



ATTORNEY GENERAL GEORGE JEPSSEN

As part of the settlement, Guy Carpenter has agreed to a number of nationwide business reforms, including the following:

1. Before placing reinsurance on behalf of any client, Guy Carpenter will disclose whether it has any direct or indirect ownership interest in any of the reinsurance companies covering any of the risks;
2. Before placing reinsurance into the facilities on behalf of any client, Guy Carpenter will disclose in writing all commissions, fees or other compensation that Guy Carpenter expects to receive from the placement, and the client must provide written consent before the placement is made;
3. Guy Carpenter will provide each client purchasing reinsurance from one of the facilities, a written description of the structure of each facility, including the fact that there are multiple participating reinsurers;
4. Guy Carpenter will disclose in writing the various factors that its brokers consider in making placement recommendations on behalf of clients;
5. Guy Carpenter will obtain at least three competitive bids or quotes from different reinsurers, in competition with a facility, for any Connecticut insurance company seeking to purchase reinsurance through any of the facilities;
6. Guy Carpenter will conduct a nationwide sampling program, wherein it will seek market quotes from at least three different reinsurers in competition with a facility, for 13 different clients, including the Connecticut clients, each year. The clients will be stratified by size and by geographic region in order to obtain a confidence level that the results are representative of the entire population of clients nationwide.
7. Should the sampling program reveal that the open market obtained better rates or terms for any of the business, Guy Carpenter will communicate those quotes to *all* of its brokers nationwide who deal with the facilities, and those brokers will be required to take those better terms into consideration when recommending reinsurance for any other client purchasing reinsurance from the Guy Carpenter facilities.

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