

PLAN OF ALLOCATION

On July 28, 2006, the Zurich Defendants,¹ and the plaintiffs in the action entitled *In re: Insurance Brokerage Antitrust Litigation*, MDL No. 1663, Civil No. 04-5184 (FSH), pending in the United States District Court for the District of New Jersey (the “Action”) entered into a Stipulation of Settlement (the “Stipulation”) subject to approval of the Court. The Stipulation proposes to settle the claims of plaintiffs and the Settlement Class.²

¹ The “Zurich Defendants” are Zurich Financial Services Group, Zurich American Insurance Company, Steadfast Insurance Company, Fidelity and Deposit Company of Maryland, Empire Fire and Marine Insurance Company, American Guarantee and Liability Insurance Company, Empire Indemnity Insurance Company and Assurance Company of America.

² “Settlement Class” is defined as all individuals or entities, who during the period August 26, 1994 through September 1, 2005 (the “Settlement Class Period”), engaged the services of (i) one of the Broker Defendants (defined below in footnote 4) or any subsidiary or affiliate of a Broker Defendant in connection with a Settlement Class Policy Purchase from any Zurich Insurer (defined below in footnote 4), any Insurer Defendant (defined in the Stipulation”) or any insurance company that is not an affiliate or subsidiary of a Zurich Insurer (ii) any other broker (which, for the avoidance of doubt, shall have the same meaning as in Section III.4.c of Exhibit B to the Multi-State Agreement [defined below]) in connection with a Settlement Class Policy Purchase from any Zurich Insurer; *provided* that the Settlement Class shall be modified as necessary to include any other individuals or entities who are certified by the Court as members of any other class in the Action prior to the time that Notice is mailed to the Settlement Class; *provided further* that “Settlement Class” or “Settlement Class Members” does not include (a) such persons or entities who submit valid and timely requests for exclusion from the Settlement Class in accordance with the procedures set out in Section VII.A. of the Stipulation, (b) such persons or entities who settled an actual or threatened lawsuit or other proceeding with the Zurich Insurers, or any of them, and released the Zurich Insurers from any further claims concerning their Settlement Class Policy Purchase, (c) such persons or entities who have elected or will elect by no later than the Three-State Deadline (defined in the Stipulation) to receive monetary payments pursuant to the Three-State Agreement (defined in the Stipulation), *provided however*, that such persons or entities who have elected or will elect by the Three-State Deadline to receive monetary payments pursuant to the Three-State Agreement shall be Settlement Class Members respecting their Settlement Class Policy Purchases that are not eligible to receive relief under the Three-State Agreement, with respect to which the Zurich Insurers shall waive enforcement of the Three-State Release to the extent that such persons or entities participate in the Settlement Class with respect to such purchases, *provided further* that the Zurich Insurers reserve the right to enforce the Three-State Release in its entirety as to any persons or entities who have elected or will elect prior to the Three-State Deadline to receive monetary payments pursuant to the Three-State Agreement to the extent such persons or entities seek relief outside of the Stipulation for Settlement Class Policy Purchases that are not eligible to receive relief under the Three-State Agreement, (d) such entities who are named defendants in the Action (including their officers and directors), (e) any entity in which the Zurich Insurers, or any of them, has or had a controlling interest during the Settlement Class Period and the legal representatives, heirs, executors, successors or assigns of any such excluded entity, and (f) any directors or officers of the Zurich Insurers, or any of them, during the Settlement Class Period.

On March 20, 2006, the Zurich Defendants and the Attorneys General of California, Florida, Hawaii, Maryland, Massachusetts, Pennsylvania, Oregon, Texas, Virginia and West Virginia, as well as the Department of Financial Services and the Office of Insurance Regulation of the State of Florida, entered into an agreement resolving, subject to approval of the Court, a joint investigation into the Zurich Defendants activities since November 2004 (the “Multi-State Agreement”).

Pursuant to the Multi-State Agreement, at least \$121.8 million plus accrued interest (the “Fund”), will be distributed to Settlement Class members in accordance with the Plan of Allocation summarized below.

SETTLEMENT CLASS CLAIMANTS

The Plan of Allocation provides for three separate claimant groups of Settlement Class members as follows:

1. All Settlement Class members that made a Settlement Class Policy Purchase³ of excess casualty policies issued by a Zurich Insurer⁴ during the years 2001 through 2004 (the “2001-2004 Excess Claimants”);

³ “Settlement Class Policy Purchase” means the purchase or renewal of commercial insurance or reinsurance from a Zurich Insurer, any Insurer Defendant or any insurance company that is not an affiliate or subsidiary of a Zurich Insurer where the coverage under such commercial insurance or reinsurance incepts or renews during the Settlement Class Period pursuant to a contract, policy, agreement, arrangement or understanding where the insurance or reinsurance (a) involved an insured or a policy owner or an affiliate thereof, any of which was either domiciled in or resident in, or had any other significant contact with, the United States, its territories or possessions, (b) involved a contract, policy, agreement, arrangement or understanding entered into in the United States, its territories or possessions, (c) involved a contract, policy, agreement, arrangement or understanding subject to federal law or to the law of any of the states of the United States, its territories or possessions, or (d) provided coverage for an insurable exposure in the United States, its territories or possessions.

⁴ “Zurich Insurers” means the Zurich Defendants, American Zurich Insurance Company, Colonial American Casualty and Surety Company, Maine Bonding and Casualty Company, Maryland Casualty, Maryland Insurance Company, National Standard Insurance Company, Northern Insurance Company of New York, Valiant Insurance Company, Universal Underwriters Insurance Company, Universal Underwriters of Texas Insurance Company, Zurich American Insurance Company, Zurich American

2. All Settlement Class members that made a Settlement Class Policy Purchase of insurance issued by a Zurich Insurer during the Settlement Class Period, exclusive of the Settlement Class Policy Purchases described in Section 1 above (the “Non-Excess Claimants”); and
3. All Settlement Class members that made a Settlement Class Policy Purchase through a Broker Defendant⁵ from an insurance company that is not an affiliate or subsidiary of a Zurich Insurer (the “Conspiracy Claimants”).

ALLOCATION OF THE FUND

The Fund will be allocated as follows:

Claimant	Allocable Fund Percentage
Conspiracy Claimants	9%
2001-2004 Excess Claimants	57.1%
Non-Excess Claimants	33.9%

CALCULATIONS OF CLAIMANTS DISTRIBUTABLE AMOUNT

The Court has been asked to appoint Complete Claim Solutions, LLC (“CCS”) as the Settlement Administrator. CCS will calculate the distribution for each Settlement

Insurance Company of Illinois, Zurich Specialties London, Ltd. (ZSL), Zurich International (Bermuda) Ltd. (ZIB) and Zurich Insurance Bermuda Branch (ZIBB).

⁵ “Broker Defendants” means Marsh & McLennan Companies, Inc., Marsh Inc., Marsh USA, Inc., Marsh USA Inc. (Connecticut), Seabury & Smith, Inc., Aon Corporation, Aon Broker Services, Inc., Aon Risk Services Companies, Inc., Aon Risk Services Inc. U.S., Aon Risk Services, Inc. of Maryland, Aon Risk Services, Inc. of Louisiana, Aon Risk Services of Texas, Inc., Aon Risk Services, Inc. of Michigan, Aon Group Inc., Aon Services Group, Inc., Aon Re, Inc., Affinity Insurance Services, Inc., Aon Re Worldwide, Inc., Willis Group Holdings Limited, Willis Group Limited, Willis North America, Inc., Willis of New York, Inc., Stewart Smith Group, Willis Re Inc., Arthur J. Gallagher & Co., Arthur J. Gallagher Risk Management Services, Inc., Wells Fargo & Company, Acordia, Inc., Brown & Brown, Inc., Hilb, Rogal & Hobbs Company, BB&T Corporation, Branch Banking and Trust Company, BB&T Insurance Services, Inc., USI Holding Corporation, Summit Global Partners of Florida, Inc., USI Insurance Services of Florida, Inc (d/b/a USI Florida), Hub International Limited and any other broker that is added as a defendant in the Action prior to the time that the Notice is mailed.

Class member within each of the groups of Claimants described above. With respect to the 2001-2004 Excess Claimants and the Non-Excess Claimants, calculations will be made by CCS without the requirement of such Claimants filing a Claim Form.⁶

For each group of Claimants, the distributable amount from the Allocable Fund will be calculated by dividing the premium paid by each Claimant for the applicable policies by the total of premiums paid by all Claimants. With respect to the 2001-2004 Excess Claimants and the Non-Excess Claimants, the information required to make the calculations will be supplied by the Zurich Defendants to CCS. With respect to the Conspiracy Claimants, the information required to make the calculations will be provided by the Claimants to CCS in the Claim Form.

With respect to any Settlement Class Policy Purchase, no Conspiracy Claimant can recover a higher percentage of the premium paid than that recovered by an Excess Claimant or a Non-Excess Claimant. In addition, to the extent that any of the Fund allocable to the Conspiracy Claimants is not distributed, that remaining amount shall be reallocated to the Excess Claimants and the Non-Excess Claimants, with 62.7% allocated to the 2001-2004 Excess Claimants, and 37.3% allocated to the Non-Excess Claimants.

⁶ The Claim Form is attached as Exhibit D to the Stipulation.