financial and professional **insurance**

JLT RISK SOLUTIONS
Limited

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Jardine Lloyd Thompson Group plc

The Jardine Lloyd Thompson Group (JLT) was created in 1997 through the merger of Jardine Insurance Brokers, an Asian based retail broker, and Lloyd Thompson, a London based wholesale broker. The Group is now ranked as the world's six largest broker, responsible for over GBP3,000,000,000 of client premium.

As a leading international provider of risk solutions and insurance services, the Group is focused on its clients' needs and only operates in business areas where it is, or can become, a market leader.

The Group operates through two specific business groups, JLT Risk Solutions (JLTRS) and JLT Corporate Risks and Services (JLTCR&S).
JLTRS provides major corporate clients with comprehensive professional advice, innovative risk solutions and transactional services. It brings together the London market insurance and reinsurance operations and is responsible for related overseas offices.

JLTCR&S incorporates the Group's global retail business as well as local government business in Australia, Canada and the UK. In addition, JLTCR&S provides affinity marketing employee benefits, claims and insurance fund administration to UK and US clients who wish to outsource these essential services. The Group's continued success stems from its commitment to first class client service in all respects of the business. This commitment is fundamental to our culture and provides a strong platform upon which our aim of exceeding expectations of our clients is based.

JLT Risk Solutions Ltd

JLTRS is by self-definition and very much on purpose, a smaller firm than most of its competitors. However, we regard our size as our strength. We have created an environment that brings together expert insurance, reinsurance and alternative risk transfer techniques into a truly integrated international resource, giving our clients a competitive edge in their business.

We believe that the most effective risk solutions result from co-operative relationships. Our corporate structure is designed to support this kind of approach. Uniquely amongst our competitors we operate as a single profit centre allowing our staff to concentrate on clients' needs.

We are insurance and reinsurance experts, our marketing skills and the quality of our service are benchmarks for the industry, but when clients' needs dictate, our thinking goes beyond the accepted boundaries of insurance. We are leaders in alternative risk financing mechanisms – the innovative, creative solutions that are demanded in this field are a testament to whole business philosophy.

JLTRS' dedication to innovation is underpinned by its commitment to the delivery of superior service.

Jardine Lloyd Thompson Group plc (cont)

JLTRS is organised into specialist business units, but it is the way these units work together to create risk solutions that can transcend the boundaries of traditional insurance and reinsurance. It is this difference that characterises JLT Risk Solutions.

Property

JLTRS is now the third largest producer of property business and place over $500,000,000 of premium in the London and European markets. Property is our largest source of revenue with the average account generating $1,000,000 in premium. We presently employ a staff of 65 in our property business unit handling approximately 130 accounts.

Liability

JLTRS is very active in both primary and excess casualty lines, including general liability, employers' liability, professional indemnity, medical malpractice, patent infringement and product recall. JLTRS has developed a market reputation for excess integrated reinsurance placements.

Construction

JLTRS maintain London's largest construction unit. Comprehensive solutions have been developed for principals, employers and financiers in the construction and engineering industry. We act as specialist consultants for leading international and domestic contractors and can provide advice on areas such as PFI and power projects, due diligence and contingency risks.

E-Risks

JLTRS is a leading developer of insurance solutions to conventional proprietary computer network exposures and emerging Internet and e-commerce risks.

Alternative Risk Transfer (ART) & Contingent Financing

JLTRS has pioneered the insurance market's development of alternative methods of risk transfer and the utilisation of insurance capital to meet corporate risk financing requirements. As a result, we have become one of the most experienced brokers of corporate and reinsurance ART transactions. In addition to our transactional capabilities, we offer extensive statistical risk analysis services.

Captive Consulting and Captive Management

JLTRS' captive management unit aims to establish JLTRS as the world's premier captive specialist. As well as offering conventional captive management and consulting services – Captive study, business plans and reinsurance protections, JLTRS is actively involved in the utilisation of special purpose vehicles for strategic risk financing purposes.

Reinsurance

JLTRS is involved in all classes of excess of loss, proportional treaty and retrocession reinsurance business. On major international risks JLTRS is a leading player in creating support for original local underwriters from within the London and other reinsurance markets on a facultative basis.

JLT Risk Solutions Ltd (Financial and Professional Insurance Division)
Signature Product Expertise

JLT Risk Solutions Ltd has recently invested in expanding the area of expertise in what is often referred to as financial and professional insurance.

We hereby present a short overview of the insurance products we provide in this area. JLT Risk Solutions are continuously and proactively developing new solutions for our clients' exposures, adapting these products to the rapidly changing legal environment of our clients' businesses and, increasingly important, to the hardening insurance market, thereby optimising the coverage provided.

JLT Risk Solutions is now also the leading reinsurance broker for these products. Our clients will benefit from products and insurance capacity for such products being developed on a parallel basis, thereby securing the appropriate market capacity for the increasing need for higher limits and broader coverage to cover these risks.

Below, please find an illustration of the core products in which we specialise:

Direct Financial Loss (Crime-related exposures)	Indirect Financial Loss (Liability-related exposures) – Insured Persons	Indirect Financial Loss (Liability-related exposures) – Insured Entity
CRIME – Employee & 3rd party Unauthorised Trading – Financial and Commercial Cash in Transit	Directors & Officers Liability Employment Practices Liability Prospectus Liability (IPO) Fiduciary/Pension Trustee Liability Professional Liability	Directors & Officers Liability Employment Practices Liability Prospectus Liability (IPO) Fiduciary/Pension Trustee Liability Professional Liability
	Claims Buyouts Tax Opinion Liability Warranties & Indemnities (spanning Insured Persons and Insured Entity)	

On the following pages, we will give a brief description of these products, as well as a few examples of claims, which have recently been paid by the insurance markets.

Please feel free to contact any of the below for any questions you may have.

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Claims Handling

At JLTRS, we recognise that the ultimate test of any reinsurance product is the provision of a quality service in the event of a loss. As a company therefore, we place great emphasis on our Claims Service. We are dedicated to maintaining an unparalleled reputation for claims servicing, which we believe is facilitated by the following attributes:

One Team Philosophy

- The Claims Unit is located in the same office as all other Business Units.
- Integral working relationships with placing and production colleagues.
- We are the only major London broker to have all Claims Services in the immediate proximity of Lloyd's and London Company Markets.

Client Focused

- The service provided is tailored to the individual needs of our clients.
- We are committed to securing maximum recovery possible on all claims.
- Distinct reporting channels allow unfettered servicing of our client needs

Dedicated Service

- Claims Partners and support teams are identified for each account.
- Formalised and clear claims procedure.
- Commonality of responsibility for both client and insurer contact.
- Continuity of case management and accountability.

Specialist Claims Negotiators

- Teams led by senior Partners or Associates.
- High calibre support to fully complement Business Units.
- Broad base of expertise.

Bespoke Claims Computer System

- Developed in-house.
- Quality IT support enabling effective management of our clients' claims requirements.

Complementary Services

- Service level agreements available endorse commitment to claims servicing.
- "Advocacy" product offering claims services to non-current clients.

Service Structure

- The Claims Unit consists of over one hundred people identified into teams reflective of our Business Units. However, we will utilise resources from all areas in order to provide the optimum level of service and to find the best possible solutions for our clients.

Related Services

- At JLT we provide a variety of claims services to suit the individual and particular needs of our clients.

Traditional Claims Broker Services

- We work in close contact with our clients, offering advice in securing the maximum recovery possible within the terms and conditions of the policy. The same team operates in the market on our clients behalf to ensure clear communication and to elicit the best possible response from underwriters.
- We utilise relationships developed over many years throughout the entire team to assist in the persuasive and compelling presentation of our clients' claims.
- These same relationships can assist in the prompt response of our markets to settlement requests. Subject always to the specific markets utilised, we usually collect and remit funds within thirty days of receipt of all necessary documentation.

Advocacy

- "Advocacy" means that the services of our claims experts are available to all, even if we are not involved in the original placing of the policy.

Claims Handling (cont)

- Changes in the insurance industry including broker consolidation have led to the loss of experienced staff and the decentralisation of the claims focus. The claims resources available to clients have often been severely weakened as a direct result.

- We make the efficiency and professionalism of insurers' claims negotiators work to our clients' benefit. Insurers want to be seen as proactive in the claims process. They need to maintain and develop their business relationships with their policyholders.

- Insurers recognise that a good claims broker can help to build those relationships, whilst policyholders are assured of the best possible settlement of their claim.

- "Advocacy" is in tune with changes in the market and the needs of insurance buyers. Our claims advocacy service provides policyholders and intermediaries with a new claims perspective. Whether you have had a single claim denied, or you need a reliable resource to help you manage all, or part of your claims portfolio, whatever your needs we can help you find practical solutions.

Fast-Track

- For a negotiated consideration, we will offer a guarantee of claims payment time frames. This is contingent upon the actual security utilised and may suit those clients for whom the accurate projection of cash flow is of particular interest.

Extra-Dedicated Resources

- Some clients may require a level of singular commitment, which exceeds even our own very high standards. This may be due to a lack of sufficient resource within the risk management structure in the event of an unexpectedly difficult or complex claim.

- We can offer a level of service to suit exactly to our clients' requirements. Our team incorporates individuals with a wealth of experience across a broad spectrum of classes. We can dedicate an individual, or team to satisfy the varying demands of our clients.

Service Level Agreements

- We can provide a clear and comprehensive statement of the services we provide, dependent upon those demands and requirements of our clients. We expect to be judged upon these pre-agreed service levels and are happy for our remuneration to reflect our adherence, or otherwise, to these standards.

Directors & Officers Liability Insurance

D&O Liability Insurance protects the management of the Company against having to pay high damages and extremely painful legal fees out of their own personal assets, following a claim made against them for their personal liability according to applicable corporate and/or employment law.

The insurance markets have suffered from the US D&O claims for a long time, particularly badly during the last few years, having to pay very large claims. In Europe, the development has taken off during the last 2-3 years and we are now seeing substantial settlements as well as legal fees being paid. Following the high-tech industry crisis and the following flood of securities litigation in the USA, this line of business is very rapidly losing its commodity status, particularly for Insureds with a US market listing. It is prudent for a company with US exposures to take extra care when renewing their D&O Insurance for 2002.

The vast majority of Scandinavian public companies today purchase this coverage.

Summary of typical D & O Insurance Coverage

Who is covered?

For the Parent Company and Subsidiary Companies: Past, present and future Directors (including Shadow Directors), Officers, and other individuals with a personal liability for management decisions, who committed a Wrongful Act whilst performing managerial duties. The policy can be extended to cover employees for employment related claims (see Employment Practices Liability Insurance, below), as well as Outside Directors.

Divested/new Subsidiary Companies should be covered for Claims based on Wrongful Acts committed during such time the divested/created/acquired company was a Subsidiary Company.

What is covered?

The insurer pays on behalf of the Insured in respect of legal liability for damages plus Costs, Charges and Expenses, as a consequence of a Claim made against, and based on a Wrongful Act committed by an Insured Person.

What is excluded?

- Bodily Injury/Property Damage
- Criminal Acts, final adjudication
- Uninsurable matters
- Pollution

When does the coverage apply?

The D&O Liability insurance is triggered by Claims made against the Insured Person during the policy period based on a Wrongful Act committed at any time (see, however new/sold Subsidiaries above), provided such Claim is reported within the agreed reporting provisions in the policy. The coverage does not apply to Claims/circumstances which could reasonably lead to a Claim, of which the Insured had knowledge of or had reported to another insurer prior to the first inception date of the policy.

Directors & Officers Liability Insurance (cont)

Example of a D&O Liability Claim

(Source: Stanford Law School Company and Complaint Data, 14 November 2001)

According to a Press Release dated September 25, 1998, a class action complaint was filed alleging defendants with violations of securities laws by concealing poor operating results, and inflating its stock price. According to the lawsuit, DSC stockholders were wrongfully induced to exchange their DSC shares for Alcatel ADS shares at an artificially inflated rate. The lawsuit alleges that defendants' proxy statement/prospectus failed to disclose that Alcatel's operating results in the first half of 1998 were worse than the Company had led investors to expect. These omissions prompted DSC shareholders to approve the merger, which had term granting them only 815 ADSs for each DSC share they possessed. According to the lawsuit Alcatel did not hint at the truth of the operating results until September 1, 1998, nine days after it announced completion of the merger, when it dropped a bombshell: its revenues and operating profits for the first half of 1998 declined 29% and 15% respectively from the prior year. This stunning announcement caused an immediate drop in Alcatel's ADS from $31-5/16 to 19-1/8.

We understand from information in the market that the claim is going to settle for approximately $100 million, and we believe the Alcatel D&O Liability Insurance carries a limit of no more than $50 million in the aggregate.

Employment Practices Liability Insurance

EPL Insurance provides coverage for the ever escalating frequent and severe claims made against employees and management of the Company, as well as against the Company itself, which claims are based on violation of the rapidly changing employment legislation.

Starting in the USA in the early 1990's, the employers' human resources policies and procedures, as well as their level of adherence to these policies and procedures, came into focus, ironically following the Clinton regime's aim to create a better workplace through changes in the employment law and the human rights act. A couple of well publicised discrimination cases caught the attention of employees all over the USA, and it became increasingly common to seek compensation from the employer for emotional distress and financial loss caused by an unlawful working environment. Both the changes in legislation and the change in litigiousness have since been mirrored by the European Union. The UK in particular is now proving almost as bad as the USA in terms of frequency of claims and the general awareness that the employers are truly liable for any mistake in this area. Even if Europe does not have the punitive damages of the USA (which is fully applicable on EPL claims), settlements in excess of SEK 150 million have been made.

This development has made the previous practice of adding the EPL coverage for the Company on the D&O Liability Insurance insufficient and dangerous, as it sub-optimises both coverages, claims handling and limit available for the Directors and Officers.

Summary of typical EPL Insurance Coverage

Who is covered?

For the parent company and Subsidiary Companies: The Company, Past, Present and Future Employees, Directors (including Shadow Directors) and Officers. The policy can be extended to cover Outside Directors.
As opposed to the D&O Liability Insurance, new Subsidiary Companies should also be covered for Claims based on Wrongful Acts committed prior to such time the divested/created/acquired company was a Subsidiary Company. Divested Subsidiary companies should be covered for Claims based on Wrongful Acts committed prior to the transaction date.

What is covered?

The insurer pays on behalf of the Insured in respect of legal liability for damages plus Costs, Charges and Expenses, as a consequence of a Claim made against the insured, and which is based on a Wrongful Act (such as breach of employment contract, wrongful dismissal, discrimination, failure to hire/promote/provide reference, sexual and other harassment) committed by an Insured.

What is excluded?

- Uninsurable matters
- Rape (final adjudication)
- Workers Compensation claims
- Compensation/benefits agreed in an employment contract
- Plant closure

When does the coverage apply?

The EPL insurance is triggered by Claims made against the Insured Person/Insured Entity during the policy period based on a Wrongful Act committed at any time (see, however sold Subsidiaries above), provided such Claim is reported within the agreed reporting provisions in the policy. The coverage does not apply to Claims/circumstances, which could reasonably lead to a Claim, of which the Insured had knowledge of or had reported to another insurer prior to the first inception date of the policy.

Employment Practices Liability Insurance (cont)

Example of an insured EPL Claim

(Source: Financial Times, November 16 2000)

Coca-Cola agreed to pay $192.5 million to settle a class action racial discrimination lawsuit. It is the largest sum paid by a US company in a discrimination case. The settlement surpasses the $176m paid by Texaco in 1997 in a similar lawsuit. Like the Texaco agreement, Coke's settlement includes systematic changes such as setting up a seven-member outside taskforce to oversee the company's US diversity efforts. Lawyers for the plaintiffs - four African-American former employees who alleged that Coke treated black employees unfairly and paid them less than whites - called the taskforce a "centrepiece" of the settlement, ensuring Coke holds to diversity changes over four years. Coke agreed to pay $113m in mostly compensatory damages and back pay, compared with $115m paid in the Texaco case. About $20m of the settlement will go towards lawyers' fees. The agreement closes a tumultuous period for Coke since the lawsuit was filed in 1999.

Coke's problems are far from over, however. A group of four female black former employees have also sued for discrimination, seeking $1.5bn in damages. Coke denies all charges. Apart from the cash paid, the latest settlement allocates $43.5m to making future pay equity adjustments for black employees and $36m to the reforms. Other programme changes include the unusual step of making the board of directors responsible for diversity efforts.

The lawsuit is believed to have encouraged employees at other Atlanta-based companies to launch actions. Delta Air Lines and Southern Company, both in Atlanta, also face race discrimination charges.

Prospectus Liability Insurance (IPO)

Prospectus Liability Insurance (often referred to as IPO) protects the Company and its Directors in respect of claims arising from the issue of a prospectus/listing particulars. The cover also includes claims by the underwriter or sponsor of the flotation arising from warranties and indemnities given by the Company or the Directors personally in the agreement with the underwriter and sponsor.

Prospectus Liability Insurance is normally combined with the D&O Liability policy, adding coverage for the risks arising out of a prospectus and listing process which the D&O policy is not designed to address, e.g. claims against the company, underwriters and law firms. Another important issue with a D&O policy is that it is normally written on a pure claims made basis and is renewable every year. The Prospectus liability claims are normally made towards the end of the period during which a claim legally can be made (three years for the US and Scandinavia, six years for the UK), and therefore, it would put the insured in a difficult renewal position when renewing the policy as the claims start to come in. The Prospectus Liability Policy therefore should be a multi-year policy, covering the full indemnity period.

Following the high-tech industry crisis and the resulting flood of securities litigation in the USA, and in Europe (the Deutsche Telecom billion-DEM claims being only one example), the need for this type of insurance has become increasingly obvious. The Scandinavian legislation for Prospectus Liability is currently being reviewed, and legal experts expect this to lead to a situation where it is considerably easier for an investor to claim compensation following the prospectus and listing process.

Summary of typical Prospectus Liability Insurance Coverage

Who is covered?

For the Offering Company: Directors, Officers and Employees of the Offering Company, as well as the Offering Company itself.

What is covered?

The insurer pays on behalf of the Insured in respect of legal liability for damages plus Costs, Charges and Expenses, as a consequence of a Claim made against an Insured, which is based on a Wrongful Act (with respect to a securities claim).

What is excluded?

- Uninsurable matters
- Multiple damages
- Unlawful profit/advantage and unapproved remuneration
- Dishonesty/Fraud
- Bodily injury/Property damage
- Pollution
- Trustee Liability

When does the coverage apply?

The Prospectus Liability Insurance is triggered by Claims made against the Insured Persons/Insured Entity during the policy period based on a Wrongful Act committed at any time following the issue, provided such Claim is reported within the agreed reporting provisions in the policy.

Prospectus Liability Insurance (IPO) (cont)

Example of Prospectus Liability Claim

In December 2000, a class action was filed against Deutsche Telekom, Kreditanstalt für Wiederaufbau, Deutsche Bank, Deutsche Bank Alex. Brown, Dresdner Kleinwort Benson North America, Goldman Sachs & Co and the Chairman of Deutsche Telecom, Ron Sommer.

Alleging misrepresentation of material facts in the Registration Statements and the Prospectus, the plaintiff is representing a class of persons and entities (who 'are so numerous that joinder of all members is impracticable'), who acquired the equivalent of at least 200 million ordinary shares of Deutsche Telekom American Depository Shares pursuant to a Registration Statement filed with the SEC in may 2000, and a Prospectus issued in June the same year. The plaintiff alleged violations of Sections 11 and 12(a)(2) of the Securities Act; omissions and/or misrepresentations of material facts about Deutsche Telekom in the Registration Statement and Prospectus, as well as control person liability. (Controlling persons being Ron Sommer and Kreditanstalt für Wiederaufbau.)

The complaint alleges that the Registration and Prospectus were materially false and/or misleading because they failed to disclose material facts that were required to be disclosed.

These material facts were, among others that

(a) by the effective date of the offering on June 17, 2000, the Company was in the very advanced stages of merger negotiations with the US company VoiceStream, a telecommunications start-up company with just 2.3 million subscribers, paying $50.7 billion and (b) during the year 2000, up until the effective date of the stock offering, Deutsche Telekom's profits had been significantly negatively impacted by increasing costs incurred in competing for mobile phone customers.

Th complaint alleges that on or about July 24, 2000, Deutsche Telekom publicly announced its planned takeover of VoiceStream. On news of the announcement, the Company's shares declined almost seven points to $44 3/4 per share.
On July 28, 2000, Deutsche Telekom announced a 26% fall in profits for the first half of the year .

Deutsche Telekom filed with the Securities Exchange Commission a Registration Statement for the sale of 45 million ordinary shares of stock, as a part of a global offering of 200 million ordinary shares in the form of American Depository Shares.

The plaintiff is claiming for damages , including prejudgement and post-judgement interest, as well as reasonable attorneys' and experts' witness fees and other costs. The decrease in market capitalisation underlying the claim is $9.4 billion. The likely takeup for plaintiffs would be 25%, which would then give maximum damages of approximately $2.35 billion.

Fiduciary/Pension Trustee Liability Insurance

Fiduciary or Pension Trustee Liability Insurance protects the Company, related Trusts and their Directors and Officers and Employees in respect of claims arising from Wrongful Acts committed during the sponsoring, management and/or closing of such Trust, on behalf of the beneficiaries of the management of the assets by the Trust. This could be pension funds, stock option plans or other employee benefit plans, but it could also be trusts managed on behalf of customers or other third parties with which the Company has a contractual arrangement for management of such third party's assets.

This type of insurance is based on the fact that companies are required to set up separate vehicles for the management of their employees' pensions, etc., a requirement which exists in the USA, the UK, Switzerland, but also in many other EU countries. Whilst very similar to the D&O Liability Insurance, there is a very clear conflict of interest between the financial interest of the Company and of the beneficiaries of the insured Trusts. The UK Maxwell claim is a very clear example of this, where the employees' assets were transferred to save the Company. Therefore, the Fiduciary Liability Insurance should be purchased as a separate coverage, avoiding any doubts about in which interest the policy is designed.

Summary of typical Fiduciary/Pension Trustee Liability Insurance

Who is covered?

The Company and related Trusts, as well as their Past, Present and Future Trustees, Directors (including Shadow Directors), Officers, and other individuals with a personal liability for management decisions, for Wrongful Act committed, whilst performing duties on behalf of the beneficiaries of the Trust.

What is covered?

The insurer pays on behalf of the Insured in respect of legal liability for damages plus Costs, Charges and Expenses, as a consequence of a Claim made against an Insured, and the claim is based on a Wrongful Act committed by an Insured or other person for whom the Insured is legally responsible.

What is excluded?

- Not entitled Personal Profit/Advantage
- Bodily Injury/Property Damage
- Dishonesty, final adjudication
- Fines and Penalties, multiple damages
- Failure to collect funds
- Uninsurable matters
- Pollution

When does the coverage apply?

The Fiduciary/Pension Trustee Liability insurance is triggered by Claims made against the Insured during the policy period based on a Wrongful Act committed at any time, provided such Claim is reported within the agreed reporting provisions in the policy. The coverage does not apply to Claims/circumstances, which could reasonably lead to a Claim, of which the Insured had knowledge of or had reported to another insurer or which litigation had commenced prior to the first inception date of the policy.

Professional Liability Insurance

Professional Liability/Indemnity Insurance (PI) protects the Company and individual persons (with a personal legal liability for Wrongful acts committed whilst performing professional services on behalf of the Company) in respect of claims arising from Wrongful Acts committed during the performance of professional services on behalf/under the supervision of the Company.

In most countries in the world, it is compulsory for most Professional Service Firms to take out Professional Liability (or Professional Indemnity/Errors and Omissions) Insurance of some kind. Many Industry Organisations, such as the Bar Associations, design, purchase and administer the PI Insurance on behalf of their members. This compulsory insurance coverage is often purchased in the domestic insurance market, which market is often more or less under pressure from the regulatory authorities to provide coverage in accordance with the regulatory requirements, which are often rather unattractive to the insurers. In addition to the compulsory insurance levels, and responding to the rapidly escalating number and size of the PI claims for these firms, many firms have chosen to purchase excess coverage in the international market.

In addition to the Professional Services Firms, most companies, which provide and charge for advice to their customers and clients would purchase PI insurance. For these companies, in Scandinavia, it is common to purchase PI insurance as an extension to the General & Products Liability insurance, unless the limits of liability or scope of coverage required are higher than the General Liability markets can provide at a competitive price.

The insurance markets worldwide have long been suffering from unprofitable books of PI Insurance, particularly for the financial and professional industries. In Europe, including Scandinavia, following an increased tendency for their clients and customers to seek compensation for financial loss perceived to have been caused by their providers of advice, it is very common for insureds to find themselves underinsured (please see Claims Buyouts overleaf) and to face very difficult renewal negotiations with their insurers.

Summary of typical Professional Liability Insurance Coverage

Who is covered?

The Company and individual persons (with personal legal liability for professional services) for Wrongful Act committed, whilst performing professional services on behalf/under the supervision of the Company.

What is covered?

The insurer indemnifies the Insured in respect of legal liability for damages plus Costs, Charges and Expenses, as a consequence of a Claim made against an Insured, and which claim is based on a Wrongful Act committed by an Insured or other person for whom the Insured is legally responsible.

What is excluded?

- Bodily Injury/Property Damage
- Dishonesty, final adjudication
- Fines and Penalties, multiple damages
- Uninsurable matters

Professional Liability Insurance (cont)

When does the coverage apply?

The international insurance markets require Professional Liability insurance to be triggered by Claims made against the Insured during the policy period based on a Wrongful Act committed at any time, provided such Claim is reported within the agreed reporting provisions in the policy. The coverage does not apply to Claims/circumstances, which could reasonably lead to a Claim, which the Insured had knowledge of or had reported to another insurer or litigation commenced prior to the first inception date of the policy. Some local markets offer insurance with an occurrence or 'acts committed' trigger, for local risks and mostly due to requirements by the local regulatory authorities.

Example of a Prospectus Liability Claim

This incident involved the Insured, a fund manager, being accused of failure to respond to offers made for the purchase/exchange of certain shares held by the managed fund. These shares later ceased to be listed and the trustees believed the fund's value to be overstated and brought an action against the Insured for the difference between the original offer price and the now devalued market price of the shares. The claims were settled for USD 4.3 million. Having been set a deadline by the trustees, it was vital that their claim was settled swiftly, otherwise formal legal proceedings would have begun.

Crime Insurance

Crime Insurance (Fidelity, Bankers Blanket Bond, Commercial Crime, Computer Crime, etc.) protects the Company in respect of financial loss sustained by the Insured or for which loss the Insured is legally liable, caused by dishonest, fraudulent or reckless acts committed by any person. The many names of the different crime products indicate that there is a wide variety of coverage provided in the insurance market.

The vast majority of claims under a Crime policy are caused by Employee Infidelity. This risk therefore attracts most of the premium and the other types of coverage, for risks caused other than by the Insured's Employees, constitute a minor part of the premium allocation. Traditionally, non-financial companies have merely purchased coverage for Employee Infidelity, leaving the exposures for third party crime uninsured. Whilst most companies' property insurance provides certain coverage for third party crime (burglary), contemporary crime insurance should provide coverage for third party crime, in order to deal with e.g. theft, forgery, lost securities, etc.

The Employee Infidelity coverage normally restricts the policy to only loss caused by an employee with the intent to gain financially and personally from his/her acts. This leaves uncovered the catastrophic risk of loss caused by an employee whose intentions are other than personal and financial. So-called Unauthorised Trading is often intended to contribute financially to the company, not to the person, or to give non-financial gain to the employee. (See Unauthorised Trading overleaf)

There are few financial institutions in the world who do not purchase crime insurance of some sort. However, for commercial companies, whilst the crime exposures to any company is very similar regardless of legislation or territory, the culture for purchasing crime insurance varies greatly from country to country. This seems to be dependant on whether it is 'comme il faut' to admit, internally as well as to a potential insurer or the police authorities, to having a problem with dishonest employees. We know of companies who lose the equivalent of tens of millions of pounds directly hitting their bottom line result and still they do not want to purchase available insurance coverage for fear of bad publicity.

The insurance market, particularly in Scandinavia, is suffering from very poor underwriting results in crime insurance, and the generally hardening market will be very obvious in this area.

Summary of typical Crime Insurance Coverage

Who is covered?

The Company for loss sustained by the Company or for which loss the Company is legally liable, and which loss is caused by a dishonest, fraudulent or reckless act committed by any person.

What is covered?

The insurer indemnifies the Insured for loss sustained, plus Costs, Charges and Expenses, as a consequence of a dishonest,fraudulent or reckless act by any person, committed with the intent to cause improper financial gain for such person.

What is excluded?

- Loss discovered prior to the inception date of the policy.
- Consequential loss
- Fines and penalties and other uninsurable matters
- Non-payment of loan (financial institutions)
- Acts committed by Employees with a known criminal record.
- Loss of Intellectual Property

Crime Insurance (cont)

When does the coverage apply?

Crime insurance is written on a discovery basis, which means that the policy covers losses discovered during the policy period or the extension period, whenever the loss was caused. The most common ground for denial of a claim by an insurer is that the loss was actually known to the insured prior to the policy inception. The insured's reporting procedures and the adherence to/control of such procedures are imperative for ensuring that the insurance is effective in case of a loss.

Example of a Crime Loss

An international bank was subject to a loss resulting from employee infidelity occurring over a long period, involving travellers cheques re-entering circulation after they had been presented and cashed at the Insured's branches. Cheques issued by another bank and already presented to and stamped by the Insured were stolen in batches, carefully washed and presented to numerous third party banks, assuming the cheques were genuine unused cheques, who therefore cashed them and got reimbursed by the issuing bank. The Insured was therefore never reimbursed for the cheques they had cashed and suffered a loss which was discovered through internal audit, but it was only when the losses continued that it became evident that staff were involved.

Unauthorised Trading Insurance

Unauthorised Trading Insurance protects the Company in respect of financial loss sustained by the Insured or for which loss the Insured is legally liable caused by intentional unauthorised trading in securities, currencies, precious metals or other valuable property or instrument traded in an open market.

Since the crash of Barings plc in the mid 1990's (see overleaf), there has been many reports detailing means of controls and management accountability. The UK Combined Code of Corporate Governance and the new Basel Accord are two examples of consequences of the event which proved that a highly respected institution could be exposed to such a catastrophic risk.

No system or procedure can fully protect against a trader (or indeed a non-trader!) who finds a way of conducting unauthorised trades and who is unscrupulous or desperate enough to use it.

As mentioned under the Crime section previously, the Employee Infidelity coverage restricts the policy to only cover losses caused by an employee with the intent to gain financially and personally from his/her acts.
Unauthorised Trading losses are often caused by an employee without any intent of improper financial gain for himself. One example of this is the $75 million loss suffered by a US bank, whose Mexican City trader exceeded his volumes by speculation in the Mexican Pesos against the dollar, so that he could be promoted and transferred to the London branch to be with his girlfriend.

Also, the Unauthorised Trading policy addresses the problem that a discovery of unauthorised trading requests prompt action to prevent any further loss, action which in Crime Insurance can not normally be reported to and dealt with as a normal insurance loss. This mitigation could also eventually lead to further loss, as one can never entirely predict the fluctuations in the securities, etc. markets. The UT policy covers such extended losses as mitigation costs.
The early 1990's loss sustained by a Scandinavian non-financial institution, caused by an employee exceeding his authority to trade in the local currency against the dollar, and where the position was closed and 'hedged' by purchasing government bonds, ultimately leading to a doubling of the loss sustained by the company (at least short term), proves this point.

Summary of typical Unauthorised Trading Insurance Coverage

Who is covered?

The Company for loss sustained by the Company or for which loss the Company is legally liable, and which loss is caused by Unauthorised Trading by an Employee.

What is covered?

The insurer indemnifies the Insured for loss sustained, including mitigation costs, plus Costs, Charges and Expenses, as a consequence of intentional Unauthorised Trading by an Employee.

What is excluded?

- Insolvency
- Suspension of trading
- Acts by Directors of the Insured

When does the coverage apply?

Unauthorised Trading Insurance is written on a discovery basis, which means that the policy covers loss discovered during the policy period or the extension period, whenever the loss was caused. The most common ground for denial of a claim by an insurer is that the loss was actually known to the insured prior to the policy inception. The insured's reporting procedures and the adherence/control of such procedures are imperative for ensuring that the insurance is effective in case of a loss.

Unauthorised Trading Insurance (cont)

Example of an Unauthorised Trading Loss

An employee of a highly respected bank, and who had been transferred to the trading floor following a successful period in the back-office area, was extremely successful, in his first year. He was making very large profits for his employer and although concerns were raised about the scale of his activities, management were more concentrated on the profits, which his activities generated. His knowledge of the back-office routines made it possible for him to conceal much of his trading activity. It was when senior management were contacted by the trading exchange itself, who wanted reassurance from the board that the company had sufficient funds to support his trading activities that the management committee decided to take a close look. This scrutiny resulted in a search for a buyer and ultimately the company's bankruptcy. The company was Barings plc, the date February 1995.

Cash in Transit Insurance

Cash in Transit Insurance protects the Company (usually a bank or a security company) in respect of financial loss of valuable property sustained by the Insured or for which property the Insured is legally liable, caused by any person, for any reason. The CiT insurance should be a true all risk policy, the only restriction being that the loss should be physical, and that no consequential loss other than loss of interest on the lost property is covered under the policy.

The business of security companies is to assume responsibility for its customers' property and the CiT insurance is therefore vital for its business.

The main insurance market capacity for CiT insurance is in the Lloyd's market, particularly for larger risks.

Summary of typical Cash in Transit Insurance Coverage

Who is covered?

The Company for (physical) loss of valuable property, sustained by the Company or for which property the Company is legally liable.

What is covered?

The insurer indemnifies the Insured for loss sustained, including mitigation costs, plus interest, as a consequence of loss of valuable property, wherever and by whomsoever caused.

What is excluded?

- War, etc.
- Nuclear damage
- Consequential loss

When does the coverage apply?

Cash in Transit Insurance is written on a discovery basis, which means that the policy covers loss discovered during the policy period or the extension period, whenever the loss was caused. The most common ground for denial of a claim by an insurer is that the loss was actually known to the insured prior to the policy inception. The insured's reporting procedures and the adherence/control of such procedures are adamant for ensuring that the insurance is effective in case of a loss.

Example of a Cash in Transit Loss

A security company stored valuables in their premises on behalf of several large banks. Each bank had its own vault in the premises of the security company and in accordance of the contracts between the banks and the security company, the banks were obliged to conduct regular audits of the value stored. This never happened at the same time.

An employee of the security company started to gradually and systematically empty the vaults. When one of the banks was to audit its vault, the said employee simply made sure that the particular bank's vault contained the correct value. The loss was discovered when, unannounced, two banks conducted surprise audits at the same time. The loss was considerable and was covered by the insurance of the security company.

Claims Buyouts

Claims/Litigation Buyouts remove the perceived excessive part of a reservation of a claim made against the Insured, thereby releasing capital, which would otherwise be tied in contingent liability in the Insured's balance sheet. This, in turn, often leads to better credit rating and, if traded, an increased share price and market capitalisation. The claims/litigation buyout trades on the difference in allocation of risk required by the accounting principles applicable to the insurer and the Insured respectively.

As mentioned under Professional Liability Insurance previously, the increased litigiousness today often result in under/uninsured claims.
The Insured has to make balance sheet provisions for the uninsured part of the claim and the consequence is often a higher cost of borrowing and unfavourable reports by the investment analysts. It can also result in more operational problems, such as the Insured being unable to pay staff bonuses, shareholder dividends and making commercially important long-term financial commitments.

A need for a claims buyout is often triggered by either a Mergers & Acquisitions situation, or a change in management of the company with the contingent liability.

The Process:

There is usually a two tier process undertaken in investigating the insurability of a claims buyout:

1. *Undertaking a structured and systematic due diligence of available case information to prepare a credible summary of the case to underwriters. It is of paramount importance that this summary is prepared by an experienced litigation lawyer who is more neutral to the case than both the potential insured's or the insurer's legal counsel.*
2. *Having completed an appropriate analysis, we look to design any necessary solutions to protect the ongoing profitability of the new group to which solutions are likely to be placed in the insurance market. This is done by constant negotiating with potential lead insurers and a first statement will be made as to whether the claim is possible to insure or not.*

The key point to be aware of is that insurers are risk takers, and for an appropriate premium will use their capital to assume a range of non-traditional forms of insurance. The key is a little lateral thinking! JLT is the leading broker for alternative risk transfer solutions which may be crucial to complete the claims buyout.

Risk Transfer and Post Event Risk Transfer

'Risk Transfer' refers to the acceptance by the insurer of a defined set of risks in return for a defined premium. It is left to the insured to estimate the likely financial impact of the risks insured and this estimate is reflected in the policy limit. The insurer assesses the likelihood of loss in relation to the limits being sought and this in turn is reflected in the premium.
It is particularly difficult to select policy limits under liability coverages and for this reason it is common for liability policies to contain reinstatement provisions which provide the insured with additional cover, should the original limits be unexpectedly exhausted. Due to the obvious dangers in offering retrospective insurance for existing claims, this type of 'post-event' risk transfer (claims buyouts) is a very specialist class of insurance, which has very few potential lead underwriters. In order to be successful with this approach, it is vital that we are able to demonstrate to underwriters that - although a claim has been notified - there is still sufficient uncertainty regarding both liability and quantum, and the likely claim payment pattern, such that there remains a very realistic possibility that the retrospective insurance being sought will not actually be required.

Finite Risk Solutions:

In a conventional risk transfer policy, the insured has very little financial participation in the risks that are transferred. In the event of a substantial claim, the insured party might be considered to have 'won' and the underwriter to have 'lost': in the event of no claim, the reverse might be considered true. Under a finite risk placement, the interests of insurer and insured are much more closely aligned and this allows cover to be obtained for risks, which are difficult to insure in the conventional market.

Because the premium under a finite risk placement is used to fund any expected losses it is always substantially higher than under conventional risk transfer policies. However, the advantage of a finite programme is that the premium is placed into an interest-bearing account (often called an Experience Account) and in the event that claims are below the accumulated premium fund, then a substantial proportion of the fund is returned to the insured. Finite risk placements tend to be 3-5 years in duration and this allows an insured effectively to spread the financial impact of any loss over a longer period than would be the case if it had to fund it from their own balance sheet. In addition, because finite policies can be structured to contain a real element of risk transfer, the money paid into the interest bearing account can qualify as premium and therefore qualify as a tax deduction. The principal advantage of a finite structure is that it allows any loss to be spread over a considerable number of years (thereby smoothing the impact on the P&L account), whilst at the same time providing a substantial premium return (with interest), in the event that the loss is in fact contained within the existing placements.

As much as 85% of the accumulated premium fund can be returned to the insured on expiry of the contract.

An example of a Claims Buyout

A company trying to acquire an industrial supplier as a part of a much larger corporation discovered that the company had a high profile potential exposure to past liabilities and that historic cover was unlikely to provide sufficient protection for past liability claims which may occur in the future. Wanting to buy the supplier unencumbered, the company had three weeks to ring-fence the past liability exposure. A retrospective liability programme was designed to provide a £100 million cap on potential past liabilities and to negotiate significant savings on the ongoing insurance costs of the new company. The investment went through.

Tax Opinion Liability

Tax Opinion Liability Insurance assumes and relies on the existence of a sound tax position under local legislation. The potential Insured may face a decision to go through with a transaction or not.

A recognised tax expert will have provided a firm opinion on the viability of the tax situation, but as we all know, one can never be 100% sure of the situation until the tax authorities have approved the transaction. The uncertainty is the difference in costs to the Insured should the tax authorities approve or not approve the transaction.

Tax Opinion Liability may be written on a 'true' insurance, or on a reimbursement basis, determined on the circumstances and parties involved.

All Tax Opinion Liability Insurance requires the right to contest an assessment of taxes through the appropriate administrative and, if necessary, judicial appeals. Generally, contests will be conducted at the cost and expense of a party to the transaction, i.e. not the insurers.

Tax Opinion Liability insurance can be flexibly applied depending on the nature of the transaction.

It is worth noting that Tax Opinion Liability insurance can apply to both companies and individuals. For example, if an individual is selling off a privately held company, the tax situation for such an individual can be uncertain and the potential tax liability could be substantial and considerably exceed the potential gain from the transaction. It may be crucial for such a transaction to take place, that the tax liability situation is thoroughly investigated and Tax Opinion Liability Insurance, if taken out, can make the whole difference for the future wealth of such an individual.

Example of a Tax Opinion Liability Loss

A company being a prospective acquisition of a merchant bank had taken an accelerated depreciation of certain assets in accordance with the local tax laws. Due diligence resulted in that the threshold for deduction may not have been met, and that this could result in a £4 million tax liability. This contingent liability altered the merchant bank's valuation of the company, specifically the timing of the divestment of the investment. The seller indicated that it was unwilling to provide any guarantees or indemnity for the amount and negotiations broke down.

A Tax Opinion Liability insurance was arranged to replace the contingent liability, covering taxes due, fines, penalties, interest and the cost of fighting the unfavourable tax authority action. The premium paid was less than 5 percent of the outstanding tax liability and the deal went through.

Warranties & Indemnities Insurance

The sale of a company's share capital and assets will be accompanied by a negotiated requirement upon the vendor to grant numerous warranties and indemnities to the purchasing company. These warranties and any accompanying disclosures represent the state of the company at the time of sale and the indemnity provisions will detail the circumstances and amount by which the purchaser will be compensated in the event the vendor's warranties are erroneous.

Effectively a contractual liability within the Sale Agreement, these warranties and indemnities represent a significant risk to both the vending and purchasing company.

Post completion, the purchaser, having assessed what it actually got for its money, may seek to recover some or all of the purchase price by lodging claims against the warranties and indemnities granted by the vendor, either by exercising an indemnification provision within the Sale Agreement to release funds from an escrow arrangement or by litigation.

Either way, the vendor may not be able to take full and immediate benefit from the proceeds of the sale.

Summary of the coverage provided

The coverage transfers the contractual liability to an insurance product and may negate the need to put money into escrow or the acceptance of any other deferred payment provision within the Agreement. The premium may be paid from the proceeds of the sale.

The coverage:

- Provides protection for each of the warrantors,
- Provides for legal costs and expenses,
- Pays damages awarded against the vendor,
- Is tailor made – no two policies are the same,
- Is for the full period of liability specified under the Sale Agreement.

- Is underwritten on a claims made basis and is non-cancellable,
- Provides cover retrospectively for Agreements already signed,
- Provides solutions for related issues within the agreement.

An Example of a Warranties & Indemnities Solution

A buyer attempting the £150 million acquisition of a target company would not close the deal without an assurance that significant indemnification existed for breaches of representations and warranties made in the Sale and Purchase agreement.

A three-year, £18 million limit W&I insurance policy protecting the buyer from losses caused by breaches of the representations and warranties made by the seller was taken out. The insurer waived subrogation rights against the seller, allowing a smooth transaction for the entities.

Liquidated Damages/Construction Contingency/Force Majeure

Generally, Liquidated Damages, Construction Contingency and Force Majeure coverages are available on a stand alone per project basis, with terms and conditions being particular to the contract documents. Typically, wordings are bespoke forms and run for the entire length of the contract, which are frequently multi-year contracts.

Liquidated Damages Coverage

Liquidated Damages Insurance provides coverage for a breach of contract conditions between one party and another. Typically, this will be between an Owner and a General Contractor for a breach in the contract terms and conditions. This can arise due to the delay in completion of a project or for a failure to meet performance specifications in accordance with the contract documents. Damages are agreed at the inception of the insurance policy and should fairly represent the reasonable financial loss of the injured party, generally specified as a per day/week/month quantum or as a percentage shortfall in performance threshold and are generally payable at project completion. An example would be the late delivery of a power plant with consequent time penalties and/or the failure of the power plant to meet the required output levels.

Summary of typical Liquidated Damages Insurance Coverage

What is covered?

The insurer indemnifies the general contractor for breach of contract in accordance with the scale of liquidated damages as specified in the contract documents. Typically, this would be as a result of the failure of the general contractor to complete the project on time or in accordance with contract specifications.

What is excluded?

- Insolvency
- War
- Deliberate or wilful misconduct
- Material change in particulars, unless specifically agreed by the insurer
- Strike/Relief events/Force majeure

Who is covered?

The general contractor(s) as listed in the policy schedule and their employees, officers and directors.

Liquidated Damages/Construction Contingency/Force Majeure (cont)

Construction Contingency

Construction Contingency is a general description where the trigger for loss is contingent upon a specified happening or event during the course of construction that gives rise to a financial loss to the insured party. An example would be the loss of tax credits or rent penalties/increased rent amounts, if a project was completed late.

Summary of typical Construction Contingency Insurance Coverage

Who is covered?

The owner as specified in the construction contracts.

What is covered?

Financial loss as a result of additional amounts incurred such, such as increased rent or missed financial deadlines as result of late delivery of the project resulting in additional indirect costs incurred by the owner.

What is excluded?

- Insolvency
- War
- Deliberate or wilful misconduct
- Material change in particulars, unless specifically agreed by the underwriters.

Force Majeure/Relief Event

Force Majeure/Relief Event cover is designed to protect the insured party for the increased cost of debt servicing as a result of defined circumstances considered to be reasonably beyond the control of the contracting parties. An example would be excessive rainfall or unforeseen site conditions causing delays to the completion of a construction project.

Summary of typical Force Majeure/Relief Event Insurance Coverage

Who is covered?

The owner being the contracting party, and by reference the lending institution as loss payee.

What is covered?

Additional amounts due for the payment of increased cost of dept servicing, as specified in the construction loan agreement, as a result of the late delivery of the project. Typically such amounts are paid direct to the lending institution, thus precluding foreclosure or credit issues on the project. The Insurance is designed to track the particular definition of Force Majeure and relief Events within the contract documents.

What is excluded?

- Insolvency
- War
- Deliberate or wilful misconduct
- Material change in particulars, unless specifically agreed by the underwriters
- Strikes of own workforce
- Faulty design
- Loss covered under the consequential loss section of any DSU (Delay in Start Up) Builders Risk Insurance.

Intellectual Property Liability Insurance

Intellectual Property Liability (IP) Insurance covers the Insured (entity and individuals) for costs and expenses, as well as damages payable as a consequence of pursuit or defence of a claim relating to breach of intellectual property rights (e.g. patent copyright/trademark infringement, non-payment of royalties, etc.). The valuation of a company's Intellectual Property Rights is a much-discussed topic. Most analysts agree that many companies' brand, patents, etc. non-accounted for intangible assets represent a greater value to many companies than the assets actually appearing on these companies' balance sheets.

Yet, most companies Risk Management and Insurance strategies do not take the risk of loss of Intellectual Property into account. There are many reasons for this, and the valuation of Intellectual Property Rights is one of the strongest reason for both accounting principles and the distinct shortage of insurance products covering such risks. Legislation protecting against breach of Intellectual Property does exist, however it is a general consensus within the legal profession that the law is outdated and/or ambiguous, and it has in the main been uninsured outside multi-media and/or technology insurance solutions, where IP cover could be added in the soft market. The insurance market is now much more restrictive in this area and IP is difficult to add to multi-line programmes.

In the USA, IP insurance is expensive, with an average Patent Infringement lawsuit going through the legal system to resolution costing on average USD 2 million (a figure presumed low by those who have experienced this process) and several hundred thousands of USD for every Trademark Infringement. In Europe, IP litigation is expanding.

Sweden is in fact one of the main so called IP hubs in the world and has a fairly advanced legal system, which has expanded to the other Nordic Countries.

The insurance market for IP is relatively limited on a stand-alone basis, but several of the London markets, as well as a few European insurers do write the coverage.

Any company entering or operating in an area of innovation is exposed to expensive IP litigation and (in the USA) considerable damages.

Summary of typical IP Insurance Policy

Who is covered?

The Company and individual Insureds.

What is excluded?

- Undeclared IP
- Bodily Injury or Property Damages
- Fines & Penalties
- Deliberate infringement of IP

What is covered?

The insurers will indemnify the Insured for damages, professional fees and expenses as well as investigation costs, resulting from a legal action in pursuit (more difficult to insure) or defence of a breach of a declared agreement (including but not limited to non-payment of royalties or due milestone payments) regarding:

- Patents
- Copyrights
- Trademarks
- Trade Secrets

Additionally, the insurance can be extended to cover costs of defence of an action brought alleging Intellectual Property Rights infringement involving ownership of a Trade Secret and groundless threats of infringement.

Intellectual Property Liability Insurance (cont)

Examples of IP solutions

1. A small company produces music CDs on behalf of a US agent. The representatives of the media company with which the music artists are contracted sue the CD producer (non the agent ordering the CDs) for breach of copyright, claiming damages far exceeding the market capitalisation of the company. As a consequence, the company's creditors threaten to withdraw all credit lines, and thus the company's cash reserve. An IP Liability insurance is subsequently taken out by the company, thereby saving the company from liquidation.

2. A company is selling to another company and the value of the company is almost all Intellectual Property. An IP policy is purchased, protecting these intangible assets against infringement.

Team Curriculum Vitae

Mark Hardinge

Deputy Chief Executive

Mark worked for Marsh Limited for 18 years, 17 of which were spent building its FINPRO (Financial & Professional) practice, latterly as Chairman and Chief Executive of the FINPRO UK operation. His success in that role led to his appointment last year as Deputy Chairman and Chief Executive of the Guy Carpenter Reinsurance operation in London. Mark was a Managing Director of Marsh Inc. Mark joined JLT Risk Solutions Limited on November 1, 2001.

Jonathan Atkinson

Partner

After leaving Cambridge University, obtaining an MA in Economics, Jonathon joined Johnson & Higgins working in the Professional Liability Division. He specialised in Architects & Engineers Insurance, Lawyers & Miscellaneous Professional Liability Insurance. In 1996 Jonathon joined Sedgwick as an Associate Director to develop Professional Liability and other e-commerce initiatives. Marsh Limited acquired Sedgwick in 1998 and Jonathon spent two years working in the new combined company as a Vice President.

In July 2000, Jonathon joined JLT Risk Solutions Casualty Business Unit as a Partner to work with the division to develop Professional Liability, Technology and Intellectual Property opportunities. His focus remains largely US but is expanding internationally.

James Baird

Associate

James joined Sedgwick in 1996 as a graduate trainee in their Professional Indemnity and Financial Institutions department where he worked mainly on UK business. After Marsh Limited acquired Sedgwick in 1998, he moved to the Financial Institutions wholesale team where he concentrated on producing wholesale business from Australia, Europe and the US.

James' specialist knowledge includes Comprehensive Crime, Computer Crime, Professional Indemnity/Civil Liability, Employment Practice Liability, Pension Fund Trustee Liability, Initial Public Offering Insurance and Directors' & Officers' Liability Insurance.

Charles Beresford-Davies

Partner

Charles joined Marsh FINPRO Client Advisory division from Alexander Howden in 1992 to handle and develop the Financial Services client book. Charles was a Senior Vice President responsible for handling some of the division's largest clients. In January 2000, he left the UK to lead the Marsh FINPRO Client Advisory division in San Francisco (Marsh USA's largest office outside New York). Charles was appointed Divisional Head and FINPRO Practice Leader in May 2000 responsible for a division of 30 people.

Charles handled a diverse range of clients from a variety of industry groups including Financial Institutions, Professional Service firms, Commercial Technology, Healthcare, Commercial Retail and Utilities advising them on Directors' & Officers' Liability Insurance, Management & Professional Liability and Direct Financial Loss.

Team Curriculum Vitae

Winsee Cheung

Broker

Before joining JLT Winsee worked for Merrill Lynch in Hong Kong where she worked in the research publications unit, handling research budgets and production cost reconciliation.

Winsee joined JLT in Oct 1999 and has been with the Financial Institutions team since April 2001. She has a broking/technician's role, mainly placing Directors & Officers, Professional Indemnity, Bankers Blanket Bond type risks and producing slips and policy wordings. Winsee also handles the legal defence costs insurance scheme for members of the Futures and Options Association and the Unit's budget.

David Cleverly

Partner

David was a Managing Director of Marsh FINPRO London and headed up the specialist reinsurance division within FINPRO. David was with Marsh for 15 years during which time he broked direct Financial Institutions and Directors and Officers business and spent some time at Marsh in New York before moving to the reinsurance division of FINPRO.

David has broad experience of putting together and placing treaty and facultative reinsurance programmes for Financial Institutions, Directors' & Officers', Errors & Omissions and relevant products.

Suzanne Coleman

Associate

Suzanne joined Marsh FINPRO in May 1996. Suzanne was a Vice President assisting Charles Beresford-Davies with the division's major Financial Institution clients. In April 1999 she moved to New York where she worked within the team handling the four largest New York law firms. In October 2000, she returned to work for Marsh FINPRO in London.

Suzanne's specialist knowledge includes, Comprehensive Crime, Directors and Officers Liability Insurance, Employment Practice Liability Insurance, Errors & Omissions and Pension Fund Trustee Liability Insurance.

Graham Dick

Associate

Graham joined the Financial Institutions Division of Sedgwick plc in May 1986. Graham was responsible for servicing major retail clients, mainly in the United Kingdom and South Africa.

In 1997 he joined the Special Risks Division of JLT Risk Solutions where he has been responsible for the servicing and broking of both retail and wholesale clients in the United Kingdom, Hong Kong, Australia and Sweden. Graham's insurance product expertise relates to Comprehensive Crime, Professional Indemnity, Directors and Officers, Employment Practice Liability and Pension Trustees Liability insurance.

Team Curriculum Vitae

Geoff Dixon
Associate

Geoff joined the Heath Group in January 1982 as part of the International Division to specialise in Facultative and Facility Errors & Omissions/Professional Indemnity with an emphasis on Architects and Engineers and Design Build, together with all other classes including Lawyers, Accountants, Insurance Brokers/Agents and miscellaneous classes. He later moved to the newly-created North American division with emphasis on Errors & Omissions/Professional Indemnity. Assisted in the development of a new Plain Language Architects/Engineers wording for a major coverholder. Experience includes both North American and International Single Project placements.

Joined JLT Risk Solutions in May 2000 as part of the Casualty team specialising in North American and International Professional Indemnity classes including involvement with London Market Single Project Facility, and Liquidated Damages.

Graham Fox
Partner

Graham joined JLT in 1988 and has over 30 years experience in the London insurance market.

Graham specialises exclusively in Crime, Professional Indemnity and allied coverage for leading financial institutions and professional firms.

Cecilia Hansson
Partner

Cecilia started her career working as a financial controller for Svenska Handelsbanken in Stockholm. In 1989 Cecilia joined Marsh Sweden AB specialising in financial and professional insurance since 1991. In 1994 Cecilia joined Marsh FINPRO London, initially placing large financial institution programmes into the London market and thereafter doing business development for FINPRO in Continental Europe, particularly the Nordic Countries, her role being formalised in 2000 as FINPRO Europe Sales Leader. Cecilia joined JLT in November 2001.

Cecilia handles all lines of financial & professional insurance, particularly Employment Practices Liability, where Cecilia led the development of a European risk management and insurance solution for global employers.

George Kirby
Partner

George has nearly 30 years experience in the London market both as an Underwriter and Broker specialising in the handling of Professional Liability Insurance.

George's specialist knowledge includes, Lawyers Professional Liability, Architects & Engineers/Construction Managers Professional Liability, Miscellaneous Professional Liability, Representations & Warranties Insurance, Liquidated Damages and Construction Contingency Risks.

Team Curriculum Vitae

Marianne Langassve

Associate

Marianne is an Associate of JLT Risk Solutions AB. She worked for Marsh Sweden AB for 12 years (last five for FINPRO Stockholm) before she joined Chubb Stockholm as a Financial Lines Underwriter. Marianne joined JLT in September 2000 as the Stockholm member of the new division.

Michael Lea

Partner

Mike joined Marsh FINPRO in 1999 to develop and head the Latin American practice and build a portfolio of business. Once this was accomplished he moved to the Directors & Officers Liability group specialising in USA, Australian, Israel and UK. Mike was a Senior Vice President with Marsh FINPRO London within the Global Directors' & Officers' Practice.

Mike has advised clients on their exposures, designed programs to meet their coverage requirements and placed these programs utilising the international marketplaces. Mike has expert knowledge of Directors' & Officers', Employment Practices Liability and Crime exposures for clients worldwide.

Julian Martin

Partner

Julian Martin was a Managing Director for Marsh FINPRO London and headed up the Global Directors' & Officers' practice.

Julian has expert knowledge of the exposures that Directors' & Officers' face, coverage requirements, claims handling and placements in all the international marketplaces. He has also successfully designed and placed complex blended programmes for clients who have Directors' & Officers' Liability, Employment Practices Liability, Trustee Liability, Crime, Errors & Omissions and Internet exposures.

Tim Mitchell

Partner

Timothy Mitchell was a Managing Director for Marsh FINPRO in San Francisco within the Global Broking operation and was a national resource for his knowledge and expertise on Directors' & Officers', Errors & Omissions, Internet exposures.

Tim worked closely with clients to identify their exposures and placed business on their behalf to all the US and international markets. Tim has also been closely involved in helping clients resolve difficult claims situations.

Team Curriculum Vitae

Martin Owens

Partner

Martin joined J. Besso in 1986 as a Claims Director. In 1992 J. Besso became part of the Jardine Group whereupon Martin became a Partner in the Claims Unit of JLTRS following the merger of JIB and LTL during 1997.

Martin has 23 years experience of handling Non marine claims. This includes experience of UK, International and North American business from both Retail and Wholesale sources. Martin specializes in Professional Indemnity, Bankers Blanket Bond and Directors' & Officers' Liability. Since 1985, he has been handling claims for Financial Institutions, Stockbrokers, Lawyers, Insurance Brokers and other professional entities.

Paul Richards

Associate

After training as an Underwriter at Commercial Union, Paul worked for a small Lloyd's broker before joining JLT in 1993. Paul specialised in Casualty insurance for UK multi-national companies, designing and co-ordinating global insurance programmes. In 1997 Paul left to work for JLT Sydney running the team specialising in financial and professional risks insurance for major corporate and financial institutions.

Paul returned to JLT London at the beginning of 2001 as an Associate in the Financial Institutions division, specialising in placement of all Financial Institutions insurance lines and Directors & Officers Liability Programmes.

Henrick Ryden

Director

Henrik started his career working as an in house lawyer for Optimum Finans AB in Stockholm. In 1991 he joined Skog & Rosen, a domestic broker where he became a partner in 1993. In early 1999 Henrik joined JLT Sweden setting up the financial and professional insurance division.

Henrik specialises in all lines of financial and professional insurance, particularly financial institutions, M&A/deal facilitation products, lawyers professional liability and Errors & Omissions Insurance including intellectual property infringement for technology companies.

Clive Saffron

Clive has over 15 years experience in the insurance industry commencing in July 1986 at Leslie & Godwin, where he was employed as a Policy Technician in the North American department. In 1990 Clive was approached by Nicholson Chamberlain Colls, the London subsidiary of Aon where he was employed as a technician in their Financial Institutions Department.

Clive joined JLT in February 1998 and was employed as a Senior Technician in the Casualty Business Unit, where he originally handled all classes of liability business. Since September 1998, Clive has specialised in Professional Liability.

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