

UNITED STATES DISTRICT COURT

DISTRICT OF NEW JERSEY

In re INSURANCE BROKERAGE)	Civil Action No. 2:04-cv-5184, 2:05-cv-1079
ANTITRUST LITIGATION)	and 2:05-cv-5533 (FSH)(PS)
)	
APPLIES TO ALL ACTIONS)	MDL No. 1663
)	
_____)	
)	Hon. Faith S. Hochberg
In re EMPLOYEE BENEFIT INSURANCE)	
BROKERAGE ANTITRUST LITIGATION)	
)	
APPLIES TO ALL ACTIONS)	
)	
_____)	

COURT-ORDERED PUBLISHED NOTICE

IF, DURING THE PERIOD AUGUST 26, 1994 THROUGH DECEMBER 31, 2005, INCLUSIVE, YOU

ENGAGED THE SERVICES OF THE GALLAGHER ENTITIES (“GALLAGHER”) OR ANY OTHER BROKER DEFENDANT (BOTH AS IDENTIFIED BELOW) IN CONNECTION WITH THE PURCHASE OR RENEWAL OF INSURANCE OR REINSURANCE FROM ANY INSURER

YOU COULD BE ENTITLED TO PARTICIPATE IN A CLASS ACTION SETTLEMENT UNDER WHICH YOU WOULD RECEIVE MONETARY RELIEF.

The following is only a summary of the class action settlement. You are encouraged to obtain the detailed Notice. If you believe that you are eligible to participate in the class action settlement described in this Court-Ordered Published Notice but did not receive in the mail a detailed Notice describing the settlement, please visit www.insurancebrokerageantitrustlitigation.com, where you can obtain the detailed Notice, or contact the Court-approved Settlement Administrator as set out below to request a copy of the detailed Notice.

A settlement in the above captioned action (and a related Illinois state court class action entitled *Village of Orland Hills v. Arthur J. Gallagher & Co.*, Case No. 00 CH 13855, Illinois Circuit Court, Cook County) has been reached with the Gallagher Defendants (the “Gallagher Settlement”) in a class action lawsuit alleging violations of federal and state antitrust laws, the Racketeer Influenced and Corrupt Organizations Act, and common law arising out of: (i) certain insurers providing quotations to policyholders and prospective policyholders through certain brokers in connection with the placement and renewal of insurance contracts; and (ii) contracts, agreements, arrangements and understandings about the payment of commissions to brokers that are contingent upon, among other things, a broker placing a particular number of policies or dollar value of premium with the insurer.

The Gallagher Settlement involves the following Gallagher Entities:

Arthur J. Gallagher & Co. (Registrant)
 Arthur J. Gallagher & Co. (Illinois)
 Arthur J. Gallagher Service Company
 Arthur J. Gallagher Brokerage & Risk
 Management Services, LLC
 Arthur J. Gallagher Risk Management
 Services, Inc.
 Arthur J. Gallagher & Co. (Florida)
 Arthur J. Gallagher & Co. of New York, Inc.
 Arthur J. Gallagher & Co. Insurance Brokers
 of California, Inc.
 Charity First Insurance Services, Inc.
 C. W. Excess Incorporated
 Gallagher Healthcare Insurance Services of
 Kansas City, LLC
 Lamberson Koster & Company
 Manning & Smith Insurance, Inc.
 Commonwealth Premium Finance Corporation
 Risk Placement Services, Inc.
 Edwin M. Rollins Company
 Risk Placement Services of Nevada, Inc.
 Sobieski & Bradley of Nevada, Inc.
 Arthur J. Gallagher & Co. (Bermuda) Limited
 Arthur J. Gallagher Intermediaries (Bermuda)
 Limited
 Arthur J. Gallagher Management (Bermuda)
 Limited
 Gallagher Captive Services (Cayman)
 Limited
 Scholastic Risk Services Limited
 Artex Insurance Company Ltd
 Artex Underwriting Managers Ltd
 Protected Insurance Company
 Arthur J. Gallagher (UK) Limited
 Arthur J. Gallagher Middle East BSC (c)
 Risk Management Partners Ltd.
 MRS Holdings Limited

Morgan Read & Sharman Limited
 Arthur J. Gallagher Asia Pte Ltd
 Arthur J. Gallagher Asia Limited
 Arthur J. Gallagher (L) BHD
 Connor Hale Kerslake Limited
 Arthur J. Gallagher Australasia Holdings Pty
 Ltd.
 Australis Group (Underwriting) Pty Ltd.
 Interpacific Underwriting Agencies Pty Ltd.
 Arthur J. Gallagher Reinsurance Australasia
 Pty Ltd
 Arthur J. Gallagher (Aus) Pty Ltd.
 Gallagher Re, Inc.
 Gallagher Bassett Services, Inc.
 Gallagher Bassett of New York, Inc.
 Gallagher Bassett International Ltd. (UK)
 Gallagher Bassett Canada Inc.
 Gallagher Bassett Services Pty Ltd
 Wyatt Gallagher Bassett Workers
 Compensation Victoria Pty Ltd
 Gallagher Bassett International S.A.
 AJG Financial Services, Inc.
 AJG Capital, Inc.
 Aviacargo Leasing Limited
 AJG Investments, Inc.
 AJG Coal, Inc.
 AJG Chem Mod Holdings LLC
 Gallagher Holdings Bermuda Company
 Limited
 AJG Coal Indiana LLC
 AJG Two Pierce, Inc.
 Gallagher Benefit Services, Inc.
 GBS Retirement Services, Inc.
 GBS Insurance and Financial Services, Inc.
 GBS Administrators, Inc.

The other Broker Defendants in the Action (the “Broker Defendants”) are:

Acordia, Inc.	Marsh USA Inc. (Connecticut)
Affinity Insurance Services, Inc.	Mercer, Inc.
Aon Broker Services, Inc.	Mercer Human Resource
Aon Corporation	Consulting LLC
Aon Group Inc.	Mercer Human Resource Consulting
Aon Re, Inc.	of Texas, Inc.
Aon Re Worldwide, Inc.	O’Neill Finnegan & Jordan
Aon Risk Services Companies, Inc.	Insurance Agency, Inc.
Aon Risk Services, Inc. of Louisiana	Seabury & Smith, Inc
Aon Risk Services, Inc. of Maryland	Stewart Smith Group
Aon Risk Services, Inc. of Michigan	Summit Global Partners of Florida, Inc.
Aon Risk Services Inc. U.S.	Talbot Financial Corporation
Aon Risk Services of Texas, Inc.	Universal Life Resources
Aon Services Group, Inc.	ULR Insurance Services, Inc.
Benefits Commerce	U.S.I. Holdings Corporation
BB&T Corporation	USI Consulting Group
BB&T Insurance Services, Inc.	USI Insurance Service Corporation
Branch Banking and Trust Company	USI Insurance Services of Florida, Inc.
Brown & Brown, Inc.	(d/b/a USI Florida)
Brown & Brown Insurance Benefits, Inc.	Wells Fargo & Company
Frank H. Haack & Associates	Willis Group Holdings Limited
Hilb, Rogal & Hobbs Company	Willis Group Limited
Hub International Limited	Willis North America, Inc.
Marsh & McLennan Companies, Inc.	Willis of New York, Inc.
Marsh Inc.	Willis Re Inc.
Marsh USA, Inc.	

If the Gallagher Settlement is finally approved by the Court, a settlement fund with \$28 million (plus applicable interest) will be created by Gallagher and will be distributed to those who fit within the description of the Settlement Class that is summarized above (“Settlement Class” or “Settlement Class Members”). A more complete description of the Settlement Class can be found in the detailed Notice.

In addition to this settlement fund of \$28 million, Gallagher will also pay a Court-approved award of attorneys’ fees and expenses, incentive awards and *all* administrative costs incurred to implement the Gallagher Settlement – including the cost of establishing a toll-free telephone center to respond to Settlement Class Members’ inquiries. ***None of these costs will be deducted from the settlement fund.***

If you are a Settlement Class Member and you do not wish to participate in the Gallagher Settlement, you must request exclusion from the Settlement Class by no later than _____, 2007.

If you think that you might be a Settlement Class Member, you can obtain more information – including a copy of the detailed Notice and a Proof of Claim Form and other settlement related

materials at www.insurancebrokerageantitrustlitigation.com. Proof of Claim Forms must be received by the Settlement Administrator described below on or before _____, 2007.

WHAT DOES THE GALLAGHER SETTLEMENT PROVIDE?

At least \$28 million will be distributed in connection with the Gallagher Settlement.

In addition to the monetary relief, and as more fully explained in the detailed Notice, the Gallagher Defendants will implement certain business reforms concerning:

- **Permissible Forms of Compensation**
- **Prohibition on Contingent Compensation**
- **Prohibition of “Pay-to Play” Arrangements**
- **Prohibition of “Bid-Rigging” Arrangements**
- **Prohibition of Reinsurance “Leveraging”**
- **Prohibition of Inappropriate Use of Wholesaler Insurance Brokers**
- **Mandated Disclosures to Clients**

WHO IS PAYING THE ATTORNEYS’ FEES AND OTHER EXPENSES THAT ARE BEING SOUGHT?

After Class Plaintiffs and Gallagher agreed on all other terms of the Gallagher Settlement Agreement, counsel for the Class Plaintiffs (“Class Counsel”) and the Gallagher Entities negotiated the amount of attorneys’ fees and expenses that Gallagher will, subject to Court approval, pay to Class Counsel. Class Counsel will seek an award of attorneys’ fees and expenses of no more than Eight Million Eight Hundred Eighty Five Thousand (\$8,885,000.00) Dollars. The Gallagher Entities have agreed that it will not object to paying fees and expenses up to that amount. The award of attorneys’ fees and expenses to Class Counsel is subject to Court approval. Class Counsel intends to apply to the Court for an incentive award of Ten Thousand Dollars (\$10,000) to each Class Plaintiff based upon the effort that each Class Plaintiff has devoted to this litigation. Gallagher will pay attorneys’ fees, expenses and the incentive awards in addition to the other amounts it is required to pay under the Gallagher Settlement Agreement. Thus, *you will not be responsible for any of Class Counsel’s fees or expenses or the incentive awards, and none of those fees, expenses or awards will be deducted from the settlement relief.*

WHAT ARE THE LEGAL EFFECTS OF PARTICIPATING IN THE GALLAGHER SETTLEMENT?

If the Court approves the Gallagher Settlement, Class Plaintiffs and Gallagher will seek the entry of a Judgment and an Order Approving Settlement that, among other things, will:

- find that the settlement is fair, reasonable and adequate;
- finally certify the class for settlement purposes;

- dismiss the Class Action with prejudice as to the Gallagher Entities, meaning that no Settlement Class Member – including you (unless you timely exclude yourself) – will be able to bring another lawsuit or proceeding against any of the Releasees (as that term is defined in the Gallagher Settlement Agreement) based upon the claims that have been raised or that could have been raised in this Class Action;
- incorporate the Release that is found in the Gallagher Settlement Agreement as part of the Order Approving Settlement;
- permanently bar Settlement Class Members from filing or participating in any lawsuit or other legal action against any or all Releasees arising from or relating to any and all claims that have been raised or that could have been raised in this Class Action;
- enter a bar order that will:
 - prevent any person or entity from commencing, prosecuting or asserting any claim (including any claim for indemnification or contribution) against any Releasee where the alleged injury to the barred person or entity is based upon that person’s or entity’s alleged liability to the Settlement Class or a Settlement Class Member, and
 - prevent any Releasee from commencing, prosecuting or asserting any claim (including any claim for indemnification or contribution) against any person or entity where the Releasee’s alleged injury is based upon the Releasee’s alleged liability to the Settlement Class or a Settlement Class Member;
- award attorneys’ fees and expenses to Class Counsel;
- award incentive payments to the Class Plaintiffs; and
- retain jurisdiction over all matters relating to the administration, enforcement and interpretation of the settlement.

As noted, if the Court approves the Gallagher Settlement, the Release that is found in the Gallagher Settlement Agreement will be incorporated into the Court’s Order Approving Settlement. The Release describes the claims that Settlement Class Members will give up, as well as the identity of the Releasees – *i.e.*, the people and entities that will be released. As discussed below, you can obtain a copy of the Release (including the definition of Releasees) from the Court-approved Settlement Administrator or from the websites of certain Class Counsel.

HOW WILL SETTLEMENT PAYMENTS BE MADE?

If you are a Settlement Class Member you will have to fill out a Proof of Claim Form and submit it to the Settlement Administrator, Complete Claim Solutions, LLC at [CCS address]. You can obtain the Proof of Claim Form by visiting the website of the Court-approved Settlement Administrator at www.insurancebrokerageantitrustlitigation.com, by calling 1-XXX-XXX-XXXX, Monday through Friday from 9:00 a.m. to 5:00 p.m. EDT, by writing to [address], or by sending an e-mail to [email address].

WHAT OPTIONS ARE AVAILABLE TO SETTLEMENT CLASS MEMBERS?

If you fall within the definition of Settlement Class Member, you may either (i) participate in the Gallagher Settlement (and receive settlement relief if the Court approves the Gallagher Settlement Agreement) or (ii) request exclusion from the Gallagher Settlement.

If you want to participate in the Gallagher Settlement, but you object to any term of the Gallagher Settlement Agreement, you may submit an objection to the Court. All objections must be filed with the Court and served on Class Counsel and Gallagher's counsel by no later than [DATE]. The detailed Notice explains how to object.

If you want to exclude yourself from the Gallagher Settlement, you must submit a written request to the Clerk of the Court. Your request must be postmarked by no later than [DATE]. The detailed Notice explains about how to exclude yourself.

WILL THE COURT HOLD A HEARING REGARDING THE GALLAGHER SETTLEMENT?

The Court will hold a hearing on _____, 2007 at _____ E_T in Courtroom _ in the United States Courthouse located at U.S. Post Office and Courthouse Building, Federal Square, Newark, New Jersey 07101, to consider whether to approve the Gallagher Settlement, including, among other things, the Plan of Allocation, and whether to grant Class Counsel's request for fees, expenses and incentive awards for the named Plaintiffs. If you file an objection, you may appear at this hearing and ask to be heard by the Court, but you do not need to do so. If you (or an attorney hired at your expense) intends to appear at the hearing, you (or your attorney) must file a notice of intention to appear. The detailed Notice explains how to file and serve a notice of intention to appear.

The Court may choose to change the date and/or time of the hearing without further notice of any kind.

HOW CAN A SETTLEMENT CLASS MEMBER GET ADDITIONAL INFORMATION?

The Gallagher Settlement Agreement sets out the details of the Gallagher Settlement, including the terms of the Release by which Settlement Class Members will be bound if the Gallagher Settlement is approved. A complete description of the Plan of Allocation and the Release is also attached to the detailed Notice. Both the Gallagher Settlement Agreement and the detailed Notice (which includes the Release and the claim form) are available at the Court-approved Settlement Administrator's website, www._____.com, by calling 1-XXX-XXX-XXXX,

Monday through Friday from 9:00 a.m. to 5:00 p.m. EDT, by writing to **[administrator's address]**, or by sending an e-mail to **[administrator's e-mail address]**. The Notice is also available at the following Class Counsel websites: Miller Faucher and Cafferty LLP – www.millerfaucher.com; Whatley, Drake & Kallas LLC – www.whatleydrake.com; Foote, Meyers, Mielke & Flowers LLC – www.foote-meyers.com; Furth, Lehman & Grant – www.furth.com; Levin, Fishbein, Sedran & Berman - www.lfsblaw.com; Lerach Coughlin Stoia Geller Rudman & Robbins, LLP – www.lerachlaw.com; Zwerling, Schachter & Zwerling, LLP – www.zsz.com; and at Gallagher Defendants' website, www.ajg.com.

Additional information regarding this Class Action may be obtained by visiting www.insurancebrokerageclasscounsel.com.

Additional information regarding the Gallagher Settlement may also be obtained by contacting the following Class Counsel:

Edith M. Kallas, Esq.
Whatley, Drake & Kallas, LLC
1540 Broadway, 37th Floor
New York, New York 10036
Telephone: (212) 447-7070
Facsimile: (212) 447-7077
E-mail: ekallas@whatleydrake.com

or

Bryan L. Clobes, Esq.
Miller Faucher and Cafferty LLP
One Logan Square
18th & Cherry Streets
Philadelphia, PA 19103
Telephone: (215) 864-2800
Facsimile: (215) 864-2810
E-mail: bclobes@millerfaucher.com

**PLEASE DO NOT CONTACT THE COURT
OR THE CLERK'S OFFICE FOR INFORMATION**

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