,914
6	Benefit Controls Cos.	\$297,458	16	Associated Financial Group L.L.C.	\$234,439
7	DataRisk L.L.C.	\$296,667	17	Frenkel & Co. Inc.	\$231,605
8	T&H Group Inc.	\$293,527	18	R.C. Knox & Co. Inc.	\$229,068
9	Capacity Group of Cos.	\$289,331	19	Woodruff-Sawyer & Co.	\$227,907
10	Mesirow Insurance Services Inc. <sup>2</sup>	\$282,655	20	William Gallagher Associates Insurance Brokers Inc.	\$227,352

\*Reflects U.S. agents and brokers deriving a majority of revenues from commercial retail brokerage or employee benefits. 1 Fiscal year ending Jan. 31. 2 Fiscal year ending March 31. Source: BI survey

Retail brokerage revenue from U.S. offices for the top 20 agents and brokers represented nearly \$9.5 billion in revenue in 2009, a decrease of 0.7% from 2008.

### LEADING U.S. RETAIL BROKERS

Ranked by 2009 retail brokerage revenues from U.S. offices and percentage change from 2008.\*

1	Marsh & McLennan Cos. Inc.	\$2,078,000,000	-3.53%	11	Alliant Insurance Services Inc.	\$224,968,600	3.29%
2	Aon Corp.	\$1,697,000,000	6.06%	12	Leavitt Group	\$113,401,000	-0.12%
3	Willis Group Holdings P.L.C.	\$1,112,000,000	-2.46%	13	Frank Crystal & Co. Inc.	\$98,780,000	1.24%
4	Wells Fargo Insurance Services Inc.	\$1,053,105,000	-13.28%	14	John L. Wortham & Son L.P.	\$77,094,902	-4.95%
5	Arthur J. Gallagher & Co.	\$648,185,000	10.86%	15	Regions Insurance Group Inc.	\$72,824,000	-8.69%
6	BB&T Insurance Services Inc.	\$553,888,200	3.79%	16	Beecher Carlson Holdings Inc.	\$70,419,700	5.31%
7	Brown & Brown Inc.	\$548,107,313	-0.90%	17	J. Smith Lanier & Co.	\$65,286,264	-2.38%
8	Lockton Cos. L.L.C. <sup>1</sup>	\$386,436,000	1.55%	18	Integro USA Inc.	\$63,200,000	10.49%
9	Hub International Ltd.	\$304,726,000	-4.64%	19	Hylant Group Inc.	\$62,364,411	-4.87%
10	USI Holdings Corp.	\$252,883,000	-2.52%	20	Hays Group Inc., dba Hays Cos.	\$61,600,000	10.39%

\*Companies that derive less than 50% of revenues from commercial retail brokerage or employee benefits are not ranked. Excludes revenue from the placement of employee benefits. 1 Fiscal year ending April 30. Source: BI survey

The 10 largest insurance wholesalers had \$12.73 billion in 2009 wholesale premium volume, a 2.63% increase from 2008.

### LARGEST INSURANCE WHOLESALERS

Companies that derive more than 50% of their premium volume from wholesale brokerage property/casualty placements\*

Rank	Company	2009 Premium volume
1	AmWINS Group Inc. <sup>1</sup>	\$3,720,202,294
2	CRC Insurance Services Inc.	\$2,927,759,007
3	Swett & Crawford Group Inc. <sup>2</sup>	\$2,287,000,000
4	Crump Group Inc.	\$1,344,173,000
5	All Risks Ltd.	\$655,000,000
6	ARC Excess & Surplus L.L.C.	\$505,000,000
7	Westrope	\$366,515,200
8	U.S. Risk Insurance Group Inc.	\$325,000,000
9	Partners Specialty Group L.L.C.	\$317,000,000
10	Gresham & Associates Inc.	\$279,509,173

\*Excludes brokerages that do not break out wholesale premium volume. 1 AmWINS Group Inc. and Colemont Insurance Brokers merged in April 2010. 2 2009 revenues are pro forma including Cooper Gay Risk Services Inc. and Swett & Crawford Group Inc., which merged in July 2010. Source: BI survey

The 10 largest MGA/underwriting managers had \$4.35 billion in 2009 wholesale premium volume, a 3.27% decrease from 2008.

### LARGEST MGAs/UNDERWRITING MANAGERS

Ranked by 2009 wholesale premium volume from property/casualty placements\*

Rank	Company	2009 Premium volume
1	Risk Placement Services Inc.	\$1,480,000,000
2	Schinnerer Group	\$750,000,000
3	Burns & Wilcox Ltd.	\$645,000,000
4	Markel Midwest Inc.	\$305,034,666
5	Program Brokerage Corp.	\$228,422,746
6	K&K Insurance Group Inc.	\$228,294,909
7	Eastern America Insurance Agency Inc.	\$195,066,966
8	WKF&C Agency Inc.	\$182,500,000
9	Sullivan Group-Wholesale Operations	\$177,520,000
10	W. Brown & Associates Insurance Services	\$162,000,000

\*Companies that derive more than 50% of their wholesale premium volume from acting as a managing general agent, underwriting manager or Lloyd's of London coverholder, which has authority to bind risks for Lloyd's syndicates similar to an MGA. Source: BI survey



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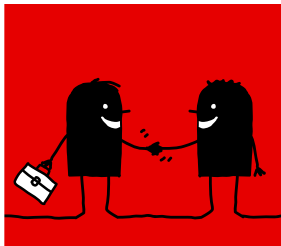


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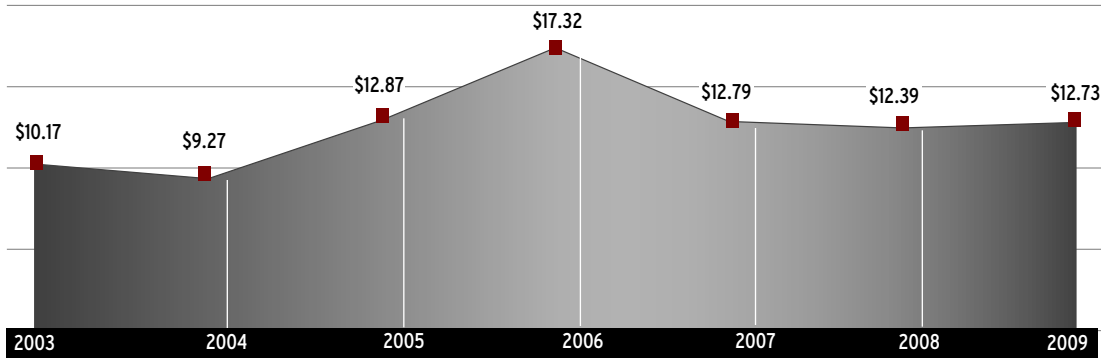
*the Difference  
is*



Revenues for the world's 10 largest wholesale insurance brokers has fluctuated from 2003 through 2009, averaging \$12.51 billion a year for the period.

### WHOLESALE BROKERS PREMIUM GROWTH

Written premiums by the top 10 wholesale brokers, in billions of dollars.

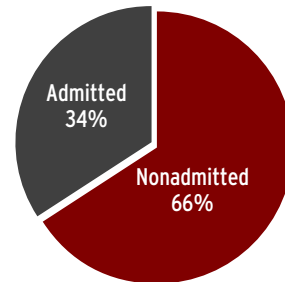


Source: BI survey

Among all wholesale brokers during 2009, the percentage of nonadmitted business was roughly double the group's admitted business.

#### ADMITTED VS. NONADMITTED

Business by all wholesale brokers



Source: BI survey

The 10 largest wholesale brokers had \$18.1 billion in premiums during 2009, a 3.48% increase from the previous year.

#### LARGEST WHOLESALE BROKERS

Ranked by 2009 wholesale premium volume including employee benefits and property/casualty

- 1 Crump Group Inc. \$5,367,016,578
- 2 AmWINS Group Inc.<sup>1</sup> \$5,021,989,431
- 3 CRC Insurance Services Inc. \$2,927,759,007
- 4 Swett & Crawford Group Inc.<sup>2</sup> \$2,287,000,000
- 5 All Risks Ltd. \$655,000,000
- 6 ARC Excess & Surplus L.L.C. \$505,000,000
- 7 Westrope \$366,515,200
- 8 U.S. Risk Insurance Group Inc. \$325,000,000
- 9 Partners Specialty Group L.L.C. \$317,000,000
- 10 Gresham & Associates Inc. \$279,509,173

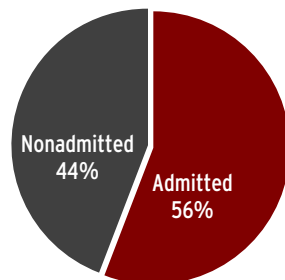
<sup>1</sup> AmWINS Group Inc. and Colemont Insurance Brokers merged in April 2010. <sup>2</sup> 2009 revenues are pro forma including Cooper Gay Risk Services Inc. and Swett & Crawford Group Inc., which merged in July 2010.

Source: BI survey

Among all MGAs/underwriting managers, the percentage of admitted business is slightly higher than nonadmitted business.

#### ADMITTED VS. NONADMITTED

Business by all MGAs/underwriting managers



Source: BI survey



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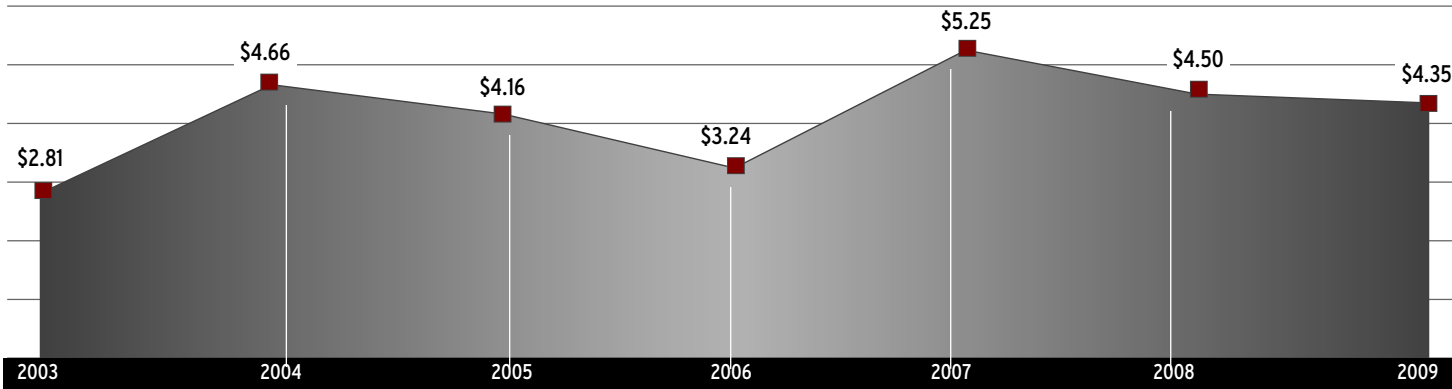
Property & Casualty ■ Life ■ Retirement Services



From 2003 through 2009, revenues for the 10 largest MGAs/underwriting managers have fluctuated, averaging \$4.14 billion a year for the period.

**MGAs/UNDERWRITING MANAGERS PREMIUM GROWTH**

Written premiums by the top 10 MGAs/underwriting managers, in billions of dollars



Source: BI Survey



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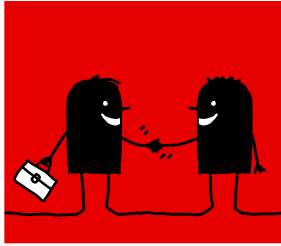
Among the largest brokers of U.S. business that disclosed supplemental pay from insurers, the percentage they received in 2009 ranged from zero to 16%.

**SUPPLEMENTAL PAY FROM UNDERWRITERS**

Percentage of income from compensation arrangements with insurers for the 100 largest brokers of U.S. business

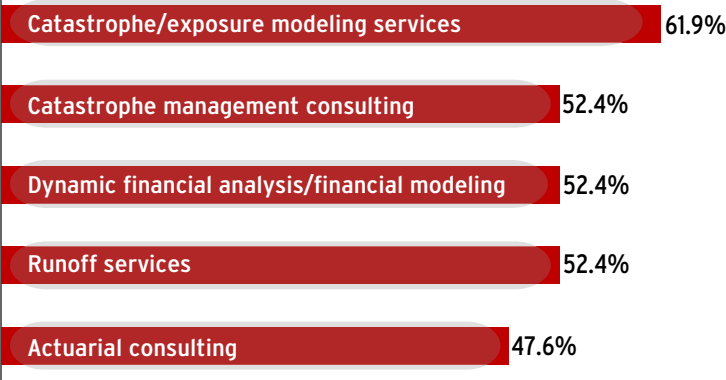
Rank	Company	%	Rank	Company	%	Rank	Company	%	Rank	Company	%
1	Marsh & McLennan Cos. Inc.	N/A	27	IMA Financial Group Inc.	12.0%	52	William Gallagher Associates Insurance Brokers Inc.	N/A	77	Scott Insurance <sup>2</sup>	6.9%
2	Aon Corp.	0.0%	28	Insurance Office of America Inc.	5.0%	53	McQueary Henry Bowles Troy L.L.P.	8.8%	78	SilverStone Group Inc.	N/A
3	Willis Group Holdings P.L.C. <sup>1</sup>	1.0%	29	Barney & Barney L.L.C.	N/A	54	Propel Insurance	N/A	79	Fringe Benefits Management Co.	N/A
4	Wells Fargo Insurance Services Inc.	4.0%	30	Trion Group Inc., dba Trion	N/A	55	InterWest Insurance Services Inc.	8.5%	80	M3 Insurance Solutions Inc.	16.0%
5	Arthur J. Gallagher & Co.	3.5%	31	Heffernan Group	N/A	56	Riggs, Counselman, Michaels & Downes Inc.	7.0%	81	Roger Bouchard Insurance Inc.	11.0%
6	BB&T Insurance Services Inc.	N/A	32	Conner Strong Cos. Inc.	N/A	57	Lawley Service Inc.	12.2%	82	Risk Strategies Co.	4.5%
7	Brown & Brown Inc.	6.6%	33	T&H Group Inc.	7.4%	58	Assurance Agency Ltd.	5.0%	83	Lovitt & Touche Inc.	N/A
8	USI Holdings Corp.	6.0%	34	Huntington Insurance Inc.	11.9%	59	Oswald Cos. & Affiliates	5.0%	84	Cobbs, Allen & Hall Inc.	3.5%
9	Lockton Cos. L.L.C.	2.5%	35	Ascension Insurance Inc.	4.0%	60	Rose & Kiernan Inc.	8.0%	85	Robertson Ryan & Associates Inc.	N/A
10	Hub International Ltd.	9.0%	36	Eastern Insurance Group L.L.C.	15.0%	61	Andreini & Co.	N/A	86	Haylor, Freyer & Coon Inc.	9.0%
11	Alliant Insurance Services Inc.	N/A	37	Woodruff-Sawyer & Co.	4.0%	62	Guaranty Insurance Services Inc.	9.0%	87	PSA Financial Center & Affiliates	9.0%
12	Leavitt Group	N/A	38	Cottingham & Butler Inc.	3.8%	63	Old National Insurance	7.5%	88	Seitlin	4.5%
13	CBIZ Benefits & Insurance Services Inc.	N/A	39	Integro USA Inc.	0.0%	64	Bowen, Miclette & Britt Inc.	8.8%	89	RJF Agencies Inc.	N/A
14	Jardine Lloyd Thompson Group P.L.C.	1.1%	40	Capacity Group of Cos.	3.0%	65	Graham Co.	4.0%	90	R.C. Knox & Co. Inc.	14.5%
15	Frank Crystal & Co. Inc.	N/A	41	Higginbotham & Associates	4.0%	66	Kinloch Holdings Inc.	N/A	91	Precept Group	3.0%
16	Hays Group Inc., dba Hays Cos.	3.6%	42	Frenkel & Co. Inc.	5.8%	67	Van Gilder Insurance Corp.	6.5%	92	Daniel & Henry Co.	10.7%
17	Bollinger Inc.	N/A	43	Associated Financial Group L.L.C.	7.6%	68	Loomis Co.	N/A	93	Bankers Insurance L.L.C.	13.0%
18	J. Smith Lanier & Co.	N/A	44	Western States Insurance	10.1%	69	Moreton & Co.	N/A	94	Momentous Insurance Brokerage Inc.	5.0%
19	Regions Insurance Group Inc.	3.1%	45	BBVA Compass Insurance Agency Inc.	9.0%	70	Parker, Smith & Feek Inc.	10.0%	95	Brower Insurance Agency L.L.C.	5.0%
20	John L. Wortham & Son L.P.	N/A	46	Marshall & Sterling Enterprises Inc.	8.6%	71	Frost Insurance Agency Inc.	13.0%	96	Schiff, Kreidler-Shell Inc.	11.0%
21	Beecher Carlson Holdings Inc.	2.0%	47	Horton Group Inc.	5.0%	72	Payne Financial Group Inc.	N/A	97	Bolton & Co. Insurance Brokers	6.0%
22	Holmes Murphy & Associates Inc.	N/A	48	Edgewood Partners Insurance Center	5.0%	73	Sterling & Sterling Inc.	4.0%	98	Sitzmann Morris & Lavis Inc.	3.0%
23	Mesirow Insurance Services Inc.	N/A	49	Mahoney Group	11.0%	74	Starkweather & Shepley Insurance Brokerage Inc.	14.0%	99	Cook, Hall & Hyde Inc.	N/A
24	Hylant Group Inc.	N/A	50	First Niagara Risk Management Inc.	9.0%	75	SullivanCurtisMonroe Insurance Services L.L.C.	N/A	100	AH&T Insurance	7.0%
25	BancorpSouth Insurance Services Inc.	7.2%	51	INSURICA Insurance Management Network	4.7%	76	Dawson Cos.	9.0%			

<sup>1</sup> Prior to its merger with Willis, Hilb Rogal & Hobbs. Co. accepted contingent compensation on certain of its clients accounts; these contingents will be phased out over three years and no contingents will be accepted on any new retail brokerage clients or business generated after the Oct. 1, 2008 acquisition. <sup>2</sup> For appropriate groupings of clients. N/A=Not available.  
Source: BI survey



### SERVICES PROVIDED BY REINSURANCE BROKERS

Based on percentage of companies offering services other than reinsurance brokering.

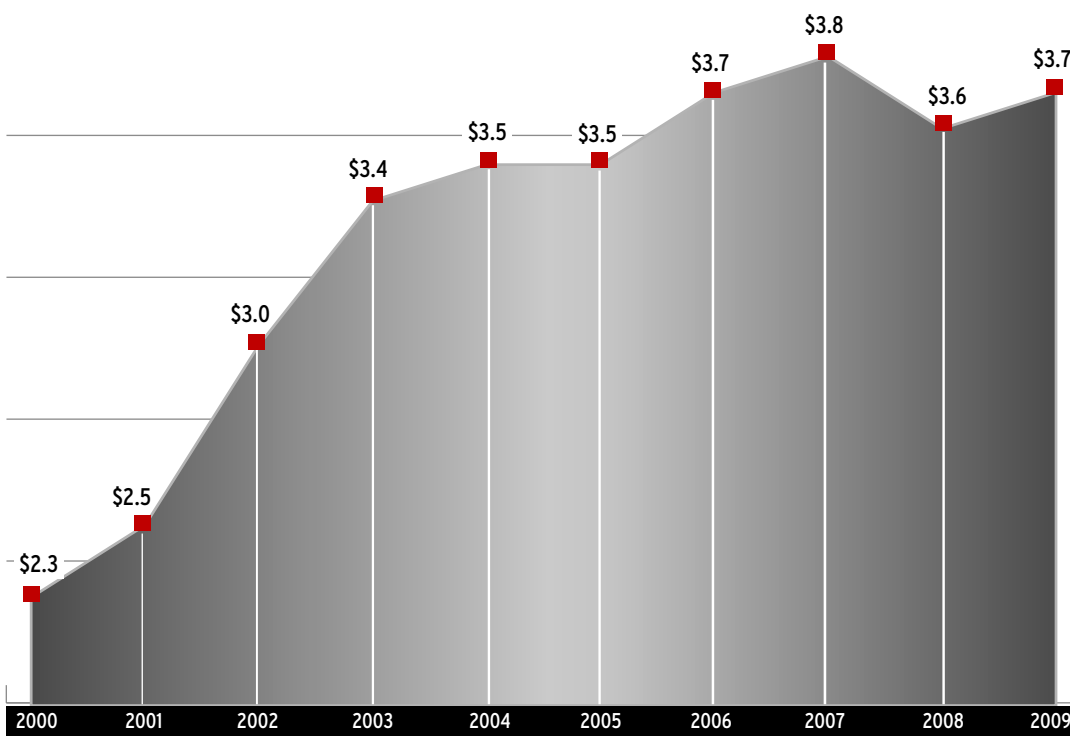


Source: BI survey

The top 10 reinsurance brokers have increased their reinsurance brokerage revenue by 60.9% since 2000.

### REINSURANCE BROKERAGE GROWTH

For eight of the past 10 years, the world's 10 largest insurance brokers experienced increased revenue, in billions of dollars.



Aon Benfield and Guy Carpenter & Co. L.L.C. have remained the top two reinsurance brokers in the past decade.

### WORLD'S LARGEST REINSURANCE BROKERS

Ranked by 2009 gross revenues from reinsurance brokerage and related services\*

Rank	Company	2009 reinsurance gross revenues
1	Aon Benfield	\$1,485,000,000
2	Guy Carpenter & Co. L.L.C. <sup>1</sup>	\$911,000,000
3	Willis Re	\$614,000,000
4	Towers Watson & Co.	\$166,427,000
5	Cooper Gay Swett & Crawford Ltd.	\$157,393,050
6	Jardine Lloyd Thompson Group P.L.C.	\$146,586,960 <sup>2</sup>
7	BMS Group	\$73,487,676 <sup>2</sup>
8	UIB Holdings Ltd.	\$44,320,630 <sup>2</sup>
9	Axiom Re Inc.	\$31,346,112
10	Lockton Cos. International Ltd.	\$31,037,000 <sup>3</sup>

\*Includes all reinsurance revenue reported through holding and/or subsidiary companies.

<sup>1</sup> Includes aviation reinsurance business placed by Marsh Inc. <sup>2</sup> British pound=\$1.5661. <sup>3</sup> Fiscal year ending April 30.

Source: BI survey

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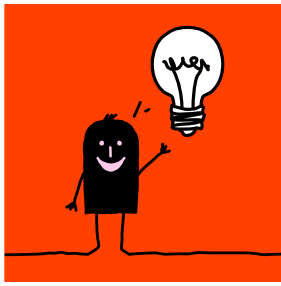
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# ALTERNATIVE RISK FINANCING

## Soft market doesn't slow captive trend

In 2010, captive managers in Bermuda ranked as the largest individual captive management companies.

### LARGEST MANAGER BY CAPTIVE DOMICILE

Ranked by captives managed at year-end 2009

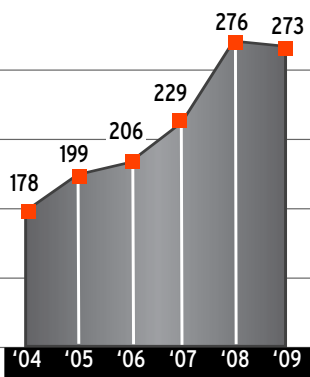
1	Marsh-Captive Solutions (Bermuda)	473
2	Aon Insurance Managers (Bermuda) Ltd.	252
3	Aon Insurance Managers (Guernsey) Ltd.	214
4	Aon Insurance Managers (Vermont) Inc.	200
5	Marsh-Captive Solutions (Vermont)	196

Source: BI survey

The number of active protected cell companies licensed by captive managers worldwide has increased by 53.4% since 2004.

### PROTECTED CELL COMPANIES

Active protected cell companies



Source: BI survey

### LARGEST PROTECTED CELL MANAGERS

Ranked by cell companies managed

1	Marsh-Captive Solutions	47
2	Aon Global Insurance Managers	44
3	HSBC Insurance Management	27
4	Willis Management	22
5	USA Risk Group	19
6	Alternative Risk Management	16

Source: BI survey

The trend of recent years continued in the captive insurance market in 2010, with captive formations continuing at a decent pace despite an ongoing soft traditional insurance market.

Another trend that appears to be continuing, however, is the shuttering of many dormant or redundant captives.

A look at 2009's captive numbers saw 345 new captives forming around the world, though approximately 300 gave up their licenses during the same period. In many cases, captives that closed were the result of mergers and acquisitions that left parent companies with multiple captives.

In other cases, the closings reflected parent companies looking to reclaim capital in difficult financial times by deciding to shut down captives that no longer were used or had outlived their original purpose.

Discussions with captive regulators suggest that more captive closures are likely to be reflected in 2010's captive numbers.

For many owners, capital considerations are prompting them to look for new ways to use their captives, putting the capital they have committed to the alternative risk financing vehicles to maximum benefit.

One area in which that trend manifested itself in 2010 was in captive parents continuing to seek Department of Labor approvals of plans to use captives to fund employee benefit programs.

The total number of captives worldwide climbed to 5,390 at the end of 2009 from 5,211 a year earlier, though 2009 also was the first year since 2000 with a net loss in the total number of risk retention groups, with 18 RRGs ceasing operations and eight new groups forming.

This year, RRGs continued to be the focus of occasional disputes over regulatory authority in nondomiciliary states and, in some cases, their ability to write business in states in which they aren't licensed. This year, several members of Congress asked the Government Accountability Office to examine whether nondomiciliary states are attempting to regulate RRGs directly or indirectly through mechanisms such as filing requirements, fees and waiting periods.

The number of cell captive insurers and individual cells experienced declines in many domiciles this year, largely as a result of the financial crisis and a soft traditional insurance market. Still, new cell companies continued to form this year, with sponsors touting formation of facilities as a way to offer clients the benefits of captive insurance with lower capital commitments and operating costs.

And the Internal Revenue Service took a step toward making cell business easier still in September, proposing tax regulations for cell captives under which individual cells would be treated as individual corporations to determine premium deductibility and for IRS testing to establish whether a cell's business qualifies as insurance.

Regulation on an international scale remains a topic of great interest among captive owners, managers and regulators. In November, Guernsey joined Bermuda and Malta as signatories to the International Assn. of Insurance Supervisors Multilateral Memorandum of Understanding, a framework for cooperation intended to improve the effectiveness of cross-border insurance and reinsurance supervision.

—By Rodd Zolkos

Business Insurance's top 10 captive managers were the managers of 71.9% of all worldwide captives in 2009.

### CAPTIVES MANAGERS

Ranked by captives managed worldwide in 2009

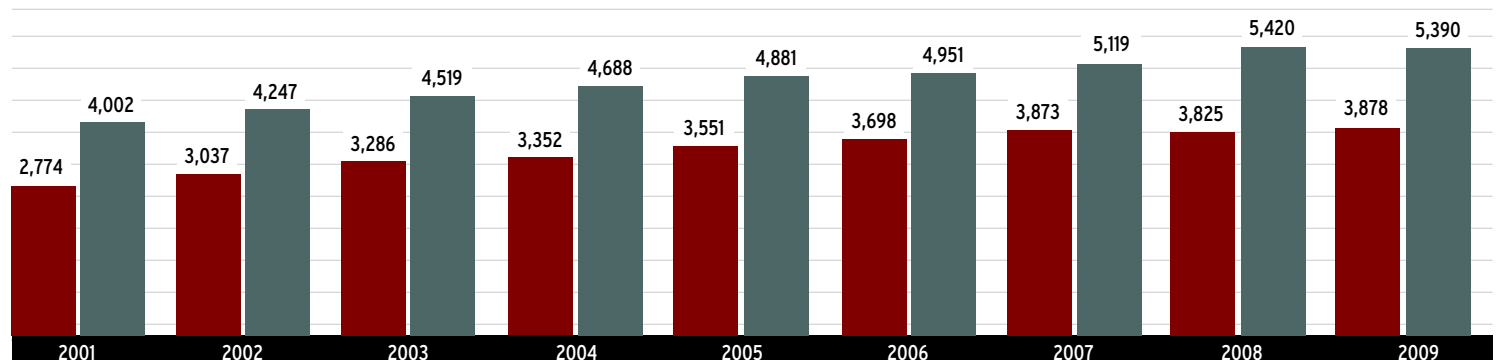
Rank	Company	Captives managed
1	Marsh-Captive Solutions	1,272
2	Aon Global Insurance Managers	1,253
3	Willis Management	310
4	USA Risk Group	237
5	HSBC Insurance Management	211
6	Alta Holdings L.L.C.	139
7	Active Captive Management	124
8	Strategic Risk Solutions Inc.	116
9	Tribeca Strategic Advisors L.L.C.	110
10	AMS Group	106

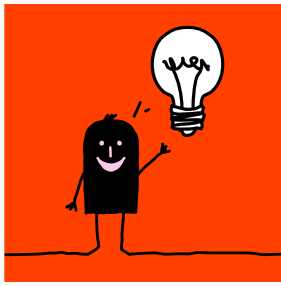
Source: BI survey

Since 2001, the top 10 captive managers have managed nearly 70% of the total worldwide captives

### MANAGING CAPTIVES

Captives managed by the top 10 managers compared with captives managed by all managers since 2001





**COUNTING CAPTIVES**

World's largest captive domiciles ranked by number of licensed captives

Domicile	2009
Bermuda	885
Cayman Islands	780
Vermont	560
Guernsey	355
British Virgin Islands	285
Luxembourg	251
Barbados	225
Anguilla	209
Turks & Caicos Islands	203 <sup>1</sup>
Hawaii	162
South Carolina	161
Utah	148
Isle of Man	145
Nevada	126
District of Columbia	116
Dublin	114
Kentucky	105
Arizona	99
Singapore	63
Delaware	49
Montana	47
New York	47
Switzerland	42
Labuan	32
New Zealand	22
British Columbia	18
Georgia	18
Gibraltar	17 <sup>2</sup>
Bahamas	15
Netherlands Antilles	14
Mauritius	12 <sup>3</sup>
Vanuatu	10
Malta	9
Colorado	6
Missouri	6
Alabama	5
Panama	5
Puerto Rico	5
Tennessee	4
Jersey	3
U.S. Virgin Islands	3
Hong Kong	2
Michigan	2
Arkansas	1
Illinois	1
Kansas	1
Oklahoma	1
South Dakota	1

<sup>1</sup> Excludes credit life insurers. <sup>2</sup> Pure captives only. <sup>3</sup> BI estimate. Source: BI survey

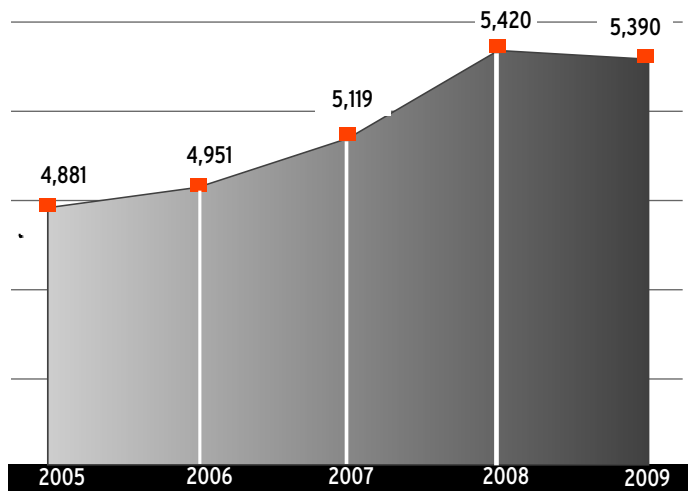
Since the Labor Department approved rules regarding the funding of captives for employee benefits in 1999, the number of employers that have received approval to fund benefits has continued to grow.

**THE DRIVE TO FUND EMPLOYEE BENEFIT RISKS THROUGH CAPTIVES**

Employer	Benefits funded	Captive domicile	Year of approval
Columbia Energy Group <sup>1</sup>	LTD, Life	Vermont branch of Bermuda captive	2000, 2007
Archer Daniels Midland Co.	Life	Vermont	2003
International Paper Co.	Life	Vermont	2003
Alcon Laboratories Inc.	Life, LTD	Vermont	2004
SCA Corp.	AD&D, Life, LTD	U.S. Virgin Islands branch of Ireland captive	2004
Alcoa Inc.	Life	Vermont	2005
Sun Microsystems Inc.	Life	Vermont branch of Bermuda captive	2005
AstraZeneca	AD&D, Life, LTD	Vermont	2006
H.J. Heinz Co.	Life, LTD	Vermont	2006, 2008
AGL Resources Inc.	AD&D, Life, LTD	Hawaii branch of British Virgin Islands captive	2006
Wells Fargo & Co.	Life, LTD	Vermont	2006
Cephalon Inc.	Life, AD&D, LTD	Vermont branch of Bermuda captive	2008
YKK Corp. of America	AD&D, Life, LTD	Vermont	2008, 2009
ConAgra Foods Inc.	Life, AD&D	Arizona	2008
United Technologies Corp.	Life, AD&D, LTD	Vermont	2008
DHL Express <sup>2</sup>	LTD	Vermont branch of Bermuda captive	2008
Memorial Sloan-Kettering Cancer Center	Life, LTD	Vermont	2008
Dow Corning Corp.	Life, LTD	District of Columbia	2009
Banner Health	Life	U.S. Virgin Islands branch of Cayman Islands captive	2009
Microsoft Corp.	LTD	Vermont branch of Bermuda captive	2009
Coca-Cola Co.	Retiree health <sup>3</sup>	South Carolina	2010

<sup>1</sup> Later acquired by NiSource Inc. <sup>2</sup> And other U.S. affiliates of Deutsche Post A.G. <sup>3</sup> Tentative authorization. Source: BI survey

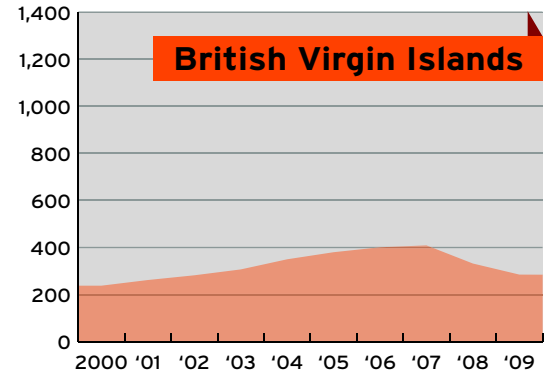
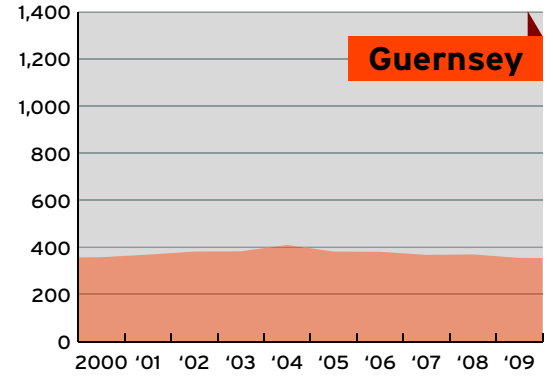
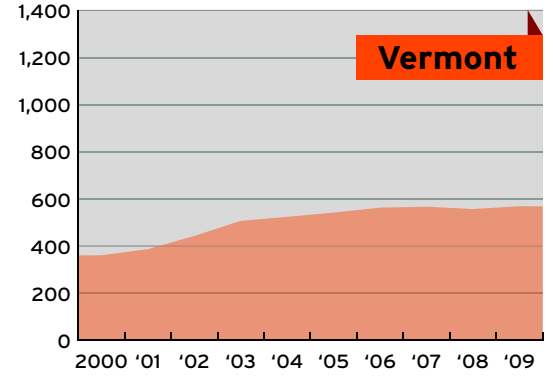
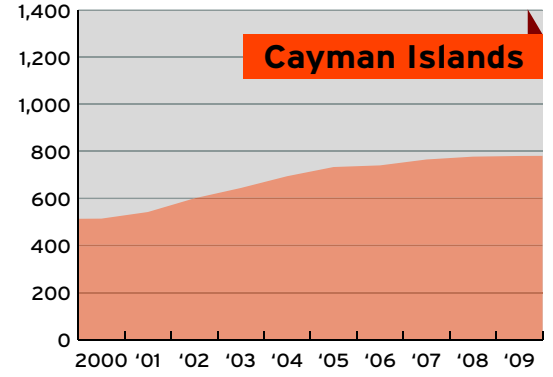
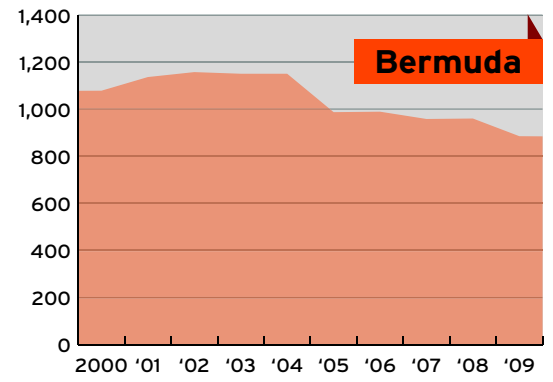
**TOTAL CAPTIVES WORLDWIDE**



Source: BI survey

**CAPTIVE GROWTH OF THE FIVE LARGEST DOMICILES SINCE 2000**

The Cayman Islands and Vermont have shown the largest growth of the five largest domiciles, while Bermuda has shown the biggest decline since 2000.

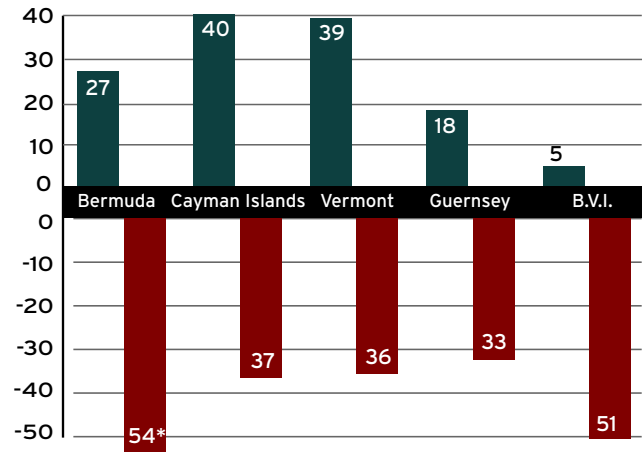


Source: BI survey

Of the five largest captive domiciles, only the Cayman Islands and Vermont have increased the number of licensed captives in 2009.

### OPENED AND CLOSED

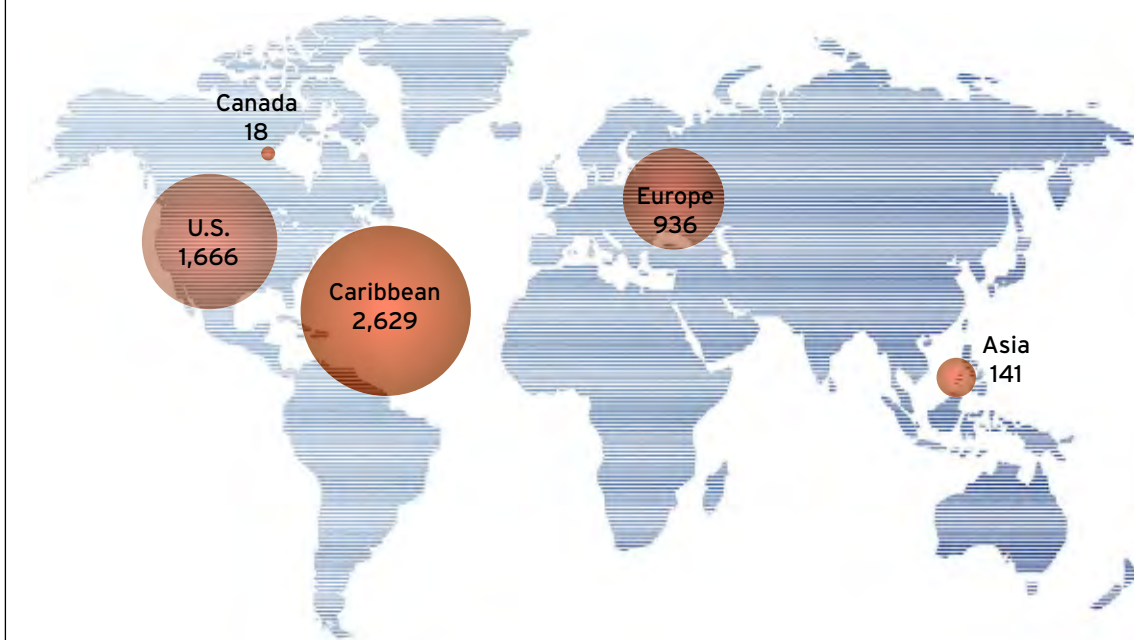
Captive formations at the world's largest captive domiciles.



\*Estimated  
Source: BI survey

### REGIONAL DISTRIBUTION OF CAPTIVES

Ranked by number of licensed captives\* in the region

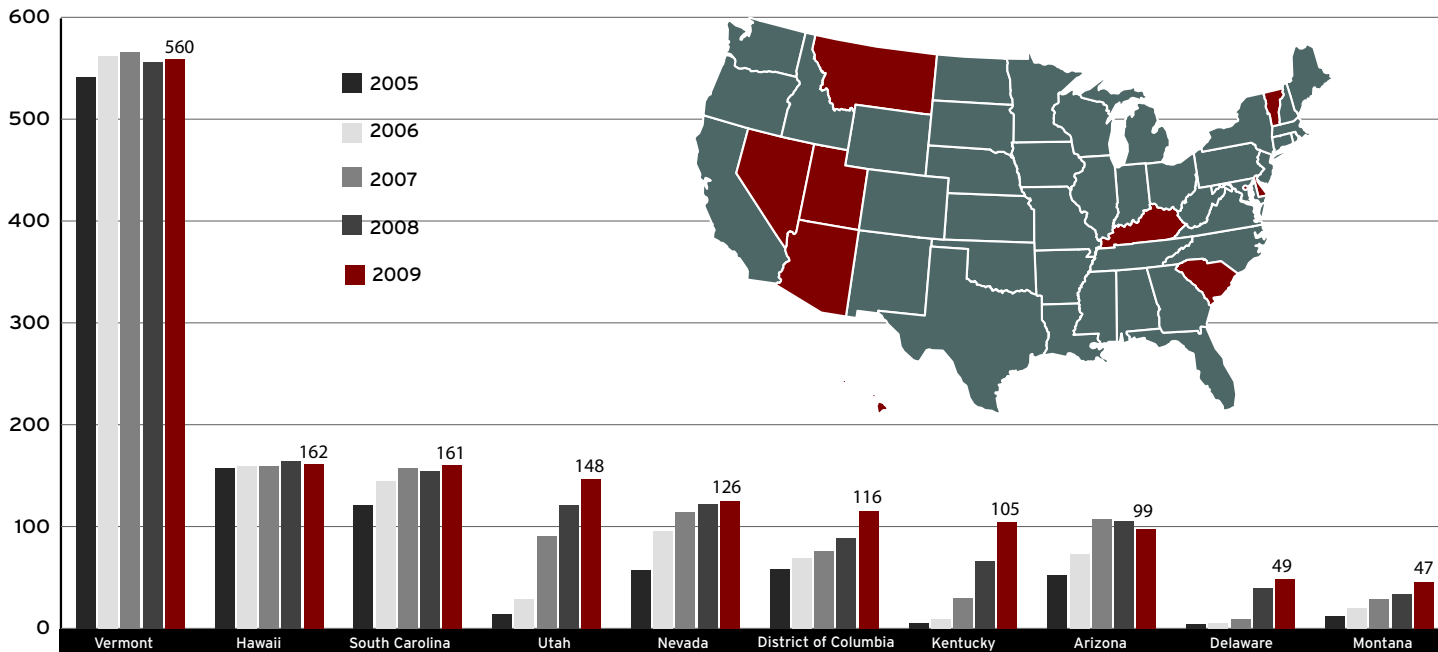


\*Includes only captives formed under specific captive legislation.  
Source: BI survey

Vermont and Hawaii have led in the number of U.S.-domiciled captives for the past six years. Kentucky, Nevada and Utah have shown the largest growth.

### GROWTH AT THE LARGEST U.S. CAPTIVE DOMICILES

Ranked by number of captives in 2009



Source: BI survey

Bermuda is the home domicile of nine of the top 10 rent-a-captive facilities in BI's 2010 Directory of Rent-a-Captive facilities.

### LARGEST RENT-A-CAPTIVE FACILITIES

Ranked by 2009 gross premiums written

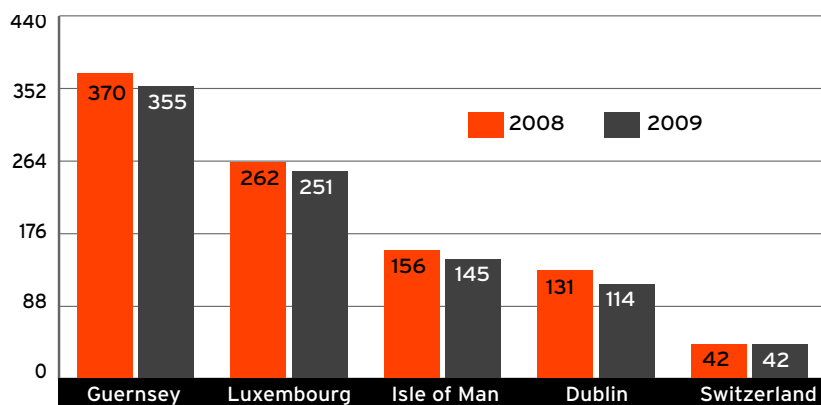
- Guardrisk Group of Cos., South Africa  
\$461,647,713
- Universal Re-Insurance Co. Ltd., Bermuda  
\$100,000,000
- Universal International Insurance Ltd., Bermuda  
\$96,000,000
- Alternative Re Ltd., Bermuda  
\$49,050,000
- R&Q Quest (SAC) Ltd., Bermuda<sup>1</sup>  
\$31,445,000
- Lansdowne Insurance Co. Ltd., Bermuda  
\$29,176,000
- SEG Insurance Ltd., Bermuda  
\$20,805,589
- Stuart Insurance Group Ltd., Bermuda  
\$20,104,928
- Wyndham Insurance Co. (SAC) Ltd., Bermuda  
\$14,388,000
- Arlington Insurance Co. Ltd., Bermuda  
\$12,623,790

<sup>1</sup> Formerly Quest (SAC) Ltd.  
Source: BI survey

Most of the European domiciles have shown a decrease in number of captives in the past year

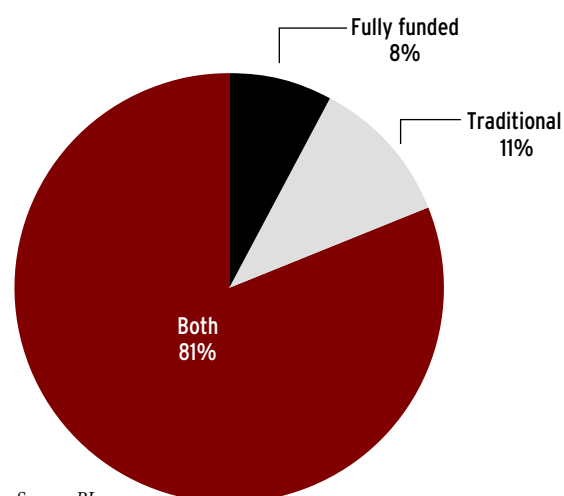
### LARGEST EUROPEAN CAPTIVE DOMICILES

Ranked by number of captives in 2009



Source: BI survey

### TYPE OF RENT-A-CAPTIVE PROGRAMS



Source: BI survey



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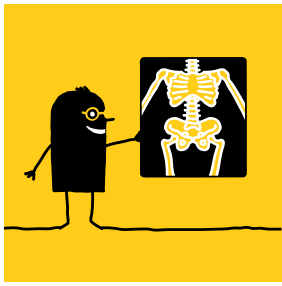
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Insurance Wholesalers  
Reinsurance Brokers  
And 20+ more!

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# BENEFIT SERVICES

## Health care reform law alters nation's landscape

**B**enefit managers were forced to start dealing with the biggest legislative initiative ever affecting health care plans: enactment of federal health care reform legislation.

After months of debate, Congress in March passed the more than 2,000-page Patient Protection and Affordable Care Act, a law whose impact would be difficult to overstate.

Among other requirements, the law mandates that employers pay a \$2,000 per employee penalty if they don't offer qualified coverage to full-time employees, while individuals will be fined if they don't enroll in a qualified plan. Legal challenges of the mandates were pending at year-end.

For the uninsured, though, the law could be a boon: It establishes new federal subsidies that the lower- and middle-income uninsured will be able to use to purchase health insurance policies through state insurance exchanges that will be set up. In all, as many as 32 million uninsured individuals will gain coverage eventually, according to congressional estimates.

While many of the law's provisions, such as the employer and individual mandates, won't go into effect until 2014, benefit managers had to prepare this year for other requirements that begin Jan. 1, 2011.

For example, nearly all employers had to expand their plans to abide by a new requirement beginning next year in which group coverage has to be extended to employees' adult children up to age 26. Many also had to knock out their plans' lifetime dollar limits on health care expenses and some had to bump up their annual dollar limits, as required by the law.

At the same time, benefit managers had to weed through hundreds of pages of health care reform-related rules issued by regulators. The rules include how to deal with issues such as when health plans qualify for "grandfathered" status, external claims review procedures, and temporary federal subsidies of health care claims incurred by early retirees and their dependents.

In addition, there was plenty of longer-term health care reform law-related planning this year. For example, employers began to evaluate how to bring down the cost of their plans to avoid a new excise tax that will be imposed on plans whose costs exceed limits set by the reform law, starting in 2018.

While hugely important, health care reform was not the only legislation that benefit managers had to stay on top of in 2010. Lawmakers also passed two extensions of a 2009 law that provided a 15-month, 65% federal COBRA premium subsidy for employees who lose their jobs. The last extension continued the subsidy to employees who lost their jobs through May 31.

Lawmakers also approved a measure that slightly eases the tough pension plan funding rules laid down by a 2006 law and another one that gives 401(k) plan participants the opportunity to roll over part of their account balances into Roth 401(k) plans and pay taxes due on the transferred amount over two years.

As always, benefit managers faced a perennial problem: how to slow down rising health care costs. Consultant Mercer L.L.C. reported in November that group health care plan costs increase an average of 6.9% in 2010, the biggest increase percentage gain since 2004.

—By Jerry Geisel

Mergers and acquisitions have had a major impact on the employee benefit consulting industry since 2008.

### WORLD'S LARGEST EMPLOYEE BENEFIT CONSULTANTS

Ranked by worldwide benefit consulting revenues\*

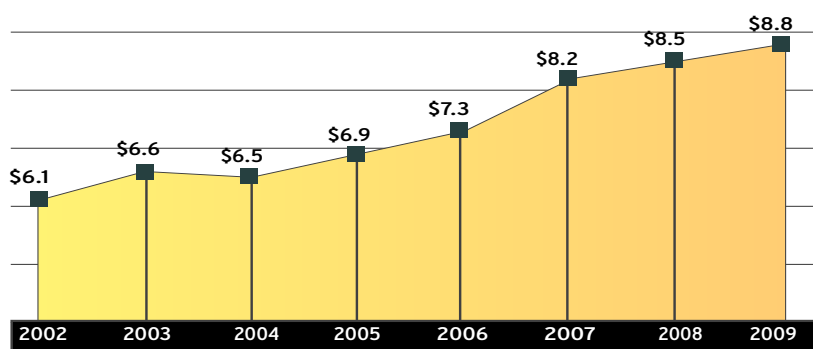
Rank	Company	2009 benefit consulting revenues
1	Towers Watson & Co.	\$2,150,000,000 <sup>1,2</sup>
2	Mercer L.L.C.	\$1,697,511,000
3	Hewitt Associates Inc. <sup>3</sup>	\$1,011,781,000 <sup>4</sup>
4	Aon Consulting <sup>3</sup>	\$958,665,000
5	Deloitte Consulting L.L.P.	\$946,162,623 <sup>5</sup>
6	PricewaterhouseCoopers Human Resource Services	\$900,000,000
7	Buck Consultants L.L.C.	\$413,000,000 <sup>2</sup>
8	Gallagher Benefit Services Inc.	\$291,229,853
9	Alexander Forbes Ltd.	\$272,923,048 <sup>6,7</sup>
10	Ernst & Young L.L.P.-Performance Reward & Human Capital	\$190,043,763

\*Excludes revenues from claims administration, compensation consulting, insurance commissions and other nonbenefit services, including brokering and placement of benefits. 1 Towers Perrin, Forster & Crosby Inc. and Watson Wyatt Worldwide merged in January 2010. 2009 revenue is pro forma to reflect the merger. 2 Fiscal year ending June 30. 3 Hewitt Associates Inc. and Aon Consulting merged to form Aon Hewitt Inc. in October 2010. 4 Fiscal year ending Sept. 30. 5 BI estimate. 6 Fiscal year ending March 31. 7 South African rand=€0.1264. Source: BI survey

Revenues for the top 10 benefit consultants have increased 23.6% since 2002.

### EMPLOYEE BENEFIT CONSULTANTS

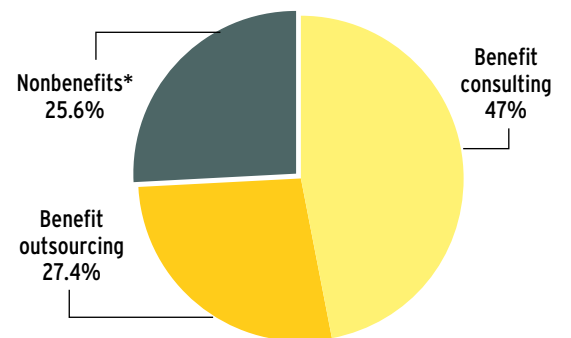
Revenues among the top 10 benefit consultants 2002-2009, in billions of dollars



Source: BI survey

### BENEFIT SERVICES

Percentage of services offered by companies listed in BI directory



\*Includes claims administration, compensation consulting, insurance commissions and other nonbenefit services, including the brokering and placement of benefits. Source: BI survey

Intracorp has ranked as the No. 1 case management provider for the past five years.

### LARGEST CASE MANAGEMENT PROVIDERS

Ranked by 2009 gross revenues from case management services

1	Intracorp <sup>1</sup>	\$306,580,223
2	Coventry Workers' Comp Services	\$189,000,000
3	GENEX Services Inc. <sup>1</sup>	\$175,000,000
4	CorVel Corp.	\$110,000,000
5	Broadspire Services Inc., a Crawford Co.	\$86,202,000
6	Paradigm Management Services L.L.C.	\$37,500,000
7	American Health Holding Inc.	\$21,000,000
8	M Hayes	\$13,500,000
9	MedInsights Inc.	\$13,000,000
10	MCMC L.L.C.	\$4,800,000
10	TRISTAR Managed Care	\$4,800,000

<sup>1</sup> Intracorp agreed to sell its worker compensation business to GENEX Services Inc. The acquisition closed during the fourth quarter of 2010. Source: BI survey

### BENEFIT CONSULTING CLIENTS

Ranked by number of clients, as of Dec. 31, 2009

1	PricewaterhouseCoopers Human Resource Services	17,000
2	Alexander Forbes Ltd.	4,297
3	Buck Consultants L.L.C.	4,000
4	Hewitt Associates Inc.*	3,000
5	Lockton Benefit Group	2,936

\*Hewitt Associates Inc. and Aon Consulting merged to form Aon Hewitt Inc. in October 2010. Source: BI survey

ComPsych Corp. has been the top EAP for five years.

### LARGEST EMPLOYEE ASSISTANCE PROGRAM PROVIDERS

Ranked by number of lives covered at year-end 2009

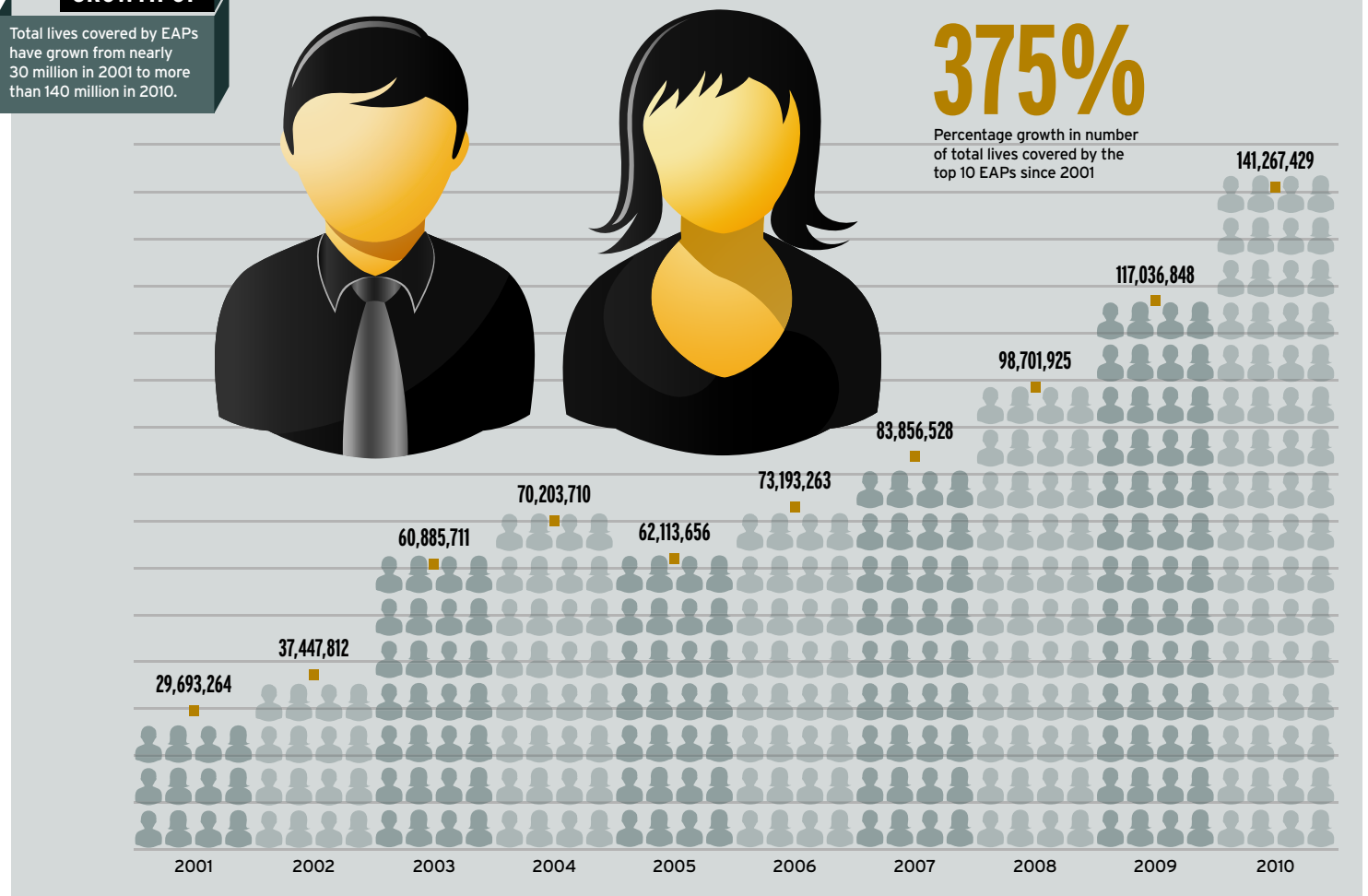
1	ComPsych Corp.	35,316,000
2	Aetna Inc.*	20,600,000
3	Ceridian Health & Productivity Solutions	20,000,000
4	OptumHealth Behavioral Solutions	16,199,926
5	Magellan Health Services Inc.	12,124,000
6	Bensinger, DuPont & Associates	9,951,250
7	CIGNA Behavioral Health	8,300,000
8	ACI Specialty Benefits Corp.	6,945,000
9	ValueOptions Inc.	6,208,030
10	Charles Nechtem Associates Inc.	5,623,223

\*Aetna Inc. acquired Horizon Health Corp. from its parent company, Psychiatric Solutions Inc., in November 2009.  
Source: BI survey

### GROWTH OF

### EMPLOYEE ASSISTANCE PROGRAMS

Total lives covered by EAPs have grown from nearly 30 million in 2001 to more than 140 million in 2010.



Source: BI survey

The five largest EAPs had 35,985 employer clients in 2009.

### LARGEST EAP PROVIDERS BY EMPLOYER CLIENTS

Ranked by number of employer clients

1	ComPsych Corp.	13,870
2	Integrated Behavioral Health	9,250
3	New Directions Behavioral Health L.L.C.	7,820
4	Bensinger, DuPont & Associates	2,545
5	Aetna Inc.*	2,500

\*Aetna Inc. acquired Horizon Health Corp. from its parent company, Psychiatric Solutions Inc., in November 2009.  
Source: BI survey

The five largest employee assistance program providers had more than \$556.9 million in 2009 EAP revenue.

### LARGEST EAP PROVIDERS IN REVENUE

Ranked by 2009 brokerage revenues

1	ComPsych Corp.	\$188,000,000
2	Ceridian Health & Productivity Solutions	\$110,500,000
3	Magellan Health Services Inc.	\$103,100,000
4	OptumHealth Behavioral Solutions	\$96,000,000
5	Charles Nechtem Associates Inc.	\$59,300,000

Source: BI survey

The five largest case management companies had more than 4,000 employer clients during 2009.

### LARGEST CASE MANAGERS BY CLIENT

Ranked by the number of employer clients in 2009

CorVel Corp.	2,500
Broadspire Services Inc., a Crawford Co.	541
Intracorp *	409
MedInsights Inc.	350
GENEX Services Inc. *	232

\* Intracorp agreed to sell its worker compensation business to GENEX Services Inc. The acquisition closed during the fourth quarter of 2010.  
Source: BI survey

The five largest companies had 2,641 certified case managers during 2009.

### CERTIFIED CASE MANAGERS

Ranked by the number of full-time certified case managers on staff

Intracorp	798
GENEX Services Inc.	746
Coventry Workers' Comp Services	430
CorVel Corp.	400
Broadspire Services Inc., a Crawford Co.	267

Source: BI survey

The 10 largest consumer-driven health care plan providers covered more than 7.8 million lives during 2009.

### LARGEST CONSUMER-DRIVEN HEALTH CARE PLAN PROVIDERS

Ranked by number of total covered lives at employer clients in 2009.

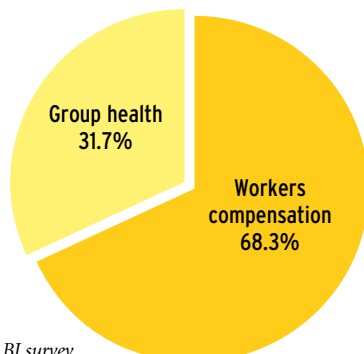
1	UnitedHealth Group Inc.	2,850,000
2	Aetna Inc.	1,800,000
3	CIGNA HealthCare	1,343,426
4	Humana Inc.	614,000
5	Meritain Health	367,000
6	Highmark Inc.	228,091
7	Medica	172,470
8	Choice Care Card	165,000
9	Blue Cross Blue Shield of Tennessee	161,272
10	Harvard Pilgrim Health Care	150,000

Source: BI survey

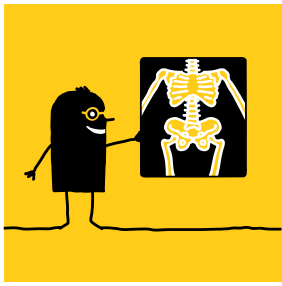
Among all surveyed respondents, the percentage of workers compensation claims was roughly double the percentage of group health plan claims during 2009. Workers comp claims have consistently remained higher than group health plan claims for the past four years.

### TYPE OF CLAIMS MANAGED

Percentage of total cases managed



Source: BI survey



Medco Health Solutions Inc., CVS CareMark Corp. and Express Scripts Inc. have been the top three PBMs for the past five years.

**LARGEST PHARMACY BENEFIT MANAGERS**

Ranked by 2009 revenues from unbundled PBM services

1	Medco Health Solutions Inc.	\$59,800,000,000
2	CVS CareMark Corp.	\$51,065,000,000
3	Express Scripts Inc.	\$24,748,900,000
4	Prescription Solutions Inc.	\$14,500,000,000
5	Catalyst Rx	\$3,704,956,000
6	informedRx	\$1,300,000,000
7	Restat L.L.C.	\$928,580,000*
8	National Pharmaceutical Services	\$912,000,000
9	First Script Network Services	\$270,000,000
10	HealthTrans	\$266,997,000

\* BI estimate. Source: BI survey

The five largest workers comp PBMs represented more than 1.8 million active workers compensation lives during 2009.

**WORKERS COMPENSATION PHARMACY BENEFIT MANAGERS**

Ranked by workers comp lives covered during 2009

1	myMatrixx	976,425
2	ScripNet Inc.	360,534
3	First Script Network Services	175,000
4	Progressive Medical Inc.	153,013
5	Healthsystems L.L.C.	144,000

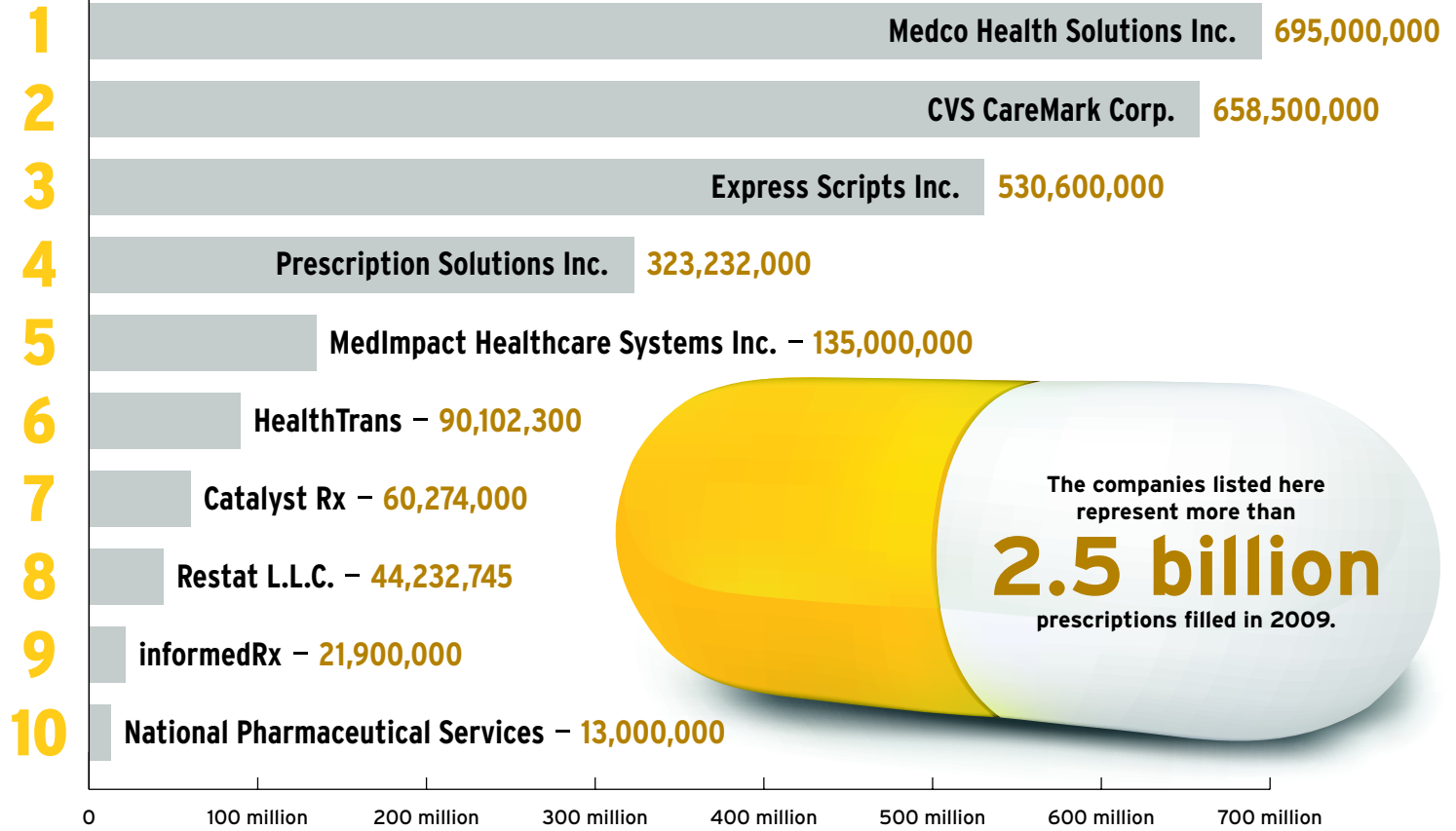
Source: BI survey

**PHARMACY BENEFIT MANAGERS**

**PRESCRIPTIONS FILLED BY**

Top 10 PBMs, ranked by number of prescriptions filled in 2009

RANK:



The companies listed here represent more than **2.5 billion** prescriptions filled in 2009.

Source: BI Survey

Among the top 10 PBMs in revenue terms, the percentage of generic equivalents used ranged from 67.0% to 97.2% during 2009.

**GENERIC EQUIVALENTS**

Percentage of prescriptions filled using generic drugs during 2009

Rank	Company	Percentage from generics
1	Medco Health Solutions Inc.	67.5%
2	CVS CareMark Corp.	68.2%
3	Express Scripts Inc.	69.1%
4	Prescription Solutions Inc.	69.0%
5	Catalyst Rx	67.0%
6	informedRx	72.6%
7	Restat L.L.C.	97.2%
8	National Pharmaceutical Services	76.0%
9	First Script Network Services	N/A
10	HealthTrans	71.2%

N/A=not available. Source: BI survey

In 2009, the largest benefit outsourcing providers' revenue totaled \$2.7 billion.

**LARGEST BENEFIT OUTSOURCING PROVIDERS**

Ranked by 2009 revenues from benefit outsourcing

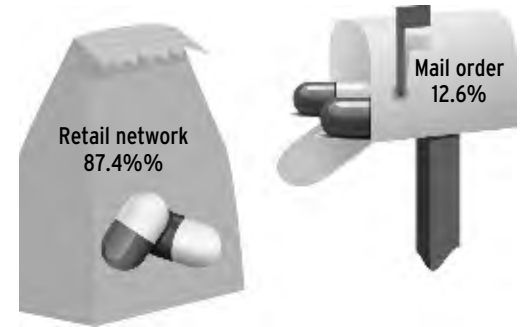
1	Hewitt Associates Inc. <sup>1</sup>	\$ 1,549,991,000 <sup>2</sup>
2	Mercer L.L.C.	\$ 617,353,000
3	ACS Human Capital Management Solutions	\$ 250,000,000 <sup>3</sup>
4	Aon Consulting <sup>1</sup>	\$ 191,364,000
5	Alexander Forbes Ltd.	\$ 38,549,446 <sup>4,5</sup>
6	CBIZ Benefits & Insurance Services Inc.	\$ 32,870,000

<sup>1</sup> Aon Consulting and Hewitt Associates merged to form Aon Hewitt Inc., a deal completed in October 2010. <sup>2</sup> Fiscal year ending Sept. 30. <sup>3</sup> Fiscal year ending June 30. <sup>4</sup> South African rand=\$0.1264. <sup>5</sup> Fiscal year ending March 31. Source: BI survey

For all PBMs, the percentage of prescription drugs bought at retail was 74.8 percentage points higher than mail order.

**SOURCE OF PRESCRIPTIONS**

Percentage of prescription drugs filled for all companies listed



Source: BI survey

The five largest pharmacy benefit manager companies represented 15,210 groups managed during 2009.

**LARGEST PBMS BY GROUPS MANAGED**

Ranked by employer groups managed during 2009

Restat L.L.C.	6,500
National Pharmaceutical Services	3,550
CVS CareMark Corp.	2,220
Express Scripts Inc.	2,194
Catalyst Rx	766

Source: BI survey



# INSURERS/ REINSURERS

Combined ratios are used by insurers and reinsurers to indicate how well they are performing in insurance claims and expenses per dollar of premium. A ratio of less than 100% indicates profitability.

## OVER AND UNDER

Reinsurers ranked by combined ratio in 2009

### LOWEST

Tokio Millennium Re Ltd.	35.2%
RenaissanceRe Holdings Ltd.	36.0%
Ariel Reinsurance Co. Ltd.	47.1%
Argo Group	52.3%
ACE Tempest Re Group <sup>2</sup>	59.2%

### HIGHEST

American Agricultural Insurance Co.	120.1%
Reinsurance Group of America Inc.	101.0%
Alterra Insurance Ltd. <sup>1</sup>	98.7%
SCOR	96.8%
XL Re Ltd.	96.8%

<sup>1</sup> Formerly Max Bermuda Ltd. <sup>2</sup> Includes all reinsurance business performed by subsidiaries of ACE Ltd.  
Source: BI survey

Nonadmitted direct written premiums by the top 10 surplus lines companies have declined 31.4% since 2006.

## PREMIUMS DECLINES

Nonadmitted direct written premiums by the top 10 surplus lines insurers, in billions of dollars



Source: BI survey

## String of catastrophes fail to turn market

The soft market continued to preoccupy commercial property/casualty insurers and reinsurers in 2010, with no immediate turn expected.

There have been several catastrophes this year, including the New Zealand and Chilean earthquakes, but their impact largely has been local. While predictions of an active hurricane season this year proved accurate, the storms did not result in significant insured losses because they largely avoided landfall in the United States.

Still unknown is the industry's ultimate price tag for the Deepwater Horizon oil rig disaster. The continuing softness was reflected in insurers' results.

For the first half, for instance, net written premiums essentially were unchanged at \$212.5 billion for the insurance industry, according to the Insurance Services Office Inc. and the Property/Casualty Insurers Assn. of America. The industry's aggregate combined ratio deteriorated to 101.7% vs. 100.8% for the prior-year period.

On the reinsurance front, U.S. reinsurers reported a 2.3% decline in net premiums written, to \$18.3 billion, for the nine-month period, according to the Reinsurance Assn. of America. The combined ratio deteriorated to 96.6%.

With the reinsurance market awash in capital, soft rates are expected to continue during the January 2011 renewals, market participants said. The softening is expected to be moderate, generally about 5% to 10%, and observers said reinsurers are relatively disciplined compared with the primary market, although the slow economy has hampered both sectors.

Despite the soft market, Barbados-based Aliseo Reinsurance S.C.C. in November entered the global retrocession market with initial capitalization of \$300 million. James Bryce, former president and CEO of Bermuda-based IPC Re Ltd., is the new company's chairman.

Meanwhile, American International Group Inc. reported a \$2.4 billion third-quarter loss, but said it had raised more than enough money to pay the approximately \$20 billion interest and principal owed to the Federal Reserve Bank of New York by selling American Life Insurance Co. and from the initial public offering for AIA Group Ltd. Its property/casualty unit, Chartis Inc., reported third-quarter operating income of \$1.07 billion before net realized capital gains, a 49.1% increase.

But there was turmoil in the executive suite, as Harvey Golub resigned as chairman in July after a showdown with President and CEO Robert Benmosche. He was replaced as AIG's sixth chairman since 2005 with turnaround specialist Robert S. Miller.

Uncertainty continues to cloud AIG's future, however, after Mr. Benmosche's October announcement that he is suffering from cancer.

Observers say, though, that much of the work of reorganizing AIG is done, and any successor probably will be able to focus on running day-to-day operations rather than on crisis management.

—By Judy Greenwald

In 2009, net written premiums totaled \$112.9 billion for the top 10 reinsurance companies. Munich Re and Swiss Re Group led the group for the 10th consecutive year.

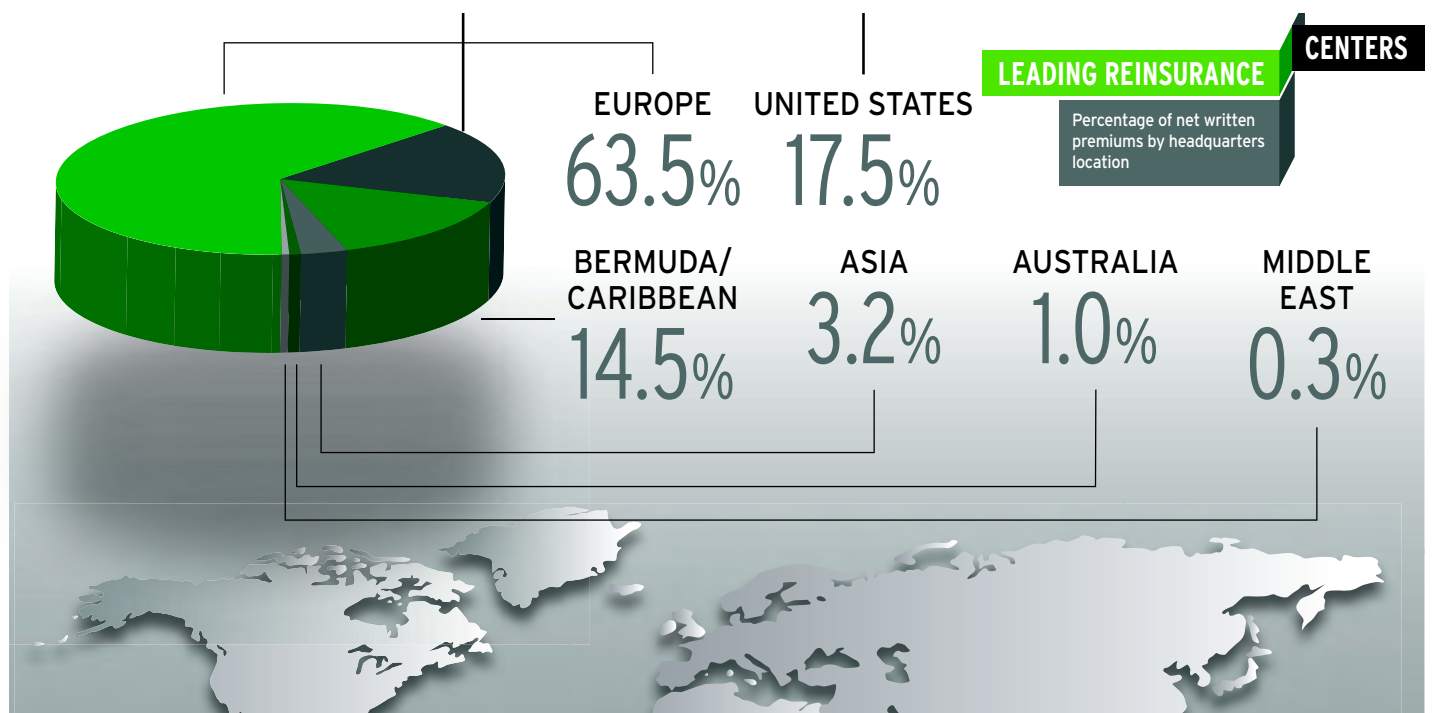
## WORLD'S LARGEST REINSURERS

Ranked by 2009 net premiums written

Rank	Company	Net premiums written
1	Munich Re	\$32,768,152,500 <sup>1</sup>
2	Swiss Re Group	\$21,880,049,600 <sup>2</sup>
3	Hannover Re	\$13,260,098,858 <sup>1</sup>
4	Berkshire Hathaway Reinsurance Group	\$12,362,000,000 <sup>3</sup>
5	Lloyd's of London	\$9,460,810,100 <sup>4</sup>
6	SCOR	\$8,889,136,500 <sup>1</sup>
7	Transatlantic Holdings Inc.	\$3,986,101,000
8	PartnerRe Ltd.	\$3,948,704,000
9	Everest Re Group Ltd.	\$3,929,761,000
10	Korean Re	\$2,368,288,000 <sup>5</sup>

<sup>1</sup> Euro=\$1.3935; fiscal year ending Dec. 31. <sup>2</sup> Swiss franc=\$0.9208; fiscal year ending Dec. 31. <sup>3</sup> Combined figures of Berkshire Hathaway Reinsurance Group and General Re Group. <sup>4</sup> British pound=\$1.5661; fiscal year ending Dec. 31. <sup>5</sup> Fiscal year ending March 31.

Source: BI survey



## LEADING REINSURANCE CENTERS

Percentage of net written premiums by headquarters location



In 2009, the top 10 U.S.-based surplus lines companies' gross written premiums totaled more than \$14.1 billion.

**LARGEST U.S.-BASED SURPLUS LINES INSURERS**

Ranked by 2009 gross written premiums

1	Lexington Insurance Co. <sup>1</sup>	\$6,211,053,675
2	Scottsdale Insurance Co. <sup>1</sup>	\$2,445,050,759
3	Steadfast Insurance Co. <sup>1</sup>	\$1,301,505,450
4	Chartis Specialty Insurance Co. <sup>1,2</sup>	\$787,430,834
5	Columbia Casualty Co.	\$733,458,041
6	Evanston Insurance Co.	\$691,386,679
7	Landmark American Insurance Co.	\$580,677,339
8	Westchester Surplus Lines Insurance Co.	\$463,004,925
9	Arch Specialty Insurance Co.	\$458,816,897
10	Illinois Union Insurance Co.	\$458,468,562

<sup>1</sup> Figures reported on a pooling basis.  
<sup>2</sup> Formerly American International Specialty Lines Insurance Co.  
 Source: BI survey

**OVER AND UNDER ON SURPLUS LINES**

Ranked by combined ratio as determined by A.M. Best and/or S&P

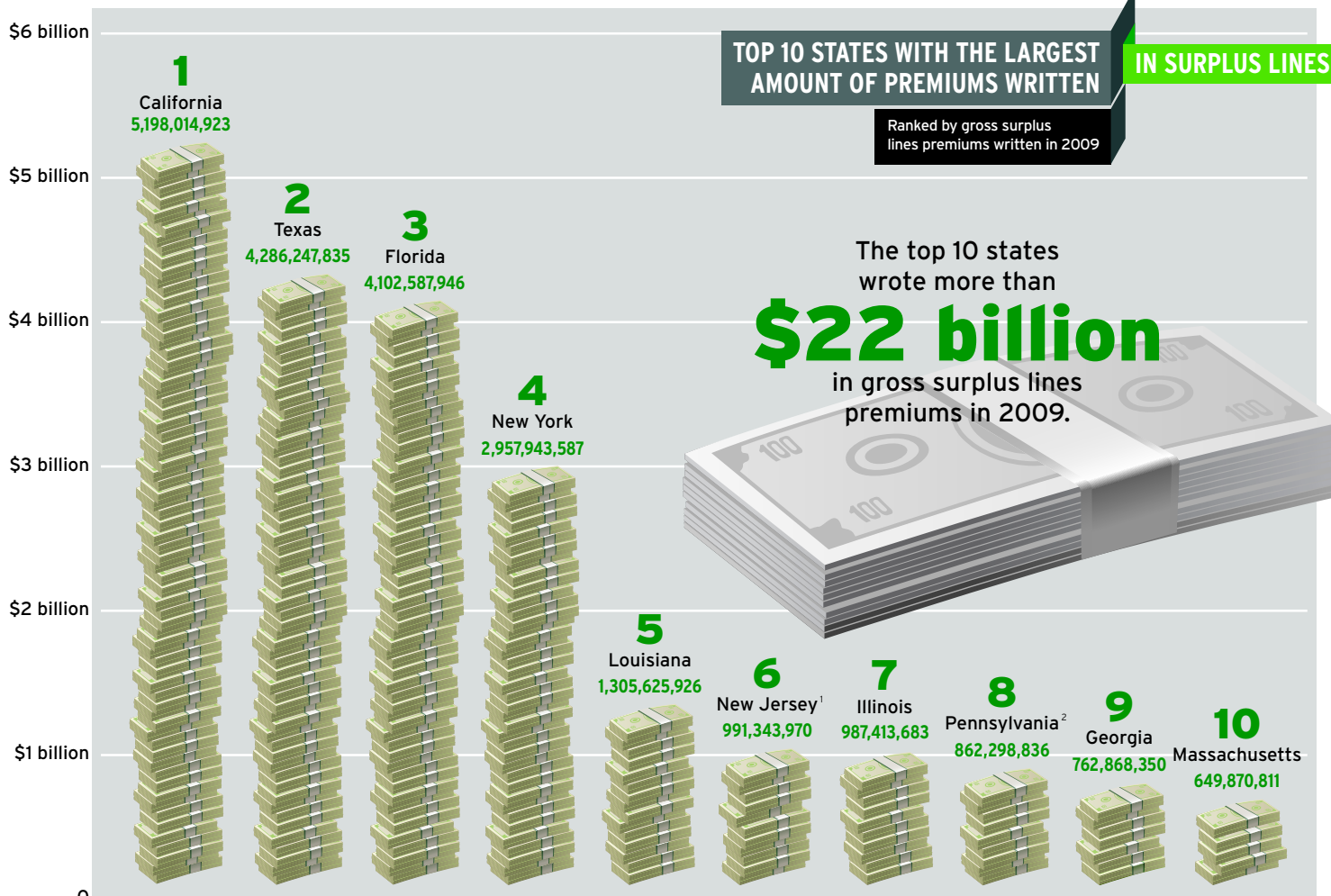
**LOWEST**

Landmark American Insurance Co.	61.6%
American Empire Surplus Lines Insurance Co.	64.1%
Westchester Surplus Lines Insurance Co.	70.7%
RSUI Indemnity Co.	71.0%
Mt. Hawley Insurance Co.	73.5%

**HIGHEST**

General Star National Insurance Co.	145.3%
Chartis Specialty Insurance Co.	118.7%
Penn-America Group Inc.	114.9%
AEGIS Insurance Services Inc.	111.7%
Western World Insurance Co.	105.1%

Source: BI survey



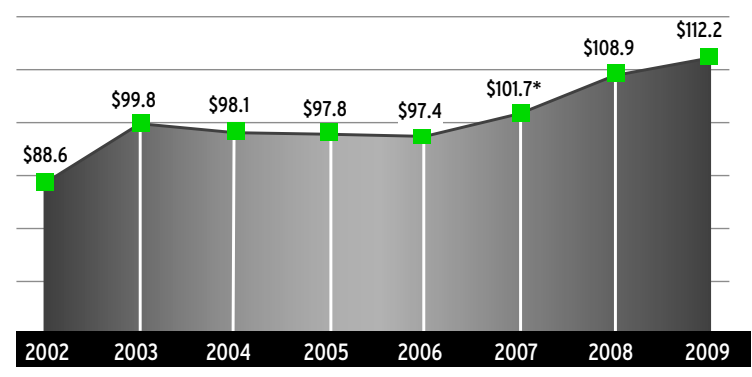
**TOP 10 STATES WITH THE LARGEST AMOUNT OF PREMIUMS WRITTEN IN SURPLUS LINES**  
 Ranked by gross surplus lines premiums written in 2009

The top 10 states wrote more than **\$22 billion** in gross surplus lines premiums in 2009.

<sup>1</sup> BI estimate.  
<sup>2</sup> Includes premiums for independently procured insurance.  
 Source: BI survey

Since 2002, net reinsurance premiums for the top 10 reinsurers have risen 26.6%.

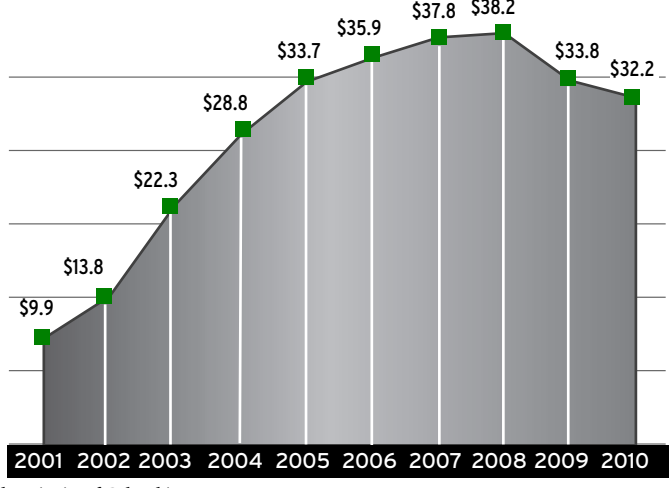
**REINSURER PREMIUM GROWTH**  
 Net reinsurance premiums written by the top 10 reinsurers, in billions of dollars



\*Restated  
 Source: BI survey

Gross surplus lines premiums written for all states\* have grown 223% since 2001.

**SURPLUS LINES PREMIUMS WRITTEN IN THE UNITED STATES\***  
 Gross written surplus lines premiums, 2001-2010



\*Includes District of Columbia  
 Source: BI survey

In 2009, the top 10 U.S.-based surplus lines companies' nonadmitted direct written premiums totaled more than \$11.5 billion.

**LARGEST U.S.-BASED SURPLUS LINES INSURERS**  
 Ranked by 2009 nonadmitted direct written premiums

Rank	Company	Direct written premiums
1	Lexington Insurance Co. <sup>1</sup>	\$5,401,943,496
2	Steadfast Insurance Co. <sup>1</sup>	\$1,111,044,133
3	Scottsdale Insurance Co. <sup>1</sup>	\$1,030,448,496
4	Chartis Specialty Insurance Co. <sup>1,2</sup>	\$788,283,305
5	Columbia Casualty Co.	\$733,206,970
6	Landmark American Insurance Co.	\$570,978,740
7	Evanston Insurance Co.	\$522,149,261
8	Illinois Union Insurance Co.	\$457,403,299
9	Westchester Surplus Lines Insurance Co.	\$456,130,444
10	Arch Specialty Insurance Co.	\$444,208,876

<sup>1</sup> Figures reported on a pooling basis. <sup>2</sup> Formerly American International Specialty Lines Insurance Co.  
 Source: BI survey

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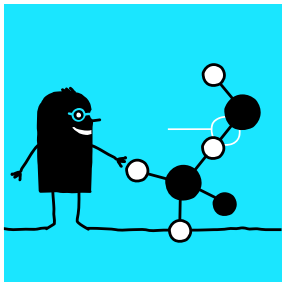
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# RISK MANAGEMENT SERVICES

## Soft market continues, new challenges emerge

**R**isk managers will remember 2010 as a year of emerging risks in a slowly recovering economy and as a time when a spate of catastrophes did little to change their insurance costs.

After a relatively benign 2009, property owners were hit by earthquakes in Chile and Haiti in the first half of the year. Along with Windstorm Xynthia in Europe, those catastrophes alone caused \$11.5 billion in insured losses, according to Munich Reinsurance Co. Total natural catastrophe losses of \$70 billion for the first six months of the year exceeded the amount for all of 2009, the Munich-based reinsurer said.

The Deepwater Horizon oil spill in the Gulf of Mexico was the year's most notable man-made catastrophe and risk management failure. BP P.L.C., largely self-insured, is paying losses through a specially funded facility.

This year's hurricane season was an active one, but didn't produce losses large enough to worry reinsurers or cause property rate hikes.

Despite the year's catastrophe losses, risk managers continue to buy coverage in a soft market that is expected to continue into next year. Willis Group Holdings P.L.C. has projected that property rates next year will fall 15% on average, while casualty rates should dip as much as 5%.

Among fresh exposures, a consultant with Marsh Risk Consulting said during this year's World Captive Forum that the risks associated with social media have kept risk managers busy developing corporate procedures and policies to ensure that employees do not harm their organizations by releasing inappropriate material on Facebook and Twitter.

Another emerging risk is green construction. While more insurers offer coverage for such risks, buyers have been slow to buy it, insurers say.

Meanwhile, many risk managers have adapted to the dismal economy by revising their risk management strategies. As one participant at a forum hosted by the Normal, Ill.-based Katie School of Insurance and Financial Services put it: "In these post-economic (recession) times, we are going to have to do more fact-based risk management than doing it by the seat of your pants."

More than just buying insurance, risk managers have to be skilled at risk analysis and the use of technology, participants agreed. Risk managers have lagged brokers, insurers and catastrophe modeler business partners in upgrading their use of technology, they noted.

While the Deepwater Horizon might have been the year's biggest risk management failure, the most notable success was the rescue of 33 miners trapped more than two months by a mine collapse in Chile. Overcoming technical problems, the miners were pulled to safety from more than 2,000 feet underground using a capsule that NASA helped design. The rescue succeeded thanks to detailed planning and thorough inspections that ensured the integrity of a bore hole only 28 inches in diameter.

—By Michael Bradford

The largest independent U.S. risk management consultants, RMI Consulting Inc. and J.H. Albert International Insurance Advisors Inc., have held the No. 1 and No. 2 rankings, respectively, for the past five years.

### LARGEST INDEPENDENT U.S. RISK MANAGEMENT CONSULTANTS

Companies that derive a majority of gross revenues from unbundled risk management consulting\*

Rank	Company	2009 revenue
1	RMI Consulting Inc.	\$11,300,000
2	J.H. Albert International Insurance Advisors Inc., dba Albert Risk Management Consultants	\$7,400,000
3	Risk International Services Inc.	\$5,550,000
4	Corporate Risk Solutions L.L.C.	\$5,500,000
5	Alpha Risk Management Inc.	\$3,980,000
6	Robert Hughes Associates Inc.	\$2,600,000
7	Insurance Buyers' Council Inc. & First Risk Management/IBC Inc.	\$2,425,000
8	Kevin F. Donoghue & Associates	\$2,400,000
8	Risk Navigation Group L.L.C.	\$2,400,000
10	Pinnacle Risk Services Inc.	\$2,250,000

\*Business Insurance defines independent consulting operations as those that are not owned by insurers or brokers. In addition, companies that derive 50% or more of their revenues from actuarial, captive, environmental, property loss or safety consulting are not ranked.  
Source: BI survey

The top five independent and nonindependent risk consultants, or largest overall risk firms, had more than \$574 million in unbundled revenue from risk management consulting during 2009.

### LARGEST OVERALL RISK FIRMS

Reflects both independent and nonindependent risk consultants.\* Ranked by unbundled revenue from risk management consulting.

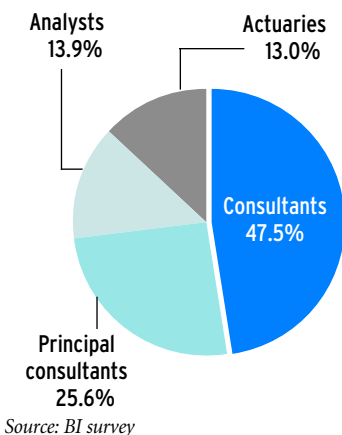
- 1 Aon Risk Solutions: Global Risk Consulting<sup>1</sup> **\$245,000,000**
- 2 Marsh Risk Consulting **\$190,000,000**
- 3 Gallagher Bassett Services Inc. **\$13,000,000**
- 4 RMI Consulting Inc. **\$11,300,000**
- 5 Ernst & Young L.L.P. **\$10,500,000**

\*Companies need not derive majority of revenues from unbundled risk management consulting, but those deriving 50% or more of such revenues from actuarial, captive, environmental, property loss or safety consulting are not ranked. 1 Includes Advanced Risk Management Techniques Inc. and Aon Fire Protection Engineering, formerly Schrimmer Engineering.  
Source: BI survey

Consultants have been the largest part of professional staff for the past five years.

### PROFESSIONAL STAFF

Risk management professionals for all companies listed in the directory

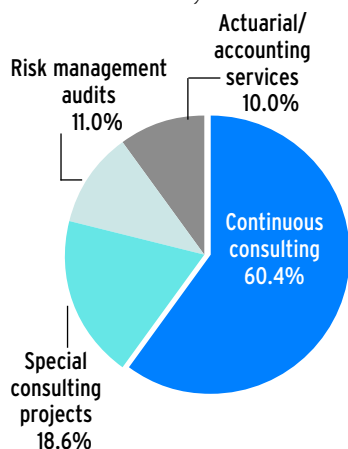


Source: BI survey

Continuous consulting has made up the largest portion of consulting services for the past five years.

### BREAKDOWN OF REVENUES

Revenue sources for all companies listed in the directory

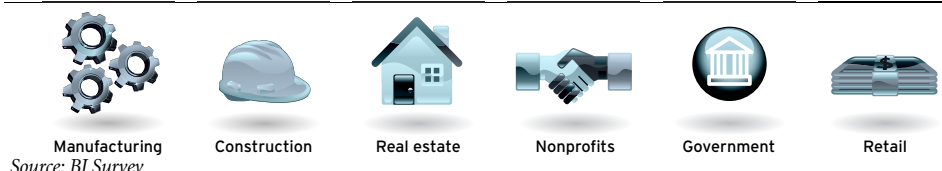
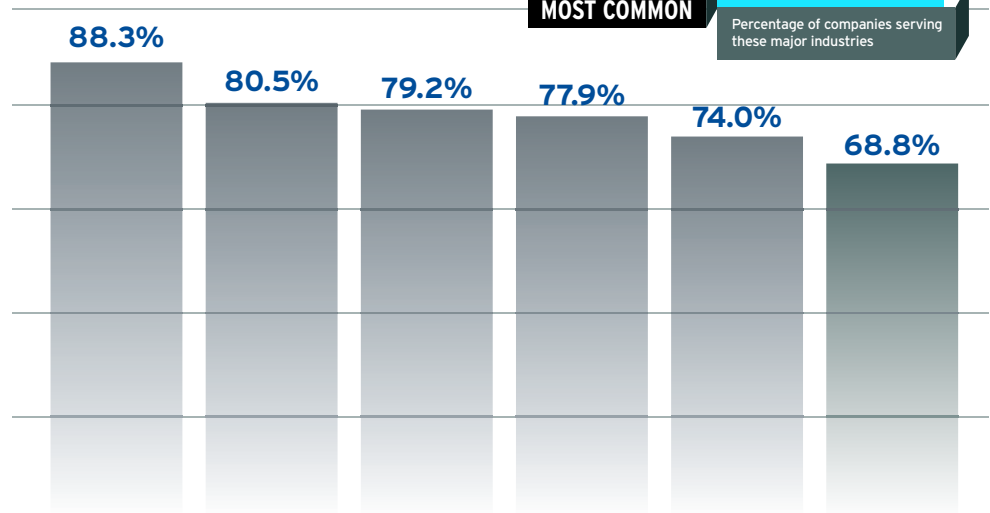


Source: BI survey

### MOST COMMON

### INDUSTRIES SERVED

Percentage of companies serving these major industries



Source: BI Survey



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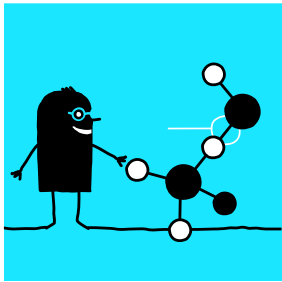
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The five largest independent safety consultants had 60,328 unbundled clients during 2009.

### UNBUNDLED CLIENTS

Ranked by number of total safety consulting unbundled clients as of 12/31/09

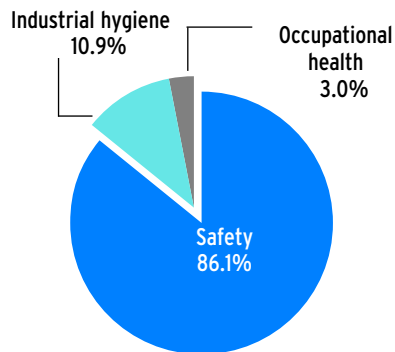
1	Bureau Veritas	49,400
2	ATC Associates Inc.	9,814
3	PSRG Inc.	500
4	Risk Consultants Inc.	314
5	DuPont Sustainable Solutions	300

Source: BI survey

Safety professionals make up more than eight of every 10 jobs among the staff of the consultants.

### CONSULTANTS' STAFFING

Percentages reflect total professional staff of all companies surveyed



Source: BI survey

### LARGEST INDEPENDENT SAFETY CONSULTANTS\*

Ranked by 2009 revenues from unbundled safety consulting services\*\*

Rank	Company	Unbundled safety consulting revenues
1	Bureau Veritas	\$490,626,000
2	DuPont Sustainable Solutions	\$156,000,000
3	ATC Associates Inc.	\$50,104,740
4	Regional Reporting Inc.	\$12,000,000
5	Safety Management Group	\$10,300,594
6	Safety Resources	\$9,331,000
7	F.A. Richard & Associates Inc., dba FARA	\$7,575,000
8	FDRsafety L.L.C.	\$6,500,000
9	Risk Consultants Inc.	\$4,800,000
10	PSRG Inc.	\$4,500,000

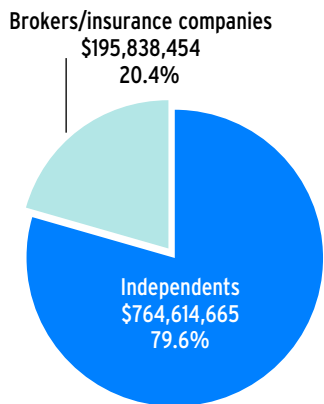
\*Companies not owned by brokers or insurers. \*\*Reflects safety consulting revenues provided on a direct, unbundled basis.

Source: BI survey

Based on 2009 unbundled revenues for all companies participating in the Business Insurance ranking, independent consultants had a much greater share of the pie than consultants that are owned by insurance brokerages or insurance companies.

### MARKET SHARE\*

Percentages reflect the total for all companies surveyed.



\*Based on 2009 unbundled safety consulting revenues

Source: BI survey

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### LEGAL NOTICE

Notice of Creditors' Meeting  
 In the High Court of Justice  
 Chancery Division  
 Companies Court  
 Claim No. 9791 of 2010  
 In the Matter of

### TOKIO MARINE EUROPE INSURANCE LIMITED (formerly known as the TOKIO MARINE & FIRE INSURANCE COMPANY (U.K.) LIMITED)

and In the Matter of the Companies Act 2006 of Great Britain  
 Proposed Solvent Scheme of Arrangement

NOTICE IS HEREBY GIVEN that by an Order dated 2 December 2010 made in the above matter, the High Court of Justice of England and Wales has directed that a meeting (the "Meeting") be convened of the Scheme Creditors (as defined in the proposed scheme of arrangement) of Tokio Marine Europe Insurance Limited ("TMEI") (the "Scheme Company") for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement proposed to be made between TMEI and its Scheme Creditors pursuant to Part 26 of the Companies Act 2006 (the "Scheme"). The Scheme is proposed in respect of certain reinsurance business written or assumed by TMEI. Full details of relevant business are available on the website at [www.TMEIScheme.com](http://www.TMEIScheme.com) and in the Scheme documents.

The Meeting will be held at the offices of Sidley Austin LLP, Woolgate Exchange, 25 Basinghall Street, London EC2V 5HA, United Kingdom on 8 March 2011 commencing at 11:00 a.m. (London Time) at which place and time all such Scheme Creditors are requested to attend either in person or by proxy. Registration will begin at 10:00 a.m. (London Time). Scheme Creditors may vote in person (or, if a corporation, by a duly authorised representative) at the Meeting or they may appoint another person, whether a Scheme Creditor or not, as their proxy to attend and vote in their place.

The Scheme, the Explanatory Statement and the Proxy and Voting Form may be downloaded from the Website at [www.TMEIScheme.com](http://www.TMEIScheme.com). Scheme Creditors requiring printed copies of these documents or a list of their policies which, where known, may be affected by the Scheme, should contact PRO Insurance Solutions Limited ("PRO"), the proposed Scheme Manager, on the contact details below and copies will be sent free of charge.

Completed and signed Proxy and Voting Forms should be returned to PRO at the address below as soon as possible, and in any event, so that they are received by 11:59 p.m. (London Time) on 25 February 2011. Scheme Creditors may send their forms by post, e-mail or fax. Forms returned by e-mail or fax will only be accepted if they are legible. If completed Proxy and Voting Forms are not received by 11:59 p.m. (London Time) on 25 February 2011, they may be handed in at the registration desk prior to the commencement of the Meeting. Scheme Creditors are however urged to return the completed forms in advance of the Meeting.

The Court has appointed Frank Atwood (or, failing him, William Nigel James Montgomery of Sidley Austin LLP) to act as Chairman of the Meeting and any adjournment thereof and has directed the Chairman to report the result of the Meeting to the Court. The Court has appointed George Maher of Towers Watson to act as the Vote Assessor in relation to the Meeting and any adjournment thereof and has directed the Vote Assessor to report his findings to the Chairman.

Scheme Creditors should contact PRO if they are unclear about or have any questions concerning the action they are required to take in order to vote on the Scheme, or if they would like to discuss the way in which its claims data is likely to be evaluated under the Scheme process, including the Estimation Methodology.

If approved by the requisite majorities of Scheme Creditors, the Scheme will be subject to the subsequent sanction of the Court. Dated this 17th day of December 2010.

PRO Insurance Solutions Limited, Bruton Court, Bruton Way, Gloucester GL1 1DA, United Kingdom.

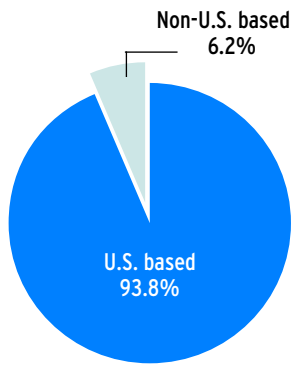
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### INSURANCE RECOVERY LAW FIRM CLIENTS



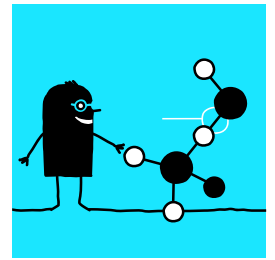
Source: BI survey

### LARGEST INSURANCE RECOVERY LAW FIRMS

Ranked by number of attorneys in recovery practice

Rank	Firm	Attorneys	Rank	Firm	Attorneys
1	Covington & Burling L.L.P.	110	6	Howrey L.L.P.	55
2	K&L Gates L.L.P.	80	7	Jones Day	52
3	Anderson Kill & Olick P.C.	69	8	Morgan Lewis & Bockius L.L.P.	50
4	Reed Smith L.L.P.	68	9	Orrick, Herrington & Sutcliffe L.L.P.	49
5	Dickstein Shapiro L.L.P.	64	10	Barnes & Thornburg L.L.P.	44

Source: BI survey



### LARGEST BY CLIENTS

Largest insurance recovery law firms ranked by number of clients

1	Pillsbury Winthrop Shaw Pittman L.L.P.	1,000
2	Reed Smith L.L.P.	733
3	Anderson Kill & Olick P.C.	528
4	Haynes & Boone L.L.P.	500
5	Saxe Doernberger & Vita P.C.	405
6	Lindquist & Vennum P.L.L.P.	321
7	K&L Gates L.L.P.	212
8	Howrey L.L.P.	206
9	Covington & Burling L.L.P.	190
10	Dickstein Shapiro L.L.P.	181

Source: BI survey

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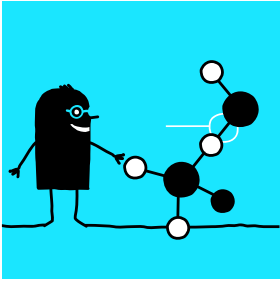
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### LARGEST MULTILINE TPAS

TPAs that offer both employee benefits and property/casualty claims administration

Company	Revenues*
1 Sedgwick Claims Management Services Inc.	\$600,592,469
2 Wells Fargo Third Party Administrators and Wells Fargo Disability Management	\$81,458,142
3 TRISTAR Risk Management	\$51,424,000
5 Keenan & Associates	\$38,600,000
6 Loomis Co.	\$31,941,000
7 CAS-Claims Administrative Services Inc.	\$14,951,690
8 Underwriters Safety & Claims Inc.	\$12,750,000
9 JI Specialty Services Inc.	\$5,656,000
10 Hewitt, Coleman & Associates Inc.	\$3,750,000

\*Revenues from from self-insured clients  
Source: BI survey

### LARGEST WORKERS COMPENSATION TPAS

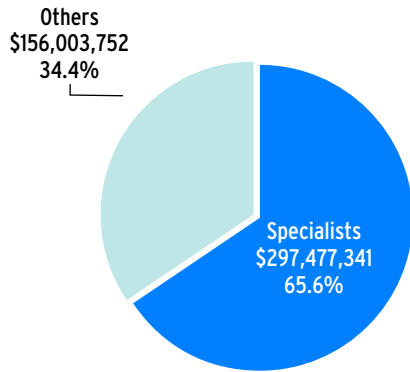
Ranked by workers compensation claims paid in 2009

Company	Claims paid
1 Sedgwick Claims Management Services Inc.	\$3,882,247,281
2 Gallagher Bassett Services Inc.	\$3,540,000,000
3 Specialty Risk Services L.L.C.	\$1,914,000,000
4 Broadspire Services Inc., a Crawford Co.	\$1,600,000,000
5 TRISTAR Risk Management	\$687,000,000
6 Cannon Cochran Management Services Inc. dba CCMSI	\$675,000,000
7 Helmsman Management Services L.L.C.	\$537,865,000
8 Avizent	\$453,358,346
9 Pinnacle Risk Management Services	\$450,000,000
10 Underwriters Safety & Claims Inc.	\$386,000,000

Source: BI survey

### SPECIALIST VS. OTHER PROPERTY LOSS-CONTROL PROVIDERS

Specialists derive a majority of their total revenues from unbundled property loss control consulting.



Source: BI survey

### LARGEST EMPLOYEE BENEFIT TPAS

TPAs that specialize in employee benefit claims administration from self-insured clients

Company	Revenue
1 UMR Inc. <sup>1</sup>	\$374,400,000
2 Meritain Health	\$194,097,000
3 Principal Financial Group/National Accounts	\$99,385,994
4 CoreSource Inc.	\$90,220,347
5 HealthSCOPE Benefits	\$46,000,000

<sup>1</sup> BI estimate

Source: BI survey

The largest third-party claims administrator, Sedgwick Claims Management Services Inc., has ranked No. 1 for the past four years.

### LARGEST THIRD-PARTY CLAIMS ADMINISTRATORS

Ranked by 2009 revenues from claims handled for self-insured clients

Rank	Company	Revenues
1	Sedgwick Claims Management Services Inc.	\$600,592,469
2	Gallagher Bassett Services Inc.	\$392,000,000
3	UMR Inc. <sup>1</sup>	\$374,400,000 <sup>2</sup>
4	Broadspire Services Inc., a Crawford Co.	\$242,247,706
5	ESIS Inc. <sup>1</sup>	\$198,000,000 <sup>2</sup>
6	Meritain Health	\$194,097,000
7	Specialty Risk Services L.L.C.	\$187,617,000
8	Xchanging Claims Services <sup>3</sup>	\$112,500,000
9	Principal Financial Group/National Accounts	\$99,385,994
10	CoreSource Inc.	\$90,220,347

<sup>1</sup> UMR Inc. and ESIS Inc. did not respond to the survey. <sup>2</sup> BI estimate. <sup>3</sup> Purchased Cambridge Integrated Services Group Inc. in January 2009.  
Source: BI survey

### CATASTROPHES CAUSING MORE THAN \$1 BILLION IN LOSSES DURING 2010



AP PHOTOS

Ranking	Insured losses	Date	Event	Country
1	\$8.00 billion	Feb. 27	Magnitude 8.8 earthquake, tsunami	Chile
2	\$2.85 billion	Feb. 27	Winter storm Xynthia	France, Germany, Spain
3	\$2.68 billion	April 9	Magnitude 7.0 earthquake	New Zealand
4	\$2.00 billion	May 12	Storms with winds up to 80 mph, hail	United States
5	\$1.58 billion	April 20	Storms with winds up to 75 mph, hail	United States
6	\$1.02 billion	March 13	Storms, hail, rain, floods	Australia
7	\$1.01 billion	March 22	Storms with winds up to 75 mph, hail, rain, mudslides	Australia
8	\$1.00 billion	April 20	Deepwater Horizon oil rig explodes in Gulf of Mexico	United States

Source: Swiss Reinsurance Co.

In 2009, property loss control specialists' revenue from unbundled property loss control consulting was more than \$299 million, 94.5% of which was provided by the top three

### LARGEST PROPERTY LOSS CONTROL SPECIALISTS

Ranked by 2009 revenues from claims handled for self-insured clients

Rank	Company	Revenue
1	ABSG Consulting Inc.	\$198,900,000
2	Global Risk Consultants Corp.	\$54,918,211
3	Global Asset Protection Services L.L.C.	\$29,000,000
4	Paragon Risk Engineering	\$4,950,000
5	Matrix Risk Consultants Inc.	\$4,815,000
6	Risk Logic Inc.	\$1,750,000
7	Allrisk Engineering Inc.	\$730,000
8	Copper Harbor Consulting Inc.	\$710,000
9	Fire Protection Solutions Inc.	\$631,250
10	Sebench Engineering Inc.	\$400,000

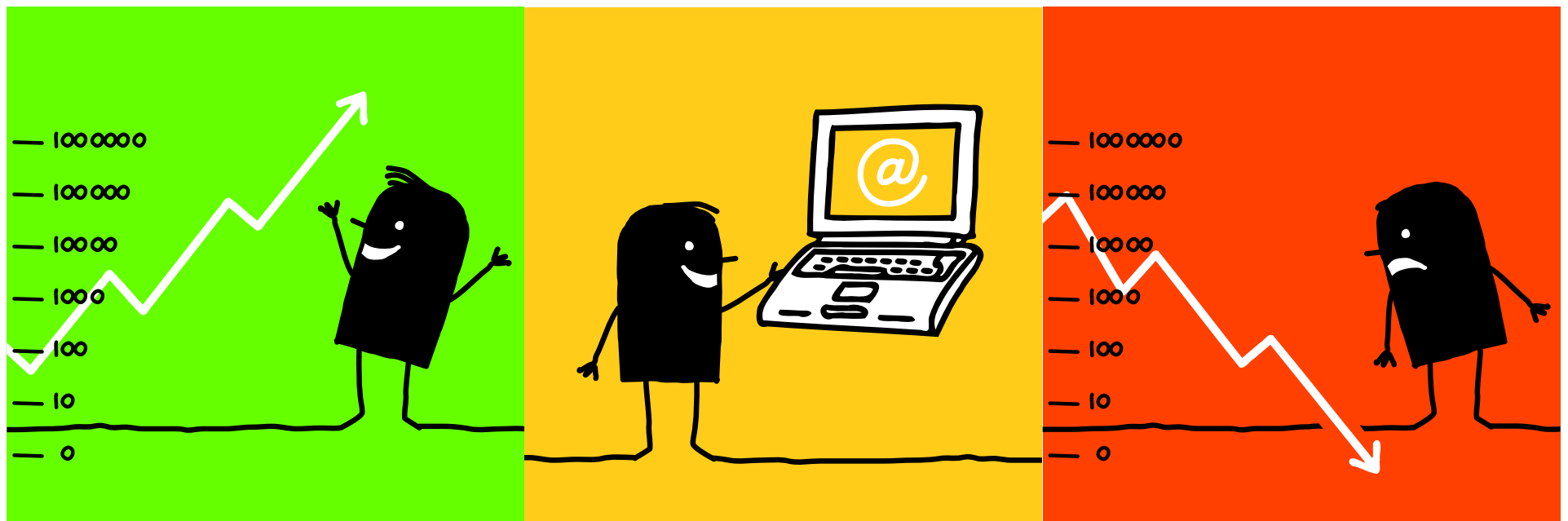
\*Only those companies that derive a majority of their total revenues from unbundled property loss control consulting are ranked.  
Source: BI survey

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December 20 & 27, 2010

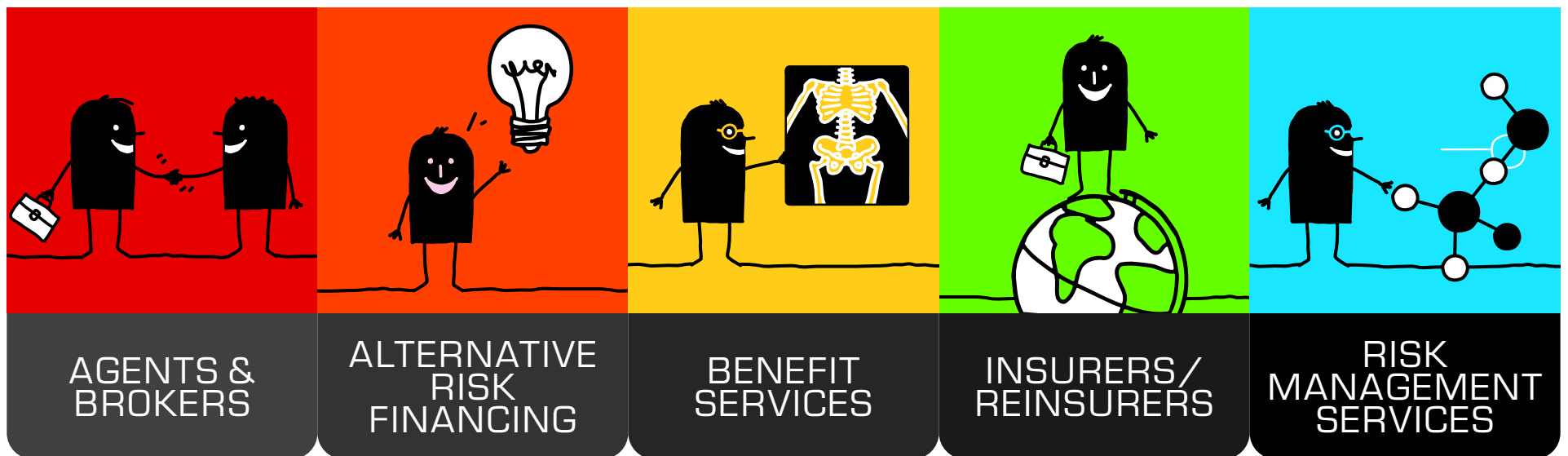
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