

MARSH

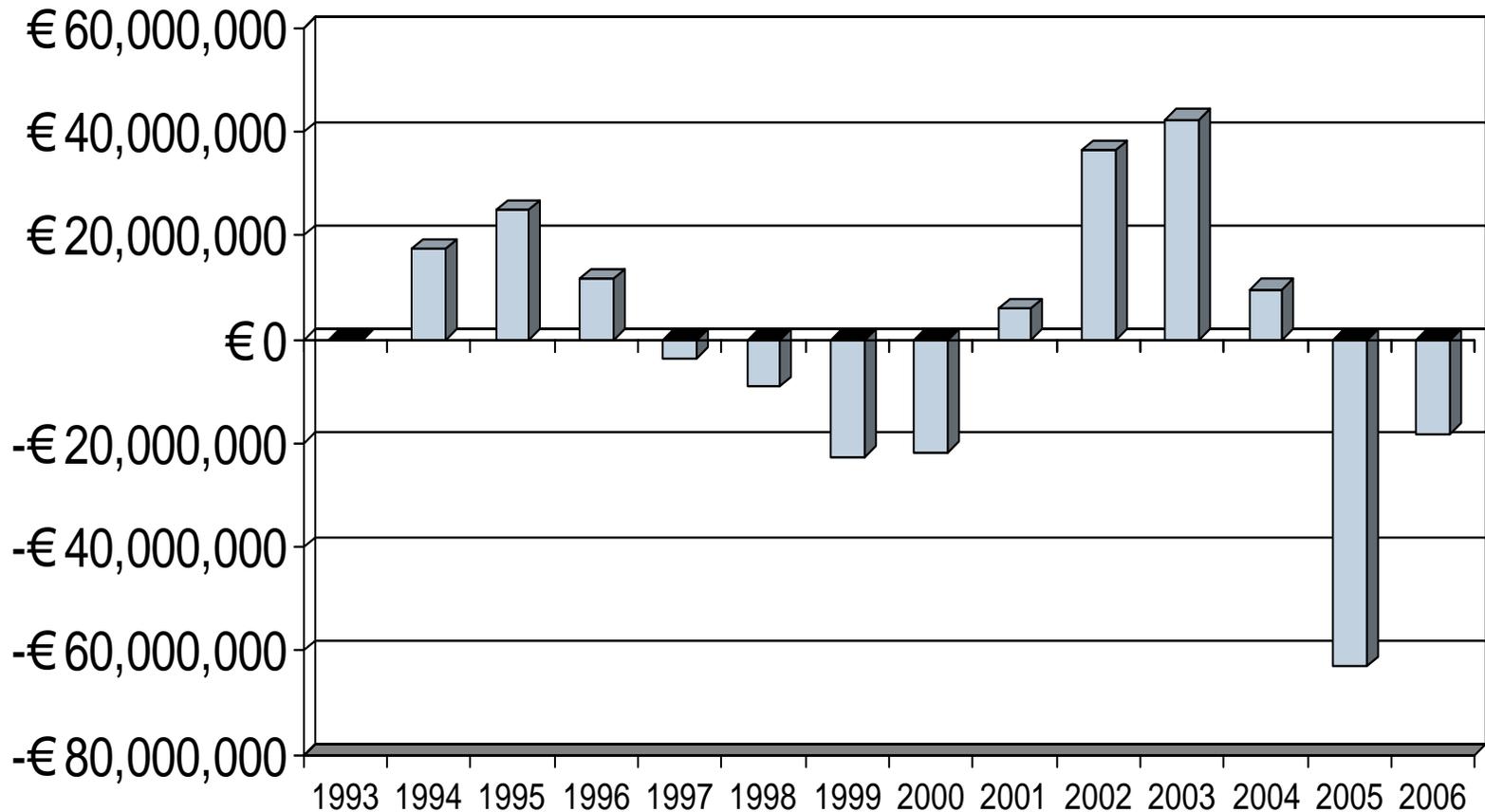


Cash Handling Insurance Update

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Specie Practice

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Underwriting Limited

Lloyd's CIT Results 1993 - Q1 2006 (excluding Heros)



■ Gross Profit/Loss



Recent Developments since ESTA 05

- Claims

- G4S Canada – vehicle robbery
 - Reconstruction programme in place
- Heros Germany – embezzlement
 - Claim may be disputed by Underwriters
 - Theft by owners of insured company
 - Electronic funds transfer
- Securitas UK - tiger kidnap
 - Gross Loss = annual market premium
 - Paid within 3 weeks of date of loss



Market Response

- “Owners Exclusion” Clause being applied
- Review of Electronic Funds Transfer exposures
- Review of premises security / kidnap procedures
- Increased due diligence by underwriters
 - Exposure data & Proposal Forms
 - Contract wordings
 - Policy wordings

Premiums

- The Underwriter's challenge
 - Recover losses of EUR81m suffered 2005/2006
 - Build up reserves
 - Diminishing premium base due to mergers and acquisitions
- The Broker's challenge
 - Risk differentiation
 - Encourage longer term view