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ÁREA DE CIENCIAS ADMINISTRATIVAS Y DE GESTIÓN

POSTGRADO EN GERENCIA DE PROYECTOS

TRABAJO ESPECIAL DE GRADO:
PROPUESTA DE PRODUCTO PARA LA PROTECCIÓN INTEGRAL DE TURISTAS HOSPEDADOS EN HOTELES DE LA RED ARS VENEZUELA

presentado por

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LISTA DE ACRÓNIMOS

Acrónimo	Significado
AIG	American Internacional Group.
ARS	Aon ® Risk Services.
BD	Base de Datos.
CASAI	C. A. de Seguros American Internacional.
CAVECOSE	Cámara Venezolana de Empresas de Corretaje de Seguros.
EDT	Estructura Desagregada de Trabajo.
INE	Instituto Nacional de Estadística.
MINTUR	Ministerio del Poper Popular para el Turismo.
ODBC	Open Data Base Conectivity.
PMBOK	Project Management Book of Knowledge.
PNC	Primas Netas Cobradas.
PYME	Pequeña y Mediana Industria.
SUDESEG	Superintendencia de Seguros.
TIR	Tasa Interna de Retorno.

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Año: 2009

RESUMEN

El presente trabajo se enfoca en la propuesta de un producto de seguro de viaje para ser comercializado de forma masiva mediante hoteles venezolanos aprovechando así una oportunidad de negocio no explotada actualmente. Para esto, Aon ® Risk Services Venezuela, cuenta con el soporte técnico y el apoyo tecnológico de su Dirección de Mercadeo e Innovación. La metodología empleada se basó en las publicaciones de Yáber y Valarino (2007) para la investigación, Lovelock y Wirtz (2009) para el análisis y desarrollo de la estrategia, Kotler et al (2004) para el desarrollo del producto y la Organización Panamericana de la Salud (1999) para la evaluación de los resultados. Los hallazgos obtenidos indican que el negocio presenta una tasa de retorno de inversión positiva incluso en el escenario más pesimista evaluado, pero se requiere indagar con mayor grado de detalle en el mercado turístico para perfeccionar la propuesta definitiva antes de invertir recursos en la puesta en marcha del proyecto. El enfoque utilizado sirve como base para el desarrollo de nuevos negocios en la empresa.

Palabras Clave: Nuevos negocios, corretaje de seguros, modificación de producto, mercadeo masivo.

Línea de Trabajo: Definición y Desarrollo de Proyectos.

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ANEXO 1. CARTA DE AUTORIZACIÓN AON RISK SERVICES VENEZUELA

ANEXO 2. AON 2008 INSURANCE MARKET OVERVIEW FRIST QUARTER REPORT

ANEXO 3. DETALLES DE COBERTURA QUALITAS ASSISTANCE

ANEXO 4. DETALLES DE COBERTURA EUROPE ASSISTANCE

ANEXO 5. DETALLES DE COBERTURA TRAVEL ACE

INTRODUCCIÓN

Este proyecto tiene su origen en el planteamiento de una oportunidad para vender seguro de viajero dentro del territorio nacional, ya que en la actualidad sólo es comercializado para viajes hacia el exterior a pesar de estar creado con la intención de ser utilizado en Venezuela. AON ® Risk Services (ARS) Venezuela, aprovechando la creación en el año 2008 de su Dirección de Mercadeo e Innovación, desea convertir el producto actual en uno pre-suscrito con el objeto de venderlo de forma masiva con el apoyo de la unidad correspondiente.

Para lograr este objetivo se requiere modificar el concepto actual del seguro de viajero, ya que las sumas aseguradas por cobertura deben estar predeterminadas y se tiene como premisa que la prima diaria no debe representar un incremento significativo sobre la tarifa del canal de venta, en este caso hoteles en los que se comercializará el producto, para que su impacto sobre el precio pagado por el consumidor final sea el menor posible.

El análisis de la situación se enfocó en los principales indicadores obtenidos de las fuentes oficiales como lo son la Superintendencia de Seguros y el Ministerio del Poder Popular para el Turismo con el fin de estimar el mercado potencial de este producto de acuerdo con el comportamiento y las tendencias de sector asegurador y turístico en los últimos años.

La principal limitación encontrada fue la falta de indicadores específicos por alojamiento que permitan obtener una estadística detallada sobre la permanencia promedio de los huéspedes por establecimiento y el número de personas por habitación. Dichas variables resultan importantes para la negociación con los proveedores del servicio de una mejor tasa, lo que permitirá hacer proyecciones de ventas más precisas y evaluar la rentabilidad del proyecto con mayor grado de definición.

CAPÍTULO I. PLANTEAMIENTO

1. ANÁLISIS SITUACIONAL

1.1 Situación del Mercado Asegurador a Nivel Mundial

El escenario actual a raíz de la crisis económica del año 2008 muestra que las calificaciones otorgadas respecto a la solidez financiera por organismos como Standard & Poor, Moody's Investor Service y AM Best Co. a aseguradores como American Internacional Group, Swiss Re, The Hartford Financial Services Group Inc., entre otros, han bajado de nivel por la continua debilidad en sus utilidades y capitalización reducida, derivadas de las pérdidas en sus inversiones y exposición sustancial. A continuación se muestran los resultados hasta el año 2007, puesto que aún no están disponibles las cifras al cierre del ejercicio 2008.

De acuerdo con el primer reporte trimestral de 2008 elaborado por AON ® (ver Anexo 2), durante el año 2006 los aseguradores y reaseguradores se prepararon para hacer frente a lo que predijeron los climatólogos como otro año de significativas pérdidas catastróficas. Pronósticos similares fueron hechos para el 2007, sin materializarse de forma sustancial. En los últimos dos años los aseguradores de daños patrimoniales y responsabilidad (civil, vehículos, etc.) han mantenido disciplina en sus precios y requisitos de suscripción.

Las tasas de daños a propiedades empezaron a variar en el año 2005, en principio, los costos se mantuvieron estables gracias a las pólizas suscritas en Florida, las Costas del Golfo y otras áreas sensibles a pérdidas catastróficas por pronósticos climáticos. La afluencia de capital en Bermuda y la baja en la demanda en Florida llevaron a que se suavizaran los precios. En el área de responsabilidad se observó que las tasas bajaron gracias a los buenos resultados de suscripción.

En cuanto a las líneas comerciales como automóvil, vida, accidentes y hospitalización, experimentaron su segundo año consecutivo de resultados favorables. A pesar de que la industria, en general, se comportó de forma muy similar en los años 2006 y 2007, durante el 2006 reportó por segundo año consecutivo utilidades positivas en suscripción en más de 25 años y en concordancia a los resultados del 2007 se espera un tercer año de ganancias.

Crecimiento de las Primas: El decrecimiento en las primas se reversó durante el 2006 cuando la tasa pasó de 0.0% (2005) a 3.9% (2006). La rata de crecimiento de los primeros nueve meses de 2007 decreció en 0.4% comparado con el mismo período del año anterior para un total de 342.000.000.000 dólares aproximadamente. Esta disminución se debe al segmento reasegurador el cual ha bajado sus tasas en alrededor de un 8% para hacerlas más atractivas, a la vez que han aumentando la retención cedida a los aseguradores.

Resultados de Suscripción: La industria en general reportó ganancias durante los primeros nueve meses de 2007 de aproximadamente 18.600.000.000 dólares. La rata combinada[1] aumentó de 91.6% en los primeros nueve meses de 2006 a 93.8% para el mismo periodo de 2007. La tasa de pérdida y ajuste de gastos aumentó de 65.5% a 66.7% en el mismo lapso. Las pérdidas catastróficas tuvieron poco impacto en los resultados, una contribución estimada de 1.4 puntos sobre la rata combinada total de la industria para los primeros nueve meses de 2007 vs. los 2.3 pts reportados en 2006. En la Tabla 1 se resume la información por líneas.

Tabla 1. *Rata combinada para las principales líneas de seguro.*

Rata Combinada	2004	2005	2006	Mejoras
Transporte	82.5	89.8	75.7	14.1
Auto Casco	92.9	92.1	92.2	-0.1
Mal Praxis Médica	111.0	101.0	91.2	9.8
Responsabilidad General y Productos	117.4	113.1	95.4	17.7
Riesgos Múltiples Comerciales	100.6	97.1	92.9	4.2
Responsabilidad Patronal	105.2	102.7	95.0	7.7
Incendio y Líneas Aliadas	86.8	104.1	80.8	23.3

Fuente: A.M. Best, 2007

1 Resultado de dividir (pérdida incurrida + gastos incurridos)/prima ganada.

Resultados Operativos: Para los primeros nueves meses del 2007, la industria reportó un ingreso neto de 49.800.000.000 dólares comparados con los 47.700.000.000 para el mismo período del 2006 por lo que por quinto año consecutivo se reportó un retorno positivo. Adicionalmente la industria obtuvo un incremento de capital por cuarto año consecutivo, pero al igual que en el pasado el aumento tiene su base principal en las inversiones (aproximadamente 55.000.000.000 dólares). En la Tabla 2 se puede observar un resumen comparativo de los resultados por líneas de negocio.

Tabla 2. *Principales indicadores financieros por líneas de negocio.*

Líneas Personales					
Indicador Financiero	**2007E**	**2006**	**2005**	**2004**	**2003**
Prima Neta Suscrita (NPW)	na	219.8	215.7	208.7	196.7
Exceso Aseguradores (PHS)	na	191.2	167.2	155.2	137.9
Cambios en NPW	-10.0%	1.9%	3.3%	6.1%	10.4%
Cambios en PHS	12.7%	14.3%	7.7%	12.6%	19.7%
Resultados de Suscripción	2007E	2006	2005	2004	2003
Ganancia o Pérdida	na	16.4	5.3	10.6	2.6
Ingreso Neto	na	25.3	16.5	19.7	13.7
Rata Pura de Pérdida	na	55.3%	60.5%	58.2%	61.3%
Rata Total de Pérdida	na	67.8%	73.2%	70.6%	74.1%
Rata Total de Gastos	na	25.5%	24.5%	24.2%	24.2%
Rata Combinada	97.0%	93.3%	97.7%	94.8%	98.3%
Rata de inversión	na	7.5%	6.9%	6.4%	6.6%
Rata Operativa	na	85.8%	90.8%	88.4%	91.7%
Líneas Comerciales					
Indicador Financiero	**2007E**	**2006**	**2005**	**2004**	**2003**
Prima Neta Suscrita (NPW)	na	216.0	207.0	203.9	193.0
Exceso Aseguradores (PHS)	na	237.2	200.6	179.4	161.3
Cambios en NPW	-1.5%	4.4%	1.5%	5.7%	12.4%
Cambios en PHS	6.6%	18.2%	11.8%	11.2%	18.4%
Resultados de Suscripción	2007E	2006	2005	2004	2003
Ganancia o Pérdida	na	17.6	-2.6	-4.3	-5.3
Ganancia o Pérdida	na	38.6	22.2	14.5	13.6
Ingreso Neto	na	51.2%	60.5%	61.8%	62.0%
Rata Pura de Pérdida	na	64.7%	75.3%	76.3%	76.6%
Rata Total de Gastos	na	26.7%	25.9%	25.7%	25.2%
Rata Combinada	94.0%	91.4%	101.2%	102.0%	101.8%
Rata de inversión	na	14.4%	13.7%	11.7%	12.2%
Rata Operativa	na	77.0%	87.6%	90.4%	89.6%

Fuente: 2006 - 2003, Best's Statement File. Estimado 2007 Best's Review/Preview, 28/01/08

1.2 Situación del Mercado Asegurador en Venezuela

La Superintendencia de Seguros (SUDESEG), a través de la División de Estadística, adscrita a la Dirección Actuarial, pone a la disposición del público usuario el boletín estadístico "Seguro en Cifras" el cual tiene como finalidad dar a conocer la información estadística del mercado asegurador venezolano y proporcionar elementos de análisis necesarios para la evaluación y comprensión del desarrollo del sector. A la fecha no se tiene el cierre definitivo del ejercicio 2008 ya que las empresas de seguro todavía están presentando sus resultados, pero se estima que el crecimiento del mercado está alrededor del 40% en comparación con el año anterior.

La producción de Primas Netas Cobradas (PNC) durante el año 2007, incluyendo el reaseguro aceptado, se ubicó en Bs.F 15.428.620,48, lo cual representa un incremento en valores nominales de 46,90% con respecto al año anterior. En la Tabla 3 se muestra la composición porcentual de la cartera del sector de los últimos siete años.

Tabla 3. *Composición porcentual de la cartera del sector asegurador.*

Ramo	2001	2002	2003	2004	2005	2006	2007
Vida	2,30	2,29	2,20	2,22	2,35	2,35	2,49
Automóvil Casco	31,30	28,32	28,59	29,52	29,29	28,14	30,88
Incendio y Líneas Aliadas	7,43	9,83	10,93	8,15	7,16	6,02	5,00
Hospitalización, Cirugía y Maternidad	37,55	35,65	36,55	35,36	38,59	42,78	42,79
Diversos y Ramos Técnicos	4,44	5,64	4,83	5,64	4,66	3,63	2,79
Transporte	1,80	1,86	1,57	1,79	1,95	1,54	1,43
Otros Ramos	15,18	16,41	15,33	17,31	16,00	15,54	15,38

Fuente: Superintendencia de Seguros, 2008

En la Tabla 4 (ver página 6) se resume la PNC por ramos de los últimos tres años, en la misma se puede observar una tendencia creciente en la suscripción de las líneas de seguros de personas dentro del mercado venezolano, lo que se debe al aumento en la promoción de productos como Vida, Accidentes Personales y Hospitalización a través de los llamados canales de venta no tradicionales o mercadeo masivo, como lo son la Bancaseguro, los Centros de Atención

Telefónica (Call Center) y las alianzas estratégicas con empresas con acceso a un gran volumen de consumidores.

Tabla 4. *Primas netas cobradas seguro directo por ramos.*

	Año (Valores en BsF)				
Ramo	**2005**	**2006**	**2007**	**Var 05/06**	**Var 07/06**
Vida Individual	36.483,89	47.115,40	182.748,78	29%	288%
Vida Desgravamen Hipotecario	2.367,12	3.604,00	9.677,70	52%	169%
Vida Rentas Vitalicias	1.637,46	1.884,13	1,11	15%	-100%
Vida Colectivo	10.507,10	12.516,37	190.603,05	19%	1423%
Acc. Pers. Individual	26.614,68	28.393,65	137.402,66	7%	384%
Acc. Pers. Colectivo	19.973,00	25.967,15	151.644,33	30%	484%
H.C.M Individual	249.692,31	340.116,32	1.179.723,10	36%	247%
H.C.M. Colectivo	103.728,86	155.171,43	5.393.765,41	50%	3376%
Funerarios	5.224,61	10.533,20	154.064,84	102%	1363%
Incendio	96.988,62	78.522,68	518.672,17	-19%	561%
Terremoto	32.430,20	16.428,53	253.647,32	-49%	1444%
Robo	13.000,23	13.882,52	52.281,97	7%	277%
Transporte	10.212,42	10.621,07	220.617,00	4%	1977%
Ramos Técnicos	33.240,80	14.549,88	162.234,92	-56%	1015%
Petroleros	1.086,81	0,00	305,62	-100%	
Combinados	20.951,37	23.350,63	154.423,59	11%	561%
Lucro Cesante	1.126,91	906,35	8.775,62	-20%	868%
Automóvil Casco [a]	848.636,69	1.192.019,53	4.763.942,41	40%	300%
Aeronaves	14.798,05	2.689,09	98.236,18	-82%	3553%
Naves	7.988,38	5.127,14	91.306,01	-36%	1681%
Agrícolas	11,32	0,53	1.099,66	-95%	206993%
Pecuario	29,78	140,97	11,38	373%	-92%
Bancarios	10.579,32	3.564,78	35.169,55	-66%	887%
Joyerías	0,00	0,00	30,07		
Diversos	50.612,89	36.897,10	268.930,24	-27%	629%
Civil Automóvil [a]	127.343,25	198.437,98	720.519,78	56%	263%
Civil Patronal	4.802,54	8.547,31	75.782,39	78%	787%
Civil General	22.541,75	17.982,32	192.327,52	-20%	970%
Civil Profesional	279,08	345,10	7.171,85	24%	1978%
Fianzas	48.566,18	82.833,03	342.456,64	71%	313%
Fidelidad Empleados	4.712,44	4.864,06	22.258,31	3%	358%
Civil de Productos	302,39	264,94	1.811,30	-12%	584%
Seguro de Crédito	159,09	63,88	6.972,49	-60%	10815%

[a] Incluye Individual y Colectivo.
Fuente: Superintendencia de Seguros, 2008

1.3. Diagrama de Causa- Efecto

ARS Venezuela desea incursionar en el mercadeo masivo gracias a que representa una nueva oportunidad de negocio para llegar a los usuarios o consumidores finales de sus clientes actuales en materia de corretaje de seguros, administración o gerencia de riesgos.

Uno de los proyectos de la Dirección de Mercadeo e Innovación de ARS Venezuela para el año 2009 es utilizar hoteles venezolanos como canal de venta obligatorio de un seguro de viajero cuyo ámbito sea dentro del territorio nacional. Este producto brindará coberturas médicas, de asistencia legal y de equipaje a todos los turistas (nacionales o internacionales).

En la Figura 1 se puede observar el diagrama de Causa-Efecto de la oportunidad planteada por el área de mercadeo de ARS Venezuela.

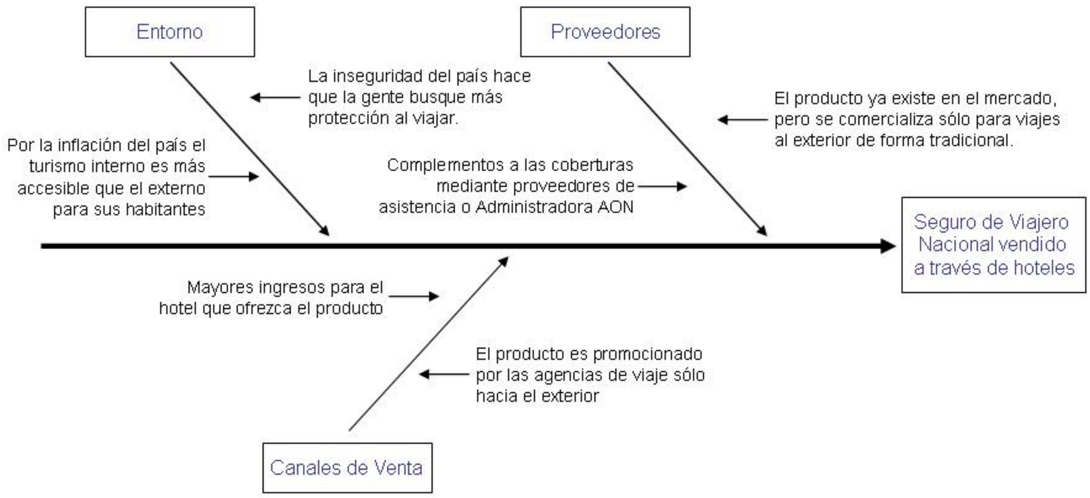

Figura 1. Diagrama de causa-efecto proyecto de seguro de viajes en hoteles (Elaboración propia)

1.4 Pronóstico de la Situación

De acuerdo con Kottler (1999) las ventas de la empresa serán más altas si incrementa su participación en el mercado, lo cual se puede lograr a través de la promoción de productos actuales en nuevos mercados tal como se ilustra en la Figura 2.

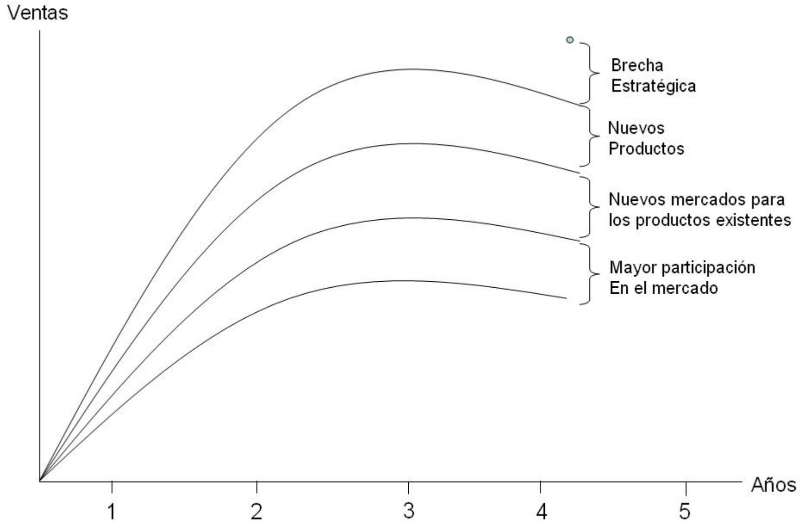

Figura 2. Modelo de la brecha estratégica. (Kottler, 1999)

En base a lo anterior, ARS Venezuela tiene el reto de estimar el mercado potencial de turistas en el 2009 para desarrollar los canales de venta (hoteles) a nivel nacional que ofrezcan este seguro de viajes a sus huéspedes, lo que requiere de la adaptación y mejora del producto actual para convertirlo en un pre-suscrito a ser vendido de forma masiva. A su vez le permitirá, tanto a ARS como al canal, aumentar sus ingresos y su cuota del mercado.

Para estimar la ganancia potencial vs. el riesgo potencial, de acuerdo con el planteamiento de Kotler (1999) se tiene la siguiente fórmula:

Probabilidad general de éxito	=	Probabilidad de logro técnico	x	Probabilidad de comercialización dado el logro técnico	x	Probabilidad de éxito económico dada la comercialización

En el caso de la oportunidad en cuestión, se calcula que la probabilidad de logro técnico equivale al 85% gracias a otros proyectos en curso de la unidad de Telemercadeo de la empresa por lo que ARS Venezuela cuenta con la infraestructura necesaria y sólo se requerirán adaptaciones menores.

La probabilidad de comercialización dado el logo técnico se estima en 70% de acuerdo a la experiencia de la empresa en la promoción de productos similares, mientras que la probabilidad de éxito económico dada la comercialización se calcula en 70% por ser ingresos adicionales de nuevos clientes, por lo que se obtiene el siguiente resultado:

Probabilidad general de éxito = 0,85 x 0,70 x 0,70 = 0,42

Tomando en cuenta que el riesgo de la empresa es muy bajo ya que se hará uso de recursos actuales se considera aceptable una probabilidad de éxito de 42% para continuar con su desarrollo.

1.5 Planteamiento del Enunciado Holopráxico

Mediante el presente proyecto se desea analizar el mercado venezolano para conocer los productos comercializados actualmente en materia de seguro de viajero tanto a nivel nacional como internacional, con el objeto de diseñar una propuesta que brinde protección integral a los turistas de forma automática al hospedarse en alguno de los hoteles de la red a ser creada por ARS Venezuela para ofrecer el producto como un valor agregado al servicio de hospedaje garantizando mayor seguridad a los huéspedes ante eventos fortuitos e imprevistos.

2. OBJETIVOS

2.1 Objetivo General

- Diseñar una propuesta de protección integral a turistas a ser comercializada a través del sector hotelero orientada a incrementar los ingresos de ARS Venezuela por corretaje de seguros.

2.2 Objetivos Específicos

- Diagnosticar la situación actual del mercado turístico venezolano para evaluar la factibilidad de ofrecer a través de hoteles venezolanos un seguro de protección integral a turistas promocionado por ARS Venezuela.
- Diagnosticar la situación actual del mercado asegurador venezolano para ofrecer un seguro de viajeros a nivel nacional promocionado por ARS Venezuela.
- Diseñar un producto de protección integral para turistas ante eventos ajenos a su voluntad, causados por medios externos, violentos y fortuitos, a ser vendido de forma masiva durante su hospedaje en un hotel de la red ARS Venezuela cuyo costo estaría incluido en la tarifa por noche.

3. JUSTIFICACIÓN

3.1 Justificación Técnica

ARS Venezuela cuenta dentro de sus recursos actuales con una herramienta de software especialmente diseñada para venta masiva, la cual se ha adaptado al sector asegurador, es de fácil instalación y resulta amigable para el usuario final, en este caso los Ejecutivos de Recepción (Front Desk) del hotel.

Se deben definir los parámetros necesarios a ser recolectados en un archivo de texto plano que permitirá la carga de la data en los sistemas del corretaje de seguros, del asegurador y del proveedor del servicio para efectos de control de asegurados y prestación del servicio.

El proceso de venta de mercadeo masivo se resume en la Figura 3 (ver página 11).

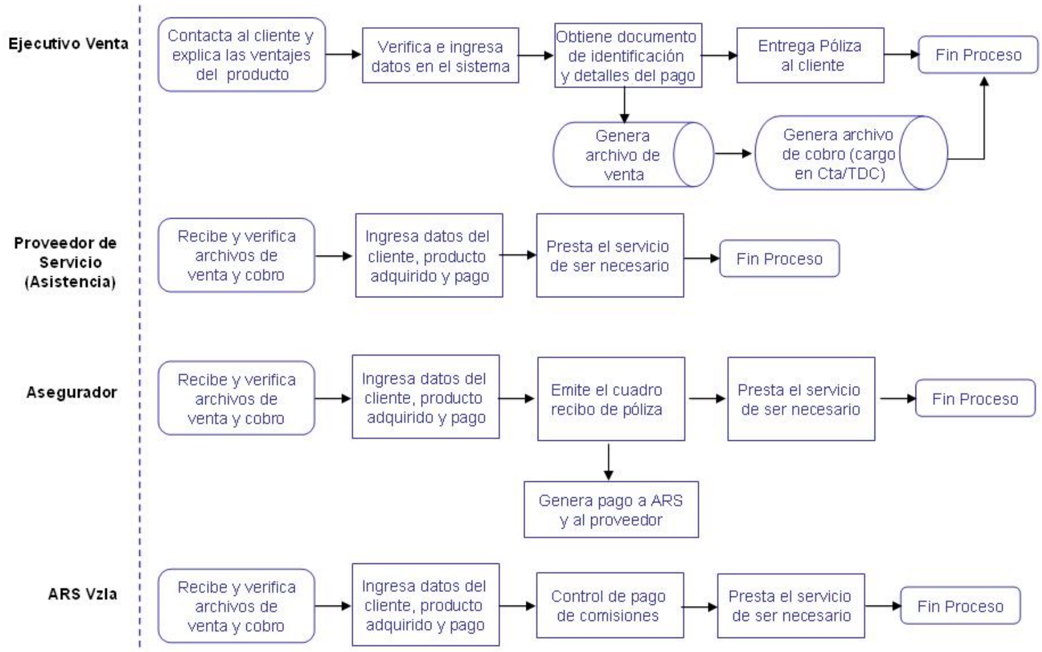

Figura 3. Diagrama de flujo del proceso de venta masiva. (ARS Venezuela, 2008)

El proceso de obtención de datos y documentos de identificación del cliente, requisito obligatorio según la “Política Conozca a su Cliente” contenida en la Providencia 1150 (ver referencias legales) será responsabilidad del canal de venta al momento de hacer el registro (check in) del huésped.

3.2 Justificación Financiera

Antes de estimar el mercado potencial del producto es necesario estudiar los indicadores turísticos venezolanos publicados por el Ministerio de Poder Popular para el Turismo (MINTUR) (2008), están disponibles hasta el año 2007.

El turismo receptivo internacional total para el año 2007 fue de 912.793 visitantes como se muestra en la Tabla 5 (ver página 12), mientras que según las cifras publicadas por el Instituto Nacional de Estadística (INE) (2008) la permanencia promedio por persona es de 19,8 noches como se observa en la Figura 4 (ver página 12).

Tabla 5. *Llegadas de visitantes internacionales a Venezuela, según meses.*

MESES	AÑOS					
	2002	2003	2004	2005	2006	2007
Enero	82.407	26.639	66.133	84.657	106.163	105.338
Febrero	82.781	29.383	60.407	74.393	94.935	90.734
Marzo	71.091	38.765	52.256	86.238	93.978	88.006
Abril	49.323	37.834	33.846	60.997	76.585	71.292
Mayo	28.385	27.409	37.902	47.583	48.972	59.246
Junio	33.465	35.004	44.059	52.919	56.883	72.106
Julio	41.719	32.684	56.570	71.052	77.505	78.282
Agosto	35.346	33.057	48.147	69.209	69.257	69.101
Septiembre	29.905	25.305	44.870	43.678	53.172	49.932
Octubre	38.624	35.697	45.015	60.871	59.834	61.722
Noviembre	50.718	47.309	54.583	85.177	77.313	73.117
Diciembre	45.792	66.335	74.381	104.072	96.678	93.917
TOTAL	**589.556**	**435.421**	**618.169**	**840.846**	**911.275**	**912.793**

Fuente: Ministerio del Poder Popular para el Turismo, 2008

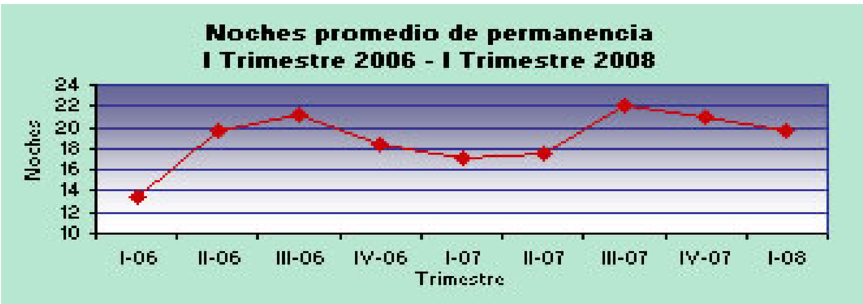

Figura 4. Noches promedio de permanencia turismo receptivo (INE, 2008)

Según los indicadores de movilización interna publicados por MINTUR (2008) durante el año 2007, el turismo nacional estuvo alrededor de 39.914.987 personas tal como lo resume la Tabla 6 (ver página 13).

Tabla 6. *Total movilización interna, según entidad federal.*

ENTIDAD FEDERAL	AÑOS		
	2005	**2006**	**2007**
Amazonas	174.053	176.727	183.693
Anzoátegui	2.606.719	2.686.983	2.751.168
Apure	512.999	524.897	548.773
Aragua	2.347.139	2.405.459	2.621.591
Barinas	1.041.626	1.001.318	1.012.735
Bolívar	1.348.991	1.375.971	1.403.127
Carabobo	2.337.096	2.347.857	2.487.653
Cojedes	261.100	273.454	288.738
Delta Amacuro	78.585	82.722	85.588
Distrito Capital	2.959.847	3.041.249	3.263.481
Falcón	2.867.995	2.901.311	2.981.435
Guarico	989.945	943.897	959.057
Lara	1.964.694	1.974.078	2.071.551
Mérida	1.828.612	1.869.100	1.991.270
Miranda	2.106.950	2.213.916	2.673.965
Monagas	1.032.262	1.008.838	1.031.061
Nueva Esparta	1.475.299	1.530.381	1.704.529
Portuguesa	731.999	778.351	841.875
Sucre	2.264.217	2.273.266	2.302.789
Táchira	1.781.265	1.789.831	1.833.717
Trujillo	1.007.836	973.879	987.753
Vargas	1.624.297	1.650.399	1.709.312
Yaracuy	741.766	770.831	793.436
Zulia	2.528.398	3.006.776	3.386.690
TOTAL	**36.613.690**	**37.601.491**	**39.914.987**

Fuente: Ministerio del Poder Popular para el Turismo, 2008

El motivo principal de viaje para la movilización dentro del país son los estudios, seguido de visitas a familiares tal como se muestra en la Figura 5.

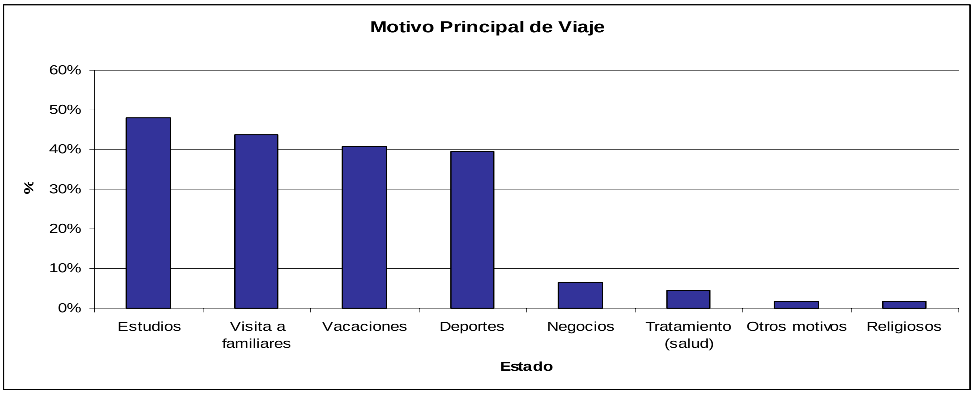

Figura 5. Principales Indicadores, según motivo principal del viaje (MINTUR, 2008)

De acuerdo con la información publicada por el INE (2008) la permanencia promedio del turista interno es de aproximadamente 4,15 noches como se observa en la Figura 6.

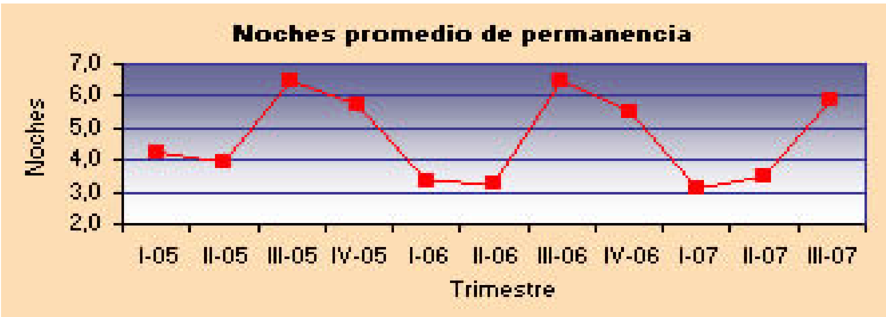

Figura 6. Noches promedio de permanencia turismo interno (INE, 2008)

De acuerdo con todos los indicadores analizados anteriormente, se estima que el mercado potencial para el año 2009 estará alrededor de 42 millones de turistas con la siguiente composición: Interna 98% y Externa 2%. El detalle del cálculo se resume en la Tabla 7 (ver página 15) donde se tomó como factor de crecimiento la variación promedio de los últimos tres años.

Tabla 7. *Estimación del mercado potencial para el proyecto.*

	2005	**2006**	**2007**	**Estimado 2009**
Turistas Internos	36.613.690	37.601.491	39.914.987	41.681.339
Variación	**--**	**2,70%**	**6,15%**	4,43%
Turistas Externos	840.846	911.275	912.793	951.781
Variación	**--**	**8,38%**	**0,17%**	4,27%
Total Turistas	37.454.536	38.512.766	40.827.780	42.633.120
Variación	**--**	**2,83%**	**6,01%**	

Fuente: Elaboración propia

En el primer año de operación se espera captar una cuota de mercado alrededor del 0,5% a través del desarrollo de por lo menos dos canales de venta lo que representaría una emisión anual de aproximadamente 213.165 pólizas nuevas.

3.3 Justificación Estratégica

Una de las principales razones de ser de ARS Venezuela es influir sobre sus clientes de forma positiva, ofreciéndoles un valor distintivo al posicionarse como sus asesores de confianza tanto en servicios de consultoría, como corretaje de seguros, gerencia y administración de riesgos. De acuerdo con las últimas cifras publicadas en el Anuario de la Cámara Venezolana de Empresas de Corretaje de Seguros (CAVECOSE) en el 2007, ARS Venezuela está posicionada en el quinto lugar de las sociedades de corretaje de seguros venezolanas en función al volumen de primas cobradas para el cierre del ejercicio del año 2006 tal como se muestra en la Figura 8 (ver página 16).

Para que la empresa pueda posicionarse en un lugar más alto entre las sociedades de corretaje de seguros del mercado venezolano, debe aumentar el volumen de primas colocadas anualmente.

Figura 7. Distribución de primas cobradas por corretaje de seguros (CAVECOSE, 2007)

Para aumentar el volumen de primas colocadas se requiere vender mayor número de pólizas mediante el uso de diferentes canales, siendo una de las alternativas el desarrollo del sector hotelero (en principio con clientes actuales) para ofrecer un seguro de viajes que le permitirá acceso a nuevos clientes, con un mercado potencial de 42.633.120 futuros asegurados.

Es importante destacar que dado que las personas tienen diferentes motivos para trasladarse dentro del país, existe la posibilidad de asegurar al mismo cliente en varias oportunidades a lo largo del año, pero como el producto a desarrollar tendrá una vigencia de 30 días su impacto no se considera relevante para el proyecto.

CAPÍTULO II. MARCO TEÓRICO

1. ANTECEDENTES

“Donde quiera que haya una necesidad, hay una oportunidad” (Kotler, 1999, P. 57). El marketing es el arte de encontrar, desarrollar y aprovechar las oportunidades, lo cual consiste en identificar el aspecto de la necesidad y el interés del comprador de modo que exista una alta probabilidad de que la compañía pueda sacar provecho satisfaciendo la misma. El atractivo de la oportunidad de mercado depende de varios factores, tales como, la cantidad de compradores potenciales, su poder de adquisición, su disposición a comprar, entre otros (Kotler, 1999).

Según Kotler (1999), existen tres situaciones que dan lugar a oportunidades de mercado:

1. Suministrar algo que es escaso.
2. Suministrar un producto o servicio existente de una forma nueva o superior.
3. Suministrar un nuevo producto o servicio.

En el caso de ARS Venezuela se enfoca en el segundo apartado de los mencionados anteriormente. Entre lo métodos que utilizan las compañías para mejorar un producto o servicio existente de acuerdo con Kotler (1999), está la cadena de consumo, la cual consiste en indagar sobre las etapas de adquisición, utilización y distribución para evaluar en qué punto se puede introducir nuevos productos o servicios.

Kotler (1999) indica que el desafío de desarrollar la demanda consiste en tres procesos: encontrar consumidores/clientes, conservarlos e incrementarlos. En la Tabla 1 (ver página 18) se resumen las distintas formas de desarrollo.

Tabla 1. *Nueve maneras de desarrollar la demanda.*

	Productos existentes	**Productos Modificados**	**Productos Nuevos**
	Vender más de nuestros productos existentes a nuestros tipos de mercados existentes. (Penetración de mercado)	Modificar nuestros productos y vender más a nuestros consumidores existentes. (Modificación del producto)	Diseñar nuevos productos que atraigan a nuestros consumidores existentes. (Desarrollo del nuevo producto)
Mercados	Entrar y vender nuestros productos en otras áreas geográficas. (Expansión geográfica)	**Ofrecer y vender productos modificados en nuevos mercados geográficos.**	Diseñar y vender nuevos productos para compradores potenciales en nuevas áreas geográficas.
	Vender nuestros productos a nuevos tipos de consumidores. (Invasión de segmento)	Ofrecer y vender productos modificados a nuevos tipos de consumidores.	Diseñar nuevos productos para venderlos a nuevos tipos de consumidores. (Diversificación)

Fuente: Kotler, 1999

Para el proyecto de ARS Venezuela la forma de desarrollar la demanda se ubica en el cuadrante medio de la Tabla 1, ya que su propósito es modificar un producto existente e incorporarlo a un nuevo canal de distribución para llegar a nuevos clientes. De acuerdo con Kotler (1999), la compañía debe determinar la relación coste-eficacia de las diferentes herramientas del marketing mix que rinda el máximo beneficio. A comienzos de los años sesenta el profesor Jerome McCarthy propuso un marketing mix consistente en cuatro P: Producto, Precio, Posición y Promoción, tal como se muestra en la Figura 1.

Figura 1. El sistema de las cuatro P (Kottler, 1999)

El marketing mix no trata de coordinar únicamente los elementos dentro de cada una de las cuatro P, sino también entre ellas. El consumidor necesita creer que la oferta de la compañía será superior en cuanto a los cuatro factores C desde su punto de vista: cualidad intrínseca para el consumidor, costes más bajos, conveniencia y comunicación (Kotler, 1999).

1.1. Gerencia de Proyectos

De acuerdo con el Project Management Book of Knowledge (PMBOK®) (2008) un proyecto es un esfuerzo temporal que se lleva a cabo para crear un producto, servicio o resultado único. Estos se llevan a cabo en todos los niveles de la organización y pueden involucrar a una sola persona o miles. Las empresas realizan trabajos con el fin de lograr un conjunto de objetivos, estos son realizados por personas, con recursos limitados, planificados, ejecutados y controlados.

La Dirección de Proyectos es la aplicación de conocimientos, habilidades, herramientas y técnicas empleadas para satisfacer los requisitos del proyecto, esto incluye: identificar requerimientos, establecer objetivos claros y factibles, equilibrar las demandas concurrentes de calidad, alcance, tiempo y costos, adaptar las especificaciones, los planes y el enfoque a las diversas inquietudes y expectativas de los interesados. Las áreas de conocimiento se resumen en la Figura 2.

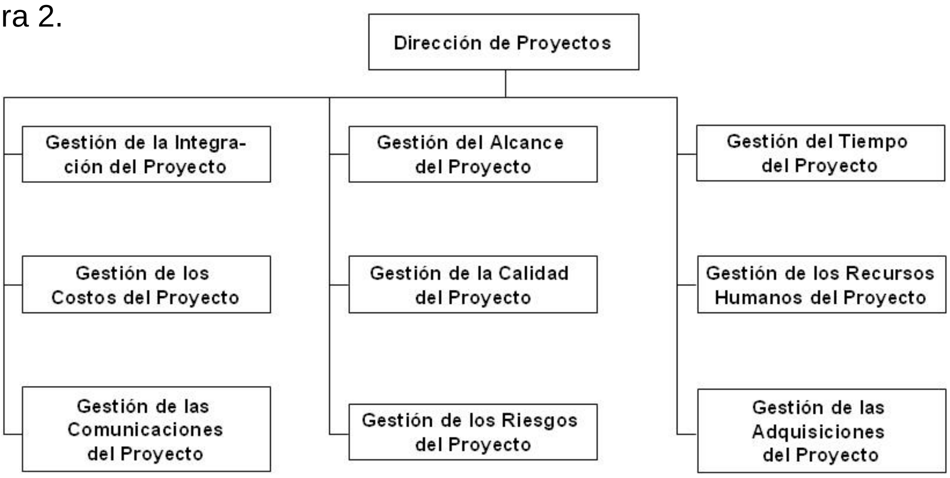

Figura 2. Áreas de conocimiento de la dirección de proyectos (Adaptado PMBOK ®, 2008)

Gestión de la Integración del Proyecto: Describe los procesos y actividades que forman parte de los diversos elementos de la dirección de proyectos, que se identifican, definen, combinan, unen y coordinan dentro de los grupos de procesos de la Dirección de Proyectos (PMBOK ®, 2008).

Gestión del Alcance del Proyecto: Describe los procesos necesarios para asegurarse de que el proyecto incluya todo el trabajo requerido, y sólo éste, para completarlo satisfactoriamente (PMBOK ®, 2008).

Gestión del Tiempo del Proyecto: Describe los procesos relativos a la puntualidad en la conclusión del proyecto (PMBOK ®, 2008).

Gestión de los Costos del Proyecto: Describe los procesos involucrados en la planificación, estimación, presupuesto y control de costes de forma que el proyecto se complete dentro del costo aprobado (PMBOK ®, 2008).

Gestión de la Calidad del Proyecto: Describe los procesos necesarios para asegurarse de que el proyecto cumpla con los objetivos por los cuales ha sido emprendido (PMBOK ®, 2008).

Gestión de los Recursos Humanos del Proyecto: Describe los procesos que organiza y dirige el equipo de proyecto (PMBOK ®, 2008).

Gestión de las Comunicaciones del Proyecto: Describe los procesos relacionados con la generación, recogida, distribución, almacenamiento y destino final de la información del proyecto en tiempo y forma (PMBOK ®, 2008).

Gestión de los Riesgos del Proyecto: Describe los procesos relacionados con el desarrollo de la gestión de riesgos del proyecto (PMBOK ®, 2008).

Gestión de las Adquisiciones del Proyecto: Describe los procesos para comprar o adquirir productos, servicios o resultados, así como para contratar procesos de dirección (PMBOK ®, 2008).

En el caso de ARS Venezuela el desarrollo de la oportunidad involucra las nueve áreas de conocimiento, enfocándose en la línea de definición y desarrollo para el diseño de un producto masivo a ser vendido a través de hoteles venezolanos con el objeto de aumentar la cartera de clientes actuales y los ingresos de la compañía por concepto de corretaje.

2. MARCO CONCEPTUAL

Si bien el seguro de protección integral está estrechamente relacionado con el sector asegurador, es importante conocer los productos que se ofrecen en el mercado potencial, es decir, el sector turístico que es en el cual los hoteles prestan sus servicios de hospedaje. De acuerdo con Kotler et al (2004), es necesario pensar en el interés respecto a cuatro niveles de producto: Genérico, Esperado, Mejorado y Potencial.

Producto Genérico: Es el nivel más básico, se trata del servicio, utilidad o función fundamental para cuya satisfacción el consumidor está adquiriéndolo.

Producto Esperado: Son aquellos bienes o servicios que deben estar presentes para que el cliente use el producto genérico, es decir, el conjunto de atributos que el comprador normalmente espera y con los que está de acuerdo cuando lo compra. Un aspecto importante es su accesibilidad, por lo que su diseño requiere de la comprensión del mercado objetivo.

Producto Mejorado: Es aquel que incluye beneficios adicionales añadiendo valor al producto genérico y ayudando a diferenciarlo de la competencia.

Producto Potencial: Es el concebido como un conjunto de modificaciones y mejoras a las que se puede someter en el futuro, para ello se requiere la participación de los consumidores proponiendo recomendaciones para el perfeccionamiento del producto. Es un concepto importante porque los servicios de turismo requieren de la interacción con el usuario.

2.1. Definiciones de Interés para el Proyecto

Canales de Venta: El especialista en marketing los utiliza para efectuar transacciones con compradores potenciales, estos canales no sólo incluyen a los distribuidores y minoristas, sino también a los bancos y a las compañías de seguros que facilitan la transacción (Kotler, 2000). Para ARS Venezuela son considerados canales de venta los clientes existentes o alianzas estratégicas con terceros que sirvan como medio de distribución para llegar al asegurado.

Canales Tradicionales: Dentro del mercado asegurador se conoce como canal tradicional la colocación de seguros a través de un intermediario o corredor.

Contrato de Seguro: "El contrato de seguros es aquél en virtud del cual una empresa de seguros, a cambio de una prima, asume las consecuencias de riesgos ajenos, que no se produzcan por acontecimientos que dependan enteramente de la voluntad del beneficiario, comprometiéndose a indemnizar, dentro de los límites pactados el daño producido al tomador, al asegurado o al beneficiario, o a pagar un capital, una renta u otras prestaciones convenidas, todo subordinado a la ocurrencia de un evento denominado siniestro, cubierto por una póliza.

Las disposiciones del contrato de seguro se aplicarán a los convenios mediante los cuales una persona se obliga a prestar un servido o a pagar una cantidad de dinero en caso de que ocurra un acontecimiento futuro e incierto y que no dependa exclusivamente de la voluntad del beneficiario a cambio de una contraprestación, siempre que no exista una ley especial que los regule" (Art 5. Decreto con Fuerza de Ley del Contrato de Seguro, ver referencias legales).

Demanda de Mercado: Es el volumen total susceptible de ser comprado por un determinado grupo de consumidores, en un área geográfica concreta, para un determinado período de tiempo, en un entorno definido y bajo un programa específico (Kotler, 2000).

Intermediarios: Son personas y organizaciones que actúan entre los productores y los consumidores, como los distribuidores, comerciantes, agentes y corredores. En el caso de estos últimos no toman posesión de los bienes sino que perciben una comisión por encontrar clientes (Kotler, 1999).

Mercadeo: El marketing empresarial es el proceso de planificar y ejecutar el concepto, precio, promoción y distribución de ideas, bienes y servicios para crear intercambios que satisfagan los objetivos particulares de las organizaciones (Kotler 2000).

Mercado: Los economistas describen los mercados como el conjunto de compradores y vendedores que realizan transacciones con determinados productos o tipos de estos (Kotler, 2000).

Mercado Potencial: Es el límite al cual se aproxima la demanda del mercado considerando que los gastos de marketing de un sector tienden a ser infinitos, dado un entorno determinado (Kotler, 2000).

Turismo: La Organización Mundial del Turismo, es el organismo internacional encargado de establecer las definiciones del tema, en su Convención de Ottawa de 1991 instauró la definición actual: Son las actividades que realizan las personas durante sus viajes a lugares distintos al de su entorno habitual, por un período de tiempo consecutivo inferior a un año, con fines de ocio, negocios u otros motivos.

Adicionalmente, de acuerdo con los conceptos manejados en el sector asegurador se tienen las siguientes definiciones:

Prima: Es la cantidad del dinero que debe pagar el tomador de la póliza (calculada en base a una tasa aplicada sobre la suma asegurada) a cambio de que el asegurador asuma las consecuencias de sus riesgos.

Riesgo: Se identifica como la persona u objeto expuesto al daño o a la pérdida.

Siniestro: Se conoce como un acontecimiento futuro e incierto que implica la responsabilidad del asegurador y motivará el pago de un monto indemnizable de acuerdo a la suma asegurada suscrita.

Siniestralidad (simple): Es la relación entre el monto de siniestros pagados menos el salvamento entre la prima pagada de un período determinado.

Tomador: Es quien contrata el seguro, ya sea por cuenta propia (asegurado) o de un tercero.

3. PRODUCTOS SIMILARES OFRECIDOS INTERNACIONALMENTE

Los principales promotores de este tipo de productos a nivel internacional son las agencias de viajes quienes usualmente lo incluyen dentro de su paquete y utilizan a algún proveedor, no necesariamente empresas de seguros. A continuación se describen los más conocidos:

- **Qualitas Assistance** (ver Anexo 3) ofrece planes individuales con cobertura geográfica mundial para una estadía máxima de 90 días y límite de 75 años de edad con las siguientes ventajas:

  - Asistencia médica por accidente o enfermedad.
  - Medicamentos.
  - Emergencia dental.
  - Traslado sanitario incluyendo familiar por hospitalización.
  - Hotel por convalecencia.
  - Acompañamiento de menores.
  - Repatriación funeraria o regreso por fallecimiento de familiar.
  - Cancelación o interrupción de viaje por catástrofe.
  - Indemnización por vuelo demorado o cancelado.
  - Mensajes urgentes y línea de consultas.
  - Extravío de documentos, equipajes, etc.
  - Transferencia de fondos incluyendo fianzas.
  - Asistencia legal por accidente de tránsito.
  - Seguro por muerte accidental.

- **Europe Assistance** (ver Anexo 4) ofrece Planes Receptivos y Vacacionales en Europa con las siguientes coberturas:
  - **Turismo Receptivo:** Especialmente diseñado para personas no residentes en España, que deseen estar bien protegidos en sus visitas de hasta un mes de duración, incluye:
    - Gastos médicos en el extranjero.
    - Traslado sanitario y transporte de restos mortales.
    - Asistencia por pérdida, daño, robo o demora de equipaje.
    - Búsqueda y localización de equipajes.
    - Transmisión de mensajes.
  - **Vacaciones Plus:** Es una mejora del anterior que incluye:
    - Prolongación de estadía.
    - Regreso anticipado, vuelta y traslado de acompañantes.
    - Asistencia por fallecimiento.
    - Envío de medicamentos, documentos y objetos personales.
    - Reembolso de gastos de anulación de viaje no iniciado.

        - Responsabilidad civil.
        - Servicio de información.
        - Asistencia a vehículos (opcional): Reparación de urgencia, recuperación y transporte del vehículo, traslado de los asegurados.

- **Travel ACE** (ver Anexo 5) ofrece productos orientados a brindar tranquilidad y seguridad a sus clientes durante sus viajes, con el respaldo del Grupo IMAS ® el cual fue creado para la prestación de servicios médicos a nivel mundial hace más de 25 años. El mismo ha sido reconocido con el Certificado de Calidad ISO 9002 contemplando administración, control y seguimiento de los servicios de asistencia médica, pérdida de equipaje y defensa legal. Entre sus productos están:
    - **Exclusive Plus o Turista:** la suma asegurada varía según el plan seleccionado pero ambos cuentan con cobertura internacional para una estadía máxima de 90 días y límite de 75 años de edad. Sus beneficios son:
        - Asistencia médica en caso de accidente o enfermedad.
        - Asistencia médica en caso de pre-existencia (previa solicitud).
        - Medicamentos ambulatorios o por hospitalización.
        - Odontología.
        - Hasta 30 días complementarios por hospitalización.
        - Seguro de Accidentes Personales.
        - Compensación por pérdida o demora de equipaje.
        - Gastos por vuelo demorado (más de 6 horas).
        - Gastos de hotel por convalecencia y/o familiar acompañante.
        - Traslado de ejecutivo por emergencia incluyendo familiar.
        - Regreso anticipado por siniestro en domicilio.
        - Anticipo de fondos para fianza y transferencias de dinero.
        - Asistencia Legal en caso de accidente.

4. PRODUCTOS SIMILARES OFRECIDOS EN VENEZUELA

Entre las políticas internas de colocación de ARS Venezuela está evaluar la solidez y experiencia de la empresa que respalda los términos presentados a sus clientes. Siguiendo este lineamiento se investigó entre las aseguradoras con las que actualmente se mantienen relacionen comerciales lo que dejó como único proveedor de seguros de viajero a C.A. de Seguros American Internacional (CASAI) con su producto AIG Travel Guard, el cual cuenta con las siguientes coberturas según lo publicado en su página web:

Descripción de coberturas internacionales

Servicio de Asistencia 24 horas: Línea a disposición del asegurado sin ningún costo por llamada donde recibirá la asistencia necesaria en caso de emergencia mediante el teléfono: (0058 212) 706.70.05 La atención se presta en su propio idioma, las 24 horas del día, los 365 días del año desde cualquier parte del mundo. Adicionalmente, como beneficio exclusivo, el cliente puede recibir información sobre:

- Advertencias sobre ciertas localidades del mundo, requisitos de inmunización, pasaporte y/o visa, entre otros.
- Estado del clima, avisos meteorológicos del lugar a donde viaje.
- Indicaciones para obtener asistencia médica, contactar a su médico de cabecera.
- Coordinación necesaria para contactar abogados o embajadas.
- Contactar al transportador para rastrear equipaje perdido o demorado.
- Otorgarle un adelanto de efectivo de sus tarjetas de crédito.

Evacuación Médica por Emergencia: Cubre el transporte inmediato desde el lugar donde se encuentra lesionado o enfermo el asegurado hasta la clínica más cercana, donde podrá recibir el tratamiento apropiado. Adicionalmente y de ser necesario, cubre el transporte al país de origen para recibir tratamiento médico adicional o recuperarse.

Gastos Médicos por Accidente o Enfermedad: Ampara los gastos correspondientes a la prestación de servicios y suministros médicos al asegurado, recomendados por el médico tratante y que la causa que los originó sea un siniestro ocurrido y cubierto por la póliza.

Medicamentos (Prescritos por un Médico): Es la cobertura de los gastos correspondientes a la adquisición de medicinas prescritas para el tratamiento.

Recuperación en Hotel: Es la cobertura de los gastos de hotel durante el reposo indicado por un médico.

Gastos de Odontología por Accidente y/o Enfermedad: Son los gastos incurridos por servicios odontológicos recibidos por el asegurado dentro de los 30 días consecutivos siguientes de la hora y fecha de la lesión y/o dolor agudo repentino sufrido por el asegurado durante la vigencia de la póliza.

Interrupción y/o Cancelación del Viaje: La compañía, pagará al asegurado la parte no reembolsable del costo de los arreglos de viaje previamente pagados por concepto de hotel y/o pasaje no utilizado, menos el valor del crédito aplicado por el pasaje de regreso, a fin de volver al país de contratación de la póliza.

Pérdida de Equipaje: Estará cubierta la pérdida del equipaje por robo o falta de entrega del mismo cuando se halle bajo custodia y control del transporte público.

Repatriación de Restos Mortales: En caso de fallecimiento del asegurado se pagarán los gastos razonables incurridos para trasladar su cuerpo al país donde contrató la póliza.

Pago de Honorarios Legales: Se pagarán los honorarios legales en que incurra el asegurado como resultado de un falso o detención ilegal por cualquier gobierno o potencia extranjera.

Pago de Fianzas: La compañía pagará el costo de la fianza se le fije al asegurado como resultado de arresto falso o detención ilegal por cualquier gobierno o potencia extranjera.

Muerte Accidental: Cubre la muerte a consecuencia de un accidente fortuito e independiente a la voluntad del asegurado.

Invalidez Total y Permanente: Se entiende como el impedimento del asegurado para desempeñar todas y cada una de las ocupaciones o empleos remunerados para los cuales estaba razonablemente calificado, que sobrevenga a consecuencia de una lesión originada por un accidente ocurrido durante la vigencia de la póliza.

Desmembramiento y Pérdida de la Vista: Pérdida anatómica o impotencia funcional de aquellos miembros u órganos enumerados en la póliza a consecuencia directa de un accidente. (CASAI, 2009)

<u>Descripción de coberturas nacionales</u>

Servicio de Asistencia 24 horas: Línea a disposición del asegurado donde recibirá la asistencia necesaria en casos de emergencias, contando con clave de ingreso a cualquiera de las clínicas afiliadas a la red a nivel nacional del proveedor (Veneasistencia).

Gastos Médicos por Accidente: Ampara los gastos correspondientes a la prestación de servicios y suministros médicos al asegurado, recomendados por el médico tratante y que la causa que los originó sea un siniestro ocurrido y cubierto por la póliza.

Pérdida de Equipaje: Estará cubierta la pérdida del equipaje por robo o falta de entrega del mismo cuando se halle bajo custodia y control del transporte.

Cancelación del Viaje: Se pagará al asegurado titular la parte no reembolsable del costo de los arreglos de viaje pre-pagados por concepto de hotel y/o pasaje del transporte no utilizado, menos el valor del crédito aplicado al pasaje de regreso.

Demora del Viaje: Son aquellos gastos incurridos cuando el viaje se encuentre demorado 12 horas o más debido a clima inclemente, huelga u otro conflicto laboral o alguna falla de equipo del transportista.

Seguro por Muerte Accidental: Esta póliza cubre la muerte a consecuencia de un accidente fortuito e independiente a la voluntad del asegurado.

Invalidez Temporal y Permanente: Se entiende como el impedimento del asegurado titular para desempeñar todas y cada una de las ocupaciones o empleos remunerados para los cuales estaba razonablemente calificado, que sobrevenga a consecuencia de una lesión originada por un accidente.

Desmembramiento y Pérdida de la Vista: Pérdida anatómica o impotencia funcional de aquellos miembros u órganos enumerados en la póliza a consecuencia directa de un accidente. (CASAI, 2009)

5. BASES LEGALES

En el país existen varias leyes y decretos que regulan las actividades del mercado asegurador, entre las cuales destacan las siguientes:

- **Ley de Empresas de Seguros y Reaseguros (8 de marzo de 1995)**: Este Decreto Ley regula la actividad aseguradora, reaseguradora, de producción de seguros, de reaseguros y demás actividades conexas (ver referencias legales).

- **Decreto con Fuerza de Ley del Contrato de Seguros (12 de noviembre de 2001)**: Tiene por objeto regular el contrato de seguro en sus distintas modalidades; en ese sentido se aplicará en forma supletoria a los seguros regidos por leyes especiales (ver referencias legales).
- **Normas sobre prevención, control y fiscalización de las operaciones de seguros y reaseguros para evitar la legitimación de capitales (1 de octubre de 2004)**: Su objeto es establecer y unificar las políticas, normas y procedimientos continuos y permanentes diseñadas especialmente de acuerdo al nivel de riesgo, que como mínimo deben seguir los Sujetos Obligados, con el fin de evitar que sean utilizados como instrumento para la legitimación de capitales provenientes de las actividades ilícitas establecidas en la Ley Orgánica sobre Sustancias Estupefacientes y Psicotrópicas, o de otras actividades delictivas conforme a la legislación venezolana; y permitir a esta Superintendencia de Seguros, el control, inspección, vigilancia, supervisión y fiscalización de tales operaciones que puedan realizarse a través del Sistema Asegurador Venezolano (ver referencias legales).

CAPÍTULO III. MARCO METODOLÓGICO

1. METODOLOGÍA DE LA INVESTIGACIÓN

De acuerdo con la exploración en gerencia realizada por los Profesores PhD. Yáber y PhD. Valarino (2007), los trabajos especiales de grado o maestría profesional, son aquellos en los que a partir del conocimiento de la teoría general de la administración o alguna de sus funciones, se desarrollan aplicaciones para resolver problemas del tipo profesional. La investigación en la disciplina de administración se clasifica en: (a) Científica o (b) Aplicada.

La investigación aplicada se sub-divide en: (a) Evaluativa, (b) Acción, (c) Desarrollo. Estas se diferencian en su propósito, el tipo de problema que abordan, los verbos que definen, la acción principal que realizan y el enfoque. En la Tabla 1 se presenta un cuadro comparativo de las mismas.

Tabla 1. Tipos de investigación en gestión de empresas.

Tipo de Investigación	**Científica**	**Aplicada Inv-evaluativa**	**Aplicada Inv-desarrollo**	**Aplicada Inv-acción**
Propósito	Generar conocimientos	Valorar el logro de la misión de organizaciones, programas, proyectos	Desarrollar un producto o servicio	Modificar para mejorar unidades organizacionales o sociales
El problema es un enunciado interrogativo acerca de:	La relación entre variables o búsqueda de significados	La adecuación entre medios y fines	La necesidad observada y el producto o servicio destinado a satisfacer la necesidad	La discrepancia entre situación actual y condición deseada de la unidad
Verbos de acción	Describir, relacionar, explicar, comprender, predecir o interpretar	Evaluar, diagnosticar, justipreciar, valorar	Diseñar, rediseñar, desarrollar	Intervenir, modificar, aplicar
Enfoque	Científico (cuantitativo o cualitativo)	Sistemas	Diseño	Solución de problemas
Ejemplo	Postergación humana y gestión de proyectos. Comprensión de prácticas gerenciales	Gestión de calidad de una empresa de servicios	Rediseño del proceso de desarrollo de nuevos productos	Modificación de la estructura organizacional en una empresa

Fuente: Yáber y Valarino, 2007

El presente proyecto se ubica en la línea de investigación aplicada a desarrollo, cuyo propósito es indagar sobre necesidades del ambiente interno o el entorno de una organización, para generar una solución que pueda aplicarse en una empresa o mercado. El problema se plantea como un enunciado interrogativo que relaciona el producto o servicio con la necesidad a atender. Se fundamenta en el enfoque del diseño (Milani, 1997) y se siguen los pasos de: Identificación de necesidad (análisis), diseño, desarrollo, implantación, evaluación y retroalimentación. El enfoque se aplica para desarrollar productos, servicios, procesos, modelos, procedimientos o métodos entre otros (Yáber y Valarino, 2007).

Es importante señalar que en todos los tipos de investigación aplicada se podrían originar nuevos conocimientos, mas éste no constituye el propósito fundamental de los mismos. En los proyectos de aplicación pueden considerarse tres fases: Planificación, Ejecución y Valoración.

Fase de Planificación: Se plantea el problema, se describen los objetivos, los lineamientos del marco conceptual o referencial y organizacional, y se elabora el método para resolverlo.

Fase de Ejecución: Se desarrolla el proyecto completando el marco conceptual o referencial y organizacional, siguiendo el método de acuerdo a las consideraciones éticas de la disciplina, se describen y analizan los resultados y se extraen las conclusiones y recomendaciones.

Fase de Valoración: Se evalúa el proyecto, contrastando los resultados con los objetivos inicialmente planteados (Yáber y Valarino, 2007).

En la Tabla 2 (ver página 34) se resume un comparativo de las propuestas para el esquema de reporte de proyectos de aplicación.

Tabla 2. Esquemas sugeridos para el reporte de proyectos de aplicación

Reporte del trabajo de grado	Investigación-acción	Investigación-evaluativa	Investigación-desarrollo
Fase de planificación Capítulo 1	Propuesta de proyecto	Propuesta de proyecto	Propuesta de proyecto
Fase de ejecución Capítulo 2	Marco conceptual	Marco conceptual	Marco conceptual
Capítulo 3	Marco organizacional	Marco organizacional o del mercado	Marco organizacional o del mercado
Capítulo 4*	Diagnóstico, diseño e implantación del cambio o mejora	Propósito, planificación y aplicación de la evaluación	Diseño, desarrollo e implantación del producto o servicio
Fase de valoración Capítulo 5	Resultados	Resultados	Resultados
Capítulo 6	Evaluación proyecto	Evaluación proyecto	Evaluación proyecto

*Puede separarse en más de un capítulo, de acuerdo a la extensión y complejidad del proyecto.
Fuente: Yáber y Valarino, 2007

2. METODOLOGÍA PARA EL DESARROLLO DE LA ESTRATEGIA DE SERVICIO

De acuerdo con Lovelock y Wirtz (2009) el proceso de crear una estrategia es iterativo, ya que es probable que sus componentes tengan que ser consultados más de una vez al ser interdependientes. El marco de referencia empieza con –y continuamente implicará- su capacidad de comprender las necesidades de sus clientes y la manera en que se comportan en los ambientes de servicio.

El concepto de servicio a ser creado debe ser diferenciable y responder a las necesidades específicas de los clientes y las oportunidades de mercado. Con el fin de asegurarse de que la propuesta de valor es comercialmente viable, su estrategia debe lograr una posición distintiva y defendible en el mercado, en contra de las alternativas de la competencia, para que su empresa pueda atraer un volumen suficiente de negocios con los clientes objetivo. Es importante obtener la retroalimentación del consumidor para evitar fracasos y cubrir mejor sus necesidades y expectativas en el futuro. (Lovelock y Wirtz, 2009).

La planeación a largo plazo exige tomar en cuenta la manera en que la organización debe evolucionar en respuesta a las necesidades incipientes de sus clientes, las tendencias del mercado, las dinámicas competitivas y las tecnologías. En la Figura 1 se resumen los pasos para el desarrollo de una estrategia de servicios (Lovelock y Wirtz, 2009).

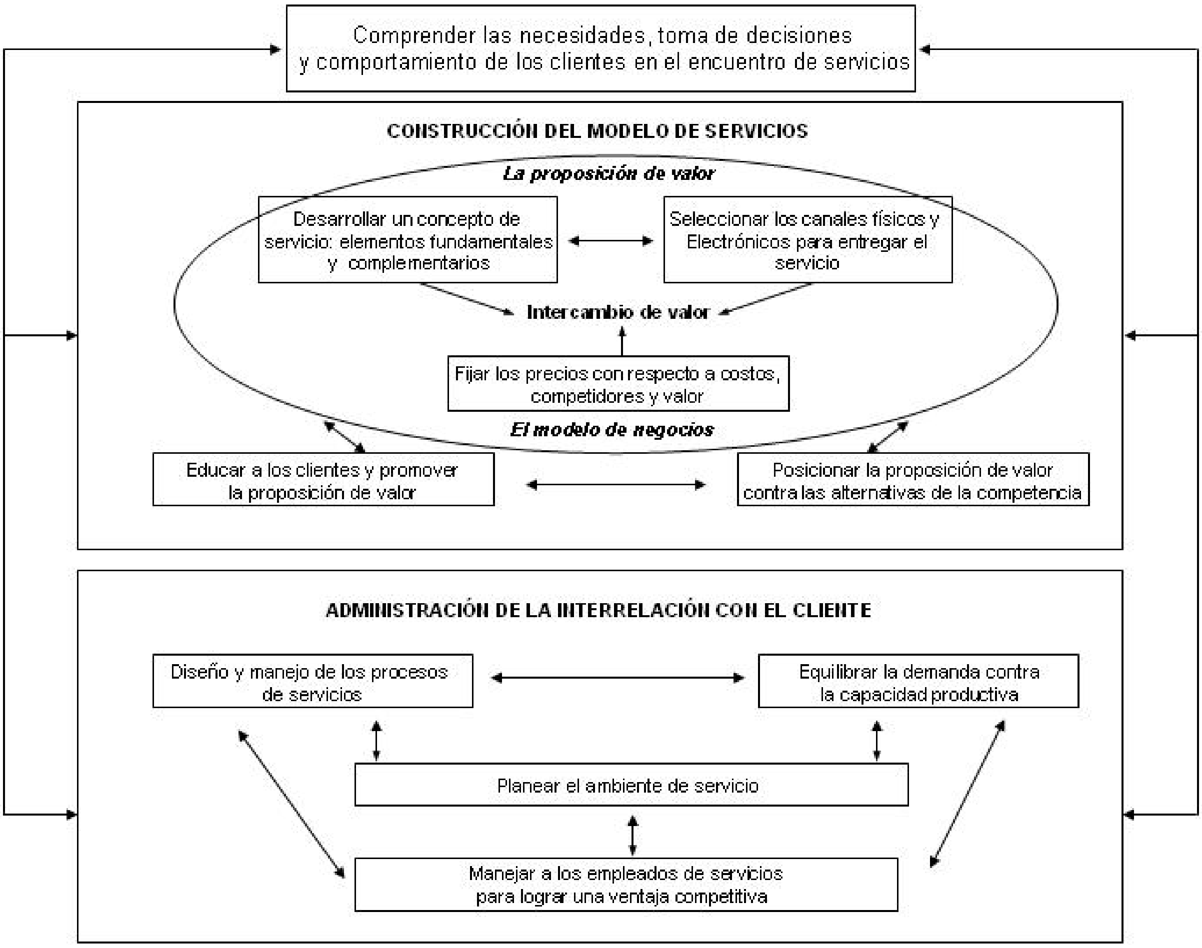

Figura 1. Marco de Referencia para desarrollar una estrategia de marketing de servicios (Lovelock y Wirtz, 2009)

3. METODOLOGÍA PARA EL DESARROLLO DEL PRODUCTO

Según Kotler et al (2004) una empresa debe ser capaz de desarrollar nuevos productos y gestionarlos para afrontar cambios de gustos, tecnologías y acciones de la competencia.

Cada producto tiene un ciclo de vida: nace, pasa por varias fases y finalmente muere cuando aparecen otros que satisfacen mejor las necesidades del consumidor. Las empresas necesitan un programa de desarrollo ya sea mediante la adquisición o de la investigación y desarrollo.

El proceso de desarrollo de nuevos productos contempla las fases que se muestran en la Figura 2.

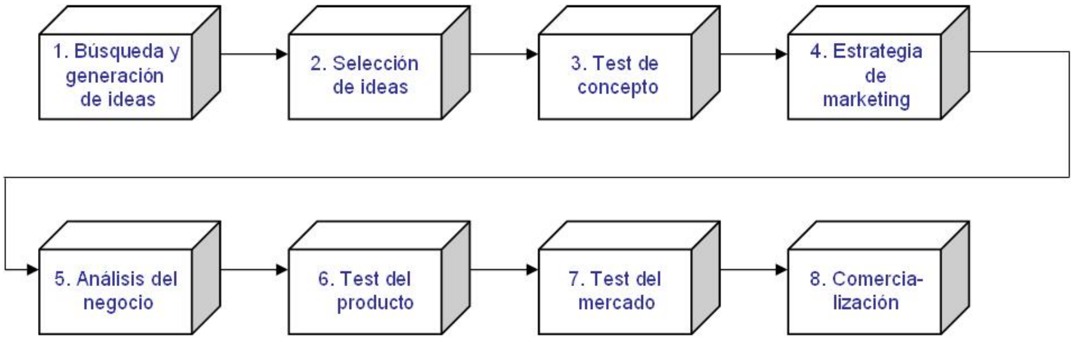

Figura 2. Principales etapas en el desarrollo de un nuevo producto (Kotler et al, 2004)

Para los efectos del presente proyecto sólo se completaron las primeras cinco etapas mostradas en la Figura 2 para la modificación del producto actual en uno pre-suscrito, seguidas de la fase de comercialización, pues dadas las características del mismo no se requiere del test de producto o mercado al contar ARS Venezuela con la experiencia que servirá como base para el análisis del negocio.

Búsqueda y generación de ideas: El desarrollo de un nuevo producto comienza con la generación de la idea. La búsqueda debe ser sistemática y no dejarse al azar, de otro modo, la empresa se arriesga a encontrar nuevos pensamientos que no son compatibles con su tipo de negocio. Es importante definir detenidamente la estrategia, en la cual conviene establecer qué productos y mercados hay que destacar, al igual de lo que desea ya sea un flujo de caja alto, mayor participación u otra cosa.

Las compañías pueden encontrar nuevas ideas mediante investigación y desarrollo formales, o los ejecutivos de la empresa pueden tener la inspiración necesaria. Los vendedores son otra buena fuente porque están en contacto diario con los clientes y comprenden mejor sus intereses. (Kotler et al, 2004)

Selección del público objetivo: El propósito de las etapas sucesivas es reducir el número de ideas. La primera etapa es la exploración de la idea, su objeto es elegir las buenas y desechar las malas lo antes posible. (Kotler et al, 2004)

Test de Concepto: Un concepto de producto es una versión detallada de la idea establecida en términos del consumidor significativo. El test tiene lugar dentro de un grupo de consumidores objetivo. (Kotler et al, 2004)

Estrategia de Marketing: Consta de tres partes: El mercado objetivo, el posicionamiento del producto planeado y las ventas; la cuota de mercado y los beneficios esperados para los primeros tres años. (Kotler et al, 2004)

Análisis del negocio: Una vez que la dirección ha decidido el concepto de producto y la estrategia de marketing, puede evaluar el atractivo del negocio mediante una revisión de las ventas, costos y proyecciones de beneficios para determinar si satisfacen los objetivos de la empresa y pasar entonces a la etapa de desarrollo.

Para calcular las ventas, la empresa debe mirar el historial de productos similares y pasar revista a la opinión del mercado. Debe calcular los valores máximos y mínimos para conocer el intervalo de riesgos. Después de preparar las previsiones de ventas, la dirección puede estimar los costos y los beneficios esperados. (Kotler et al, 2004)

Comercialización: Las etapas anteriores dan al director la información que necesita para tomar una decisión final acerca del lanzamiento del nuevo producto, en el cual, la empresa debe tomar cuatro decisiones: cuándo, dónde, a quién y cómo.

- **Cuándo:** La primera decisión es si es el momento adecuado para introducirlo.
- **Dónde:** La empresa debe decidir si lanza el producto en un solo lugar, una región o varias, en el mercado nacional o internacional.
- **A quién:** La empresa debe dirigir su distribución y promoción a los grupos con más posibilidades de aceptación.
- **Cómo:** Plan de acción para introducir el nuevo producto en los mercados seleccionados y emplear el presupuesto del marketing (Kotler et al, 2004).

4. METODOLOGÍA PARA EL ANÁLISIS

De acuerdo con Lovelock y Wirtz (2009) la investigación y el análisis que subyace al desarrollo de una estrategia de posicionamiento eficaz están diseñados para destacar tanto las oportunidades como las amenazas para la empresa en el mercado competitivo, incluyendo la presencia de la competencia y productos sustitutos. En la Figura 3 se muestran las etapas a tomar en cuenta en el mismo.

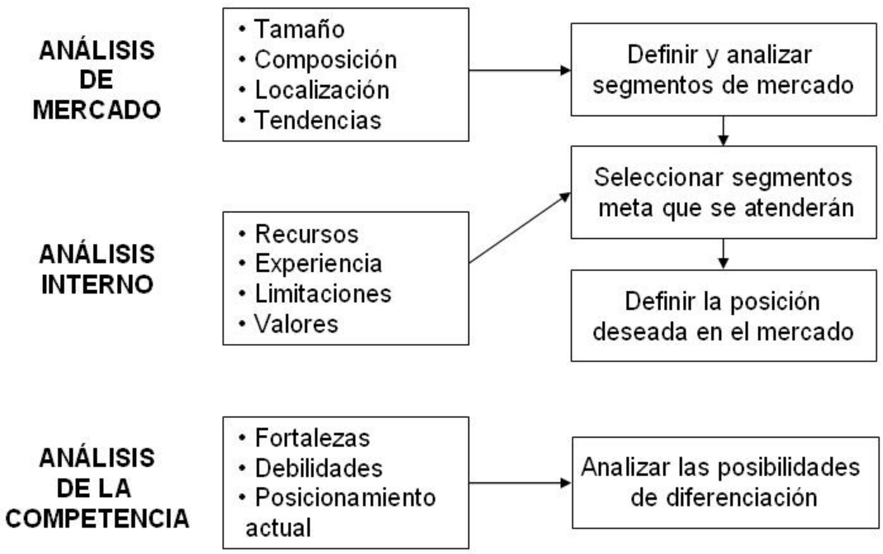

Figura 3. Etapas a considerar para el desarrollo de una estrategia de posicionamiento (Adaptado Lovelock y Wirtz, 2009)

Análisis de Mercados: Aborda factores como el nivel general y la tendencia de la demanda, así como su ubicación geográfica. Es necesario considerar formas alternativas de segmentación del mercado y evaluar el tamaño y potencial de los distintos segmentos (Lovelock y Wirtz, 2009).

Análisis Interno: Consiste en identificar los recursos de la organización (financieros, mano de obra, experiencia, activos físicos), limitaciones, metas (rentabilidad, crecimiento, preferencias profesionales) y la forma en que sus valores determinan cómo hacer negocios (Lovelock y Wirtz, 2009).

Análisis de la Competencia: La identificación y el análisis de la competencia (directa e indirecta) le dan a la estrategia de marketing una idea sobre sus fortalezas y debilidades, las cuales pueden sugerir oportunidades de diferenciación. Al relacionar estos conocimientos con el análisis corporativo interno pueden darse oportunidades viables de distinción y ventajas competitivas (Lovelock y Wirtz, 2009).

5. METODOLOGÍA PARA LA EJECUCIÓN DEL PROYECTO

De acuerdo con las mejores prácticas de la gerencia de proyectos la ejecución contempla la Estructura Desagregada de Trabajo (EDT) de la Figura 4 (ver página 40), con alcance, definición y desarrollo para comenzar la comercialización del prototipo. El desarrollo del proyecto se hará en cuatro fases, las cuales consisten en lo siguiente:

Mejora del producto: Consiste en el desarrollo y ajustes del concepto, mediante la selección de las coberturas y los límites asegurados pre-establecidos lo que permitirá la obtención de una cotización de una póliza pre-suscrita de los proveedores del servicio (asegurador y su red de asistencia a nivel nacional), a la vez que se afinan los detalles sobre la suscripción y el manejo de los siniestros.

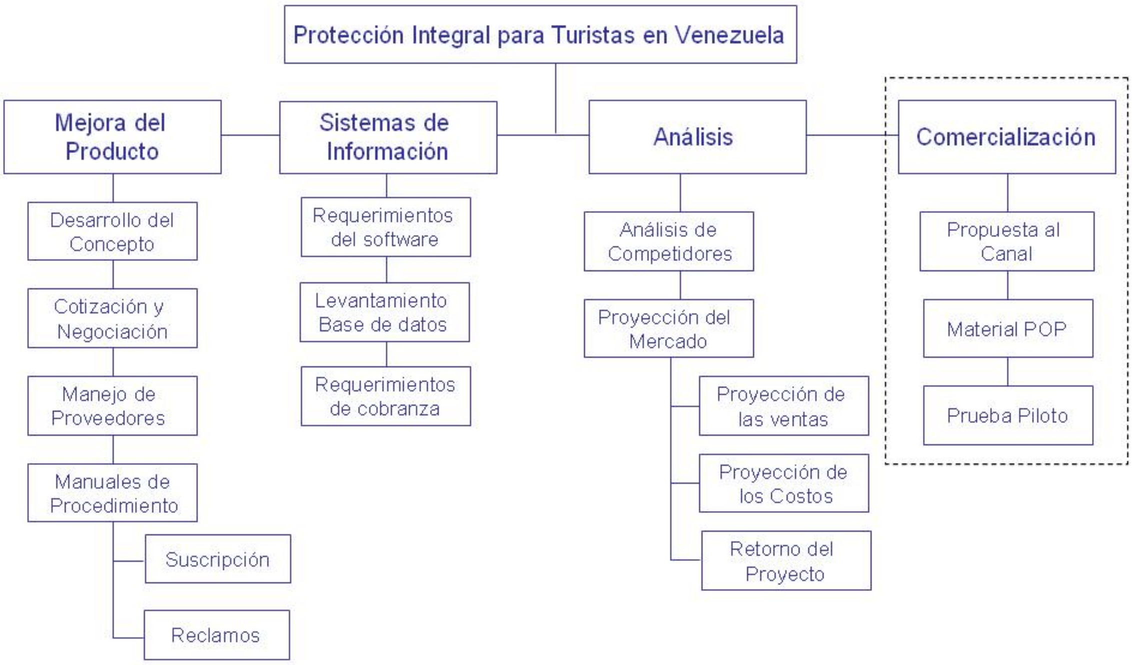

Figura 4. Estructura Desagregada de Trabajo del Proyecto (Elaboración propia)

Sistemas de Información: Durante esta fase se definirán los requerimientos y adaptaciones necesarias del software para su instalación en las facilidades del canal de venta seleccionado, incluyendo los campos de la Base de Datos para la generación de los archivos de control de asegurados y gestión de cobranza.

Análisis: Incluye el análisis de la estrategia y del negocio bajo tres escenarios diferentes. En esta etapa se harán las estimaciones del mercado (a grosso modo por ser información confidencial de la empresa) con las proyecciones de ventas y costos para el cálculo de la tasa de retorno de la inversión.

Comercialización: Dado que el producto será comercializado a través de alianzas estratégicas con hoteles esta fase se enfoca en la afinación de la estrategia de captación y desarrollo de los canales mediante la elaboración de la propuesta de negocio y material publicitario.

6. METODOLOGÍA PARA LA EVALUACIÓN DEL PROYECTO

Según la Organización Panamericana de la Salud (1999), el Enfoque del Marco Lógico (EML) para la gestión de proyectos proporciona los elementos básicos necesarios para diseñar proyectos complejos y facilitar su ejecución, monitoreo y evaluación.

El EML es una herramienta que facilita la gestión a la vez que provee al gerente del proyecto de las herramientas analíticas para la evaluación de cada fase del ciclo según se muestra en la Figura 5.

- Evaluación ex ante para la fase de diseño.
- Monitoreo para la fase de ejecución.
- Evaluación ex post para la fase de evaluación.

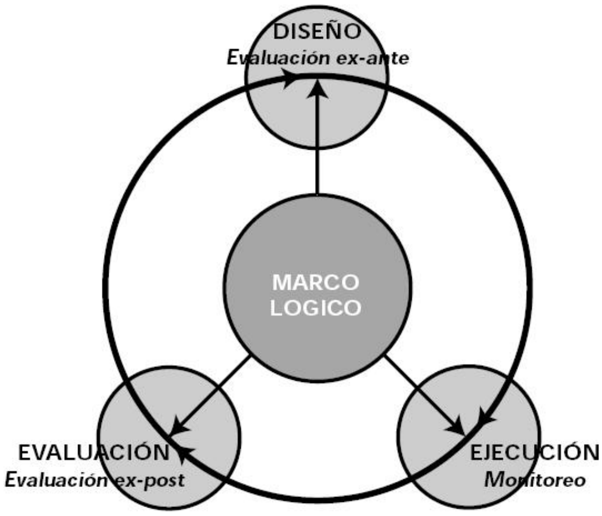

Figura 5. Fases del ciclo de evaluación del proyecto (Organización Panamericana de la Salud, 1999)

Evaluación ex ante: Tiene por objeto evaluar la viabilidad del proyecto propuesto, antes de que se tome una decisión al respecto. En su marco se analiza y se comparan métodos y diseños alternativos, para recomendar que el proyecto se ejecute según lo propuesto, se modifique o no se lleve a la práctica.

Monitoreo: Tiene por objeto orientar la ejecución de un proyecto hacia su finalidad y detectar cualquier problema que pueda evitar que se logren los resultados previstos. Esta tarea supone un seguimiento periódico del avance técnico y los gastos financieros correspondientes, por medio del cual se comparan el desempeño y los resultados efectivos con los planificados.

Evaluación ex post: Tiene por objeto mejorar el diseño, la estrategia y los procesos de cooperación para el desarrollo, aprovechando las lecciones adquiridas por la experiencia. Este tipo de evaluación se realiza en los niveles más elevados de la jerarquía del proyecto, es decir, su objetivo y su meta.

7. CONSIDERACIONES ÉTICAS

El presente trabajo se apega a los siguientes códigos:

- Código de Ética del Project Management Institute (PMI).
- Código de Ética de la Universidad Católica Andrés Bello (UCAB).
- Código de Ética del Colegio de Ingenieros de Venezuela.
- Código de Conducta Comercial de Aon ® Risk Services Venezuela.

CAPÍTULO IV. MARCO ORGANIZACIONAL

1. DESCRIPCIÓN DE LA EMPRESA

El crecimiento acelerado de AON ® comenzó en 1982 cuando Ryan Insurance Group se fusionó con Combined International Corporation. En 1987, la empresa se presentó en Wall Street como AON ®, un término galés que significa “unidad”. Durante de las décadas de los ochenta y los noventa, las adquisiciones estratégicas y el crecimiento orgánico fomentaron la expansión en el mercado internacional de seguros. En los últimos veinte años, ha adquirido a algunos de los más conocidos líderes en el sector de seguros y consultoría, incluyendo a Hudig-Langeveldt, un proveedor de seguros para embarcaciones de carga fundado en 1680. Si bien no todas sus adquisiciones tienen una historia tan profunda, muchas han sido líderes en sus respectivas áreas durante años, por ejemplo Rollins Burdick Hunter, Reinsurancy Agency., Miller, Mason & Dickenson y Alexander & Alexander.

Si bien AON ® es un líder importante en prácticamente cada mercado en el que opera, el tamaño no es su objetivo principal. Su fin es ser la empresa de servicios de consultoría y seguros centrada en el cliente más eficaz del mundo.

AON ® Corporation brinda más servicios de corretaje de seguros, reaseguros y administración de riesgos que cualquier otra empresa en el mundo y es líder en consultoría de gestión de capital humano.

AON ® cuenta con 36.000 empleados en 500 oficinas en más de 120 países como muestra la Figura 1 (ver página 44). Respaldados por amplios recursos, conocimiento de la industria y experiencia técnica, los profesionales de AON ® ayudan a diversos clientes a desarrollar soluciones eficaces de administración de riesgos y productividad de su personal. Los ingresos totales de la corporación en el Año 2007 fueron de US$ 7.500.000.000, convirtiéndolo en el agente de seguros global más importante del mundo.

Figura 1. Presencia de AON ® a nivel mundial (Elaboración propia)

La corporación AON ® está compuesta por las siguientes líneas de negocio:

- **AON ® Re:** Corretaje de reaseguro.
- **AON ® Speciality:** Corretaje de reaseguro de productos especializados.
- **AON ® Consulting**: Consultor en recursos humanos.
- **AON ® Affinity Group**: Programa de negocios masivos.
- **AON ® Risk Services (ARS):** Corretaje de seguros y gerencia de riesgos.

ARS Venezuela nace, con marca propia AON **®,** de la fusión el 11 de agosto de 2002 de dos empresas líderes del mercado de corretaje de seguros venezolano: Waveca y Excel. Estructuralmente está clasificada en las siguientes divisiones:

- **Corporativa:** Su función primordial es fijar las políticas y estrategias corporativas de la empresa para el logro de las metas.

- **Comercial:** Directores, Gerentes y Ejecutivos cuyo fin es generar nuevos negocios, atender efectiva y eficientemente a los clientes y potenciar la cartera existente. Se subdivide en: Comercial Caracas (clientes locales) y AON ® Global Client Network (clientes referidos de AON ®).
- **Técnico y Operaciones:** Su función es la negociación con las aseguradoras, la administración y manejo de los programas de seguros.
- **Administración, Finanzas, Recursos Humanos y Sistemas:** Son los departamentos de apoyo y soporte para toda la empresa.

ARS Venezuela tiene presencia nacional en cinco ciudades como se muestra en la Figura 2:

Figura 2. Presencia nacional de ARS Venezuela (ARS Venezuela, 2008)

2. MATRIZ ESTRATÉGICA DE ARS VENEZUELA

2.1 Misión y Visión

Misión: Proveer soluciones eficientes e innovadoras en materia de administración de riesgos y programas de seguros a nuestros clientes, con una excelente relación costo/beneficio, mediante el trabajo en equipo de los mejores talentos de la industria venezolana y los recursos internacionales de los que disponemos.

Visión: Siendo un experto mundial en soluciones integrales, AON ® será reconocida como una organización líder en consultoría y corretaje de seguros. Se caracterizará por su valor agregado, innovación, profesionalismo y tecnología. Además tendrá un compromiso de profundo respeto y óptimo servicio a sus clientes, proveedores y aliados comerciales.

2.2 Valores

La esencia de AON ® no radica en lo que se diga sobre su organización, si no en lo que hace por sus clientes, aprovechando sus capacidades a través de los compromisos y valores de su marca como lo expresa la Figura 3.

Figura 3. Valores de la marca AON ® (ARS Venezuela, 2008)

La integridad, el cumplimiento de los compromisos y profesionalismo, son los principales valores de los que se deriva el modelo de liderazgo de la Figura 4.

Figura 4. Modelo de Liderazgo de AON ® (ARS Venezuela, 2008)

2.3 Objetivos y Fines

Objetivos:

- Posicionarse en el mercado venezolano como la sociedad de corretaje líder, aumentando anualmente en al menos 10% la cartera de clientes poniendo a su disposición a los mejores talentos de la industria.
- Incrementar en 10% el margen de retención de la cartera de clientes actual.
- Aumentar en 10% la cartera de clientes de la Administradora AON ® mediante mejoras en el servicio y reducción de los tiempos de respuesta.
- Penetración de nuevos negocios de clientes pequeños y medianos existentes para colocar al menos una póliza nueva por cada uno.
- Desarrollo del área de mercadeo masivo con la puesta en marcha de la unidad de Telemercadeo que realice gestiones de venta y cobranza masiva.

Fines:

- Lograr mayor reconocimiento dentro del mercado asegurador venezolano como la sociedad de corretaje líder en la industria.
- Mantener e incrementar la cartera de clientes actuales al poner a su disposición a los mejores talentos de la industria.
- Ofrecer un ambiente de trabajo óptimo que garantice la calidad de vida de los empleados ofreciéndoles los mejores beneficios del mercado.

2.4 Recursos Humanos

La nómina de ARS Venezuela cuenta con 160 empleados distribuidos 80% en su sede principal ubicada en la ciudad de Caracas y el resto entre sus sucursales en: Maracaibo, Valencia, Puerto Ordaz y Puerto La Cruz. Actualmente se está elaborando una reestructuración interna por lo que el organigrama que se muestra en la Figura 5 (ver página 48) es referencial para este trabajo.

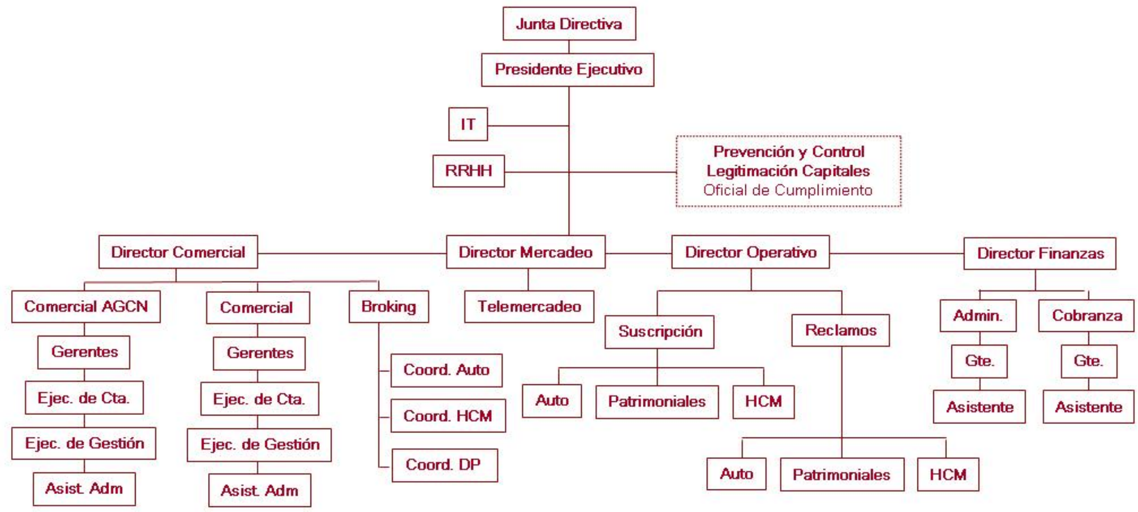

Figura 5. Organigrama de ARS Venezuela (Elaboración propia)

2.5. Análisis Fortalezas Oportunidades Debilidades y Amenazas (FODA)

FORTALEZAS

- Empresa posicionada en Nº 5 de empresas de corretajes de seguro de acuerdo a las cifras publicadas por CAVECOSE.
- Cuenta con su propia empresa para la administración de riesgos: Administradora Aon.
- Respaldo Internacional del Grupo AON ® con presencia en más de 120 países.
- Recursos humanos de alto nivel.
- Alta retención de su cartera de clientes (88%) al cierre 2008.
- Sucursales en las principales ciudades del país: Caracas, Valencia, Maracaibo, Puerto La Cruz y Puerto Ordaz.
- Posee su propia área técnica para la revisión de contratos y programas de seguros.
- Cuenta con personal especializado en gerencia de riesgos.

- Goza de un departamento de mensajería propio para retirar y enviar toda la documentación a sus clientes o compañías de seguros.
- Sistema de informática de última generación.
- Estructura física e inmobiliario moderno acorde con el enfoque de la corporación AON ®.

OPORTUNIDADES

- El surgimiento de nuevas legislaciones ofrece nuevas oportunidades de negocios en el país.
- La política de aumento de crédito para el sector de la Pequeña y Mediana Industria (PYME) implica la emisión de nuevas pólizas de seguros.
- Nuevos clientes referidos por AON ® en sus programas mundiales a los que se puede extender el servicio para manejar sus seguros locales.
- Proyecto de telemercadeo para ofrecer de forma masiva pólizas de seguros de ramos como hogar, accidentes, funerario, vida, entre otros.
- Fortalecimiento de la estructura comercial actual con la inclusión de ejecutivos para la captación de nuevos negocios.
- Explotar la base de datos de clientes para implementar técnicas de mercadeo directo y penetrar en nuevos ramos de seguros.

DEBILIDADES

- La estructura operativa no está totalmente lista para soportar u ofrecer otros servicios de seguros, específicamente masivos (líneas personales).
- No se cuenta con indicadores para la medición de los procesos y la calidad de servicio.
- Descuido de los clientes pequeños para proveerle mejor servicio a los que generan mayores ingresos.
- Dificultad para conseguir y retener personal capacitado en materia de seguros y atención al cliente.
- No se tiene presencia física en la ciudad de Barquisimeto en la que existen muchas industrias pesadas.

AMENAZAS

- Clima de incertidumbre política y económica disminuye la entrada de nuevos inversionistas.
- Existe una clara posibilidad de la creación de nuevos reglamento para el mercado asegurador, con la inclusión de un ente gubernamental que filtre los negocios.
- Otros corredores están rondando a los clientes de ARS Venezuela, ofreciendo menores primas con mayores beneficios.
- La situación política del país en la que por decreto se nacionalizan empresas privadas hace que su programa de seguros pase a ser manejado por compañías relacionadas con el gobierno.
- El crecimiento de la cartera es mayormente inflacionario (aumento de sumas aseguradas implica mayores primas) y no necesariamente por nuevos clientes o negocios.
- Rotación del personal por ofrecimiento de mejores paquetes salariales y condiciones laborales.

2.6. Análisis Estratégico: La matriz atractivo del mercado – posición del negocio.

En la Tabla 1 (ver página 51) se detalla el puntaje obtenido en cada renglón del proyecto de "**Protección Integral de Turistas hospedados en Hoteles de la red ARS Venezuela".** Para levantar esta información se hizo una sesión de tormenta de ideas con Los miembros de la Dirección de Mercadeo e Innovación de la empresa para decidir los factores que se consideraban relevantes mientras se evaluaban varias ideas planteadas para desarrollar en el año 2009.

Una vez que se totaliza el puntaje con la ponderación respectiva se obtuvo que la ubicación del proyecto en consideración está en el cuadrante superior izquierdo, como lo muestra la Figura 6 (ver página 51) lo que significa que es considerado de alto impacto entre los objetivos planteados.

Tabla 1. *Puntaje del proyecto de acuerdo a los factores seleccionados*

Atractivo del Mercado de la Industria			
Factores	**Peso**	**Calificación**	**Puntaje**
Tamaño del mercado	25%	4	1,00
Crecimiento del mercado	20%	5	1
Rentabilidad de la Industria	20%	4	0,8
Nivel tecnológico	20%	4	0,8
Entorno político, social, legal, económico	15%	3	0,45
		Total	**4,05**
Posición Competitiva del Proyecto			
Factores	**Peso**	**Calificación**	**Puntaje**
Participación del mercado	15%	5	0,75
Crecimiento de la participación en el mercado	20%	5	1
Canales de distribución	15%	4	0,6
Capacidad de los proveedores	15%	4	0,6
Calidad del producto o servicio	15%	4	0,6
Imagen de la marca	10%	5	0,5
Fortalezas y Debilidades	10%	3	0,3
		Total	**4,35**

Fuente: ARS Venezuela, 2008

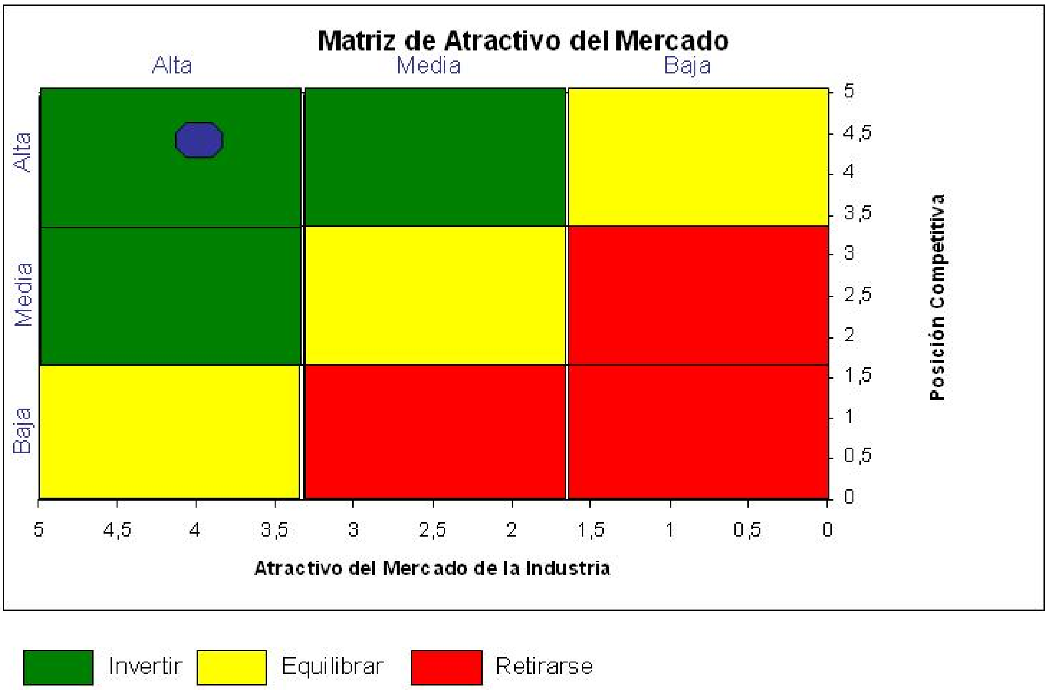

Figura 6. Ubicación del proyecto en la matriz de atractivo del merado (Elaboración propia)

2.7. Mercado Asegurador Venezolano

Debido a que las empresas de seguros todavía están presentando sus resultados para el cierre del ejercicio 2008 ante la Superintendencia de Seguros (SUDESEG), la información que se resume a continuación corresponde al período culminado el 31 de Diciembre de 2007 para los aseguradores y el 30 de Junio de 2007 para los reaseguradores. Los valores monetarios detallados están expresados en la escala vigente, debiéndose tener en cuenta, que aquellos contenidos en publicaciones de años previos al 2008, están expresados en la escala vigente al término de 2007 de acuerdo con lo indicado en el numeral 4° del Aviso Oficial publicado en fecha 24 de Enero de 2008 por el Banco Central de Venezuela, en ejercicio de las atribuciones que le confiere el artículo 5° del Decreto con Rango, Valor y Fuerza de Ley de Reconversión Monetaria (ver referencias legales).

2.7.1 Primas netas cobradas

Las Primas Netas Cobradas (PNC) durante el año 2007, incluyendo el Reaseguro Aceptado, se ubicaron en Bs. 15.428.620.475, lo que representa un incremento en valores nominales de 46,90% con respecto al año anterior. La composición porcentual de la cartera del sector se muestra en la Tabla 2.

Tabla 2.- *Composición porcentual del sector asegurador (SUDESEG, 2008)*

Ramo	2001	2002	2003	2004	2005	2006	2007
Vida	2,30	2,29	2,20	2,22	2,35	2,35	2,49
Automóvil Casco	31,30	28,32	28,59	29,52	29,29	28,14	30,12
Incendio y Líneas Aliadas	7,43	9,83	10,93	8,15	7,16	6,02	5,00
Hospitalización, Cirugía y Maternidad	37,55	35,65	36,55	35,36	38,59	42,78	42,79
Diversos y Ramos Técnicos	4,44	5,64	4,83	5,64	4,66	3,63	2,79
Transporte	1,80	1,86	1,57	1,79	1,95	1,54	1,43
Otros Ramos	15,18	16,41	15,33	17,31	16,00	15,54	15,38

Fuente: Superintendencia de Seguros, 2008

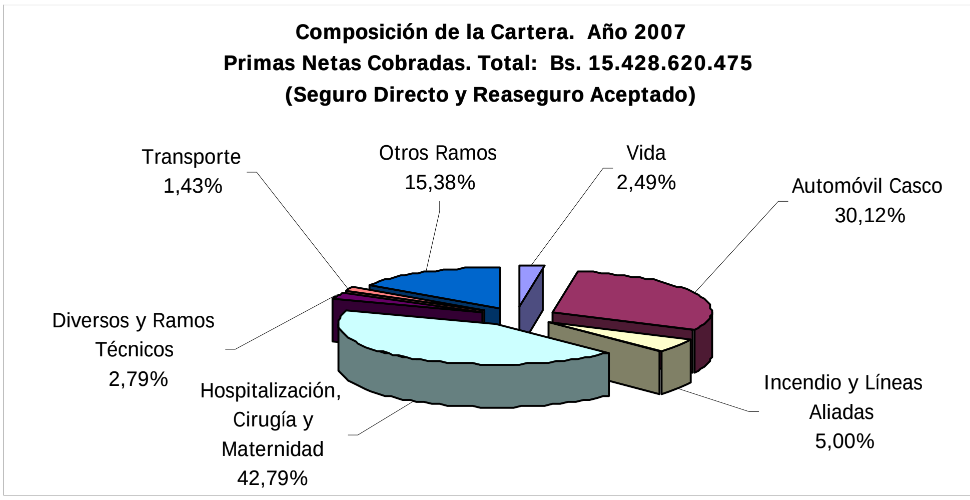

Figura 7. Composición de la Cartera. Año 2007 (SUDESEG, 2008)

Los siguientes gráficos ilustran la participación de las empresas de seguros del mercado asegurador venezolano en la producción de PNC, destacando las 10 primeras empresas en el ranking medido a través de su captación de primas, para lo ramos de: seguros de personas, seguros patrimoniales y seguros obligacionales y/o de responsabilidad:

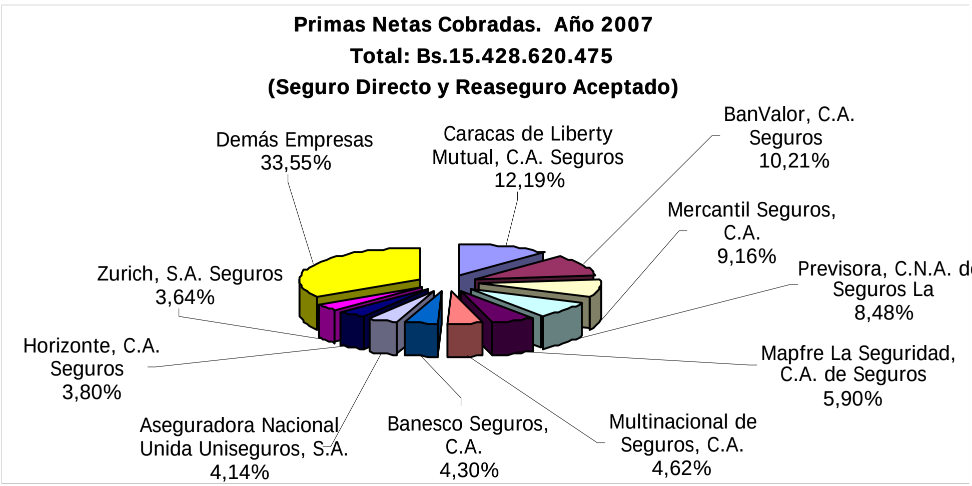

Figura 8. Primas Netas Cobradas. Año 2007 (SUDESEG, 2008)

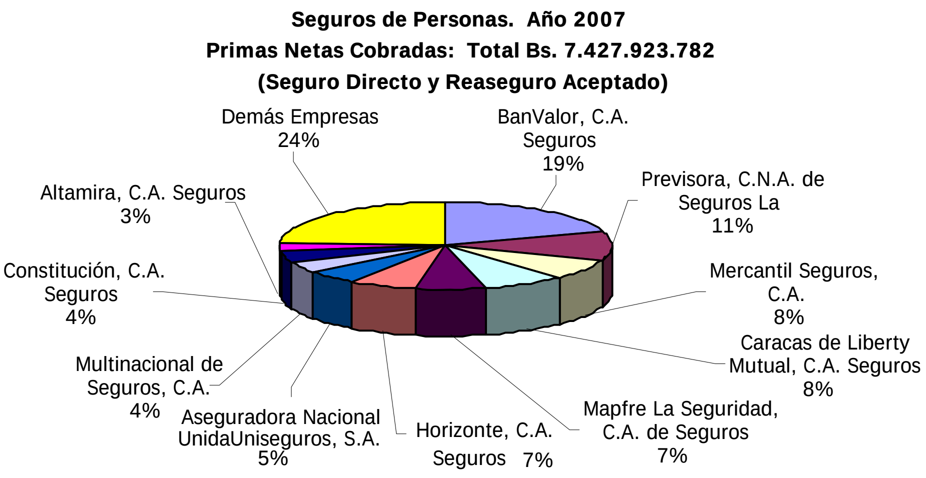

Figura 9. Seguros de Personas. Primas Netas Cobradas 2007 (SUDESEG, 2008)

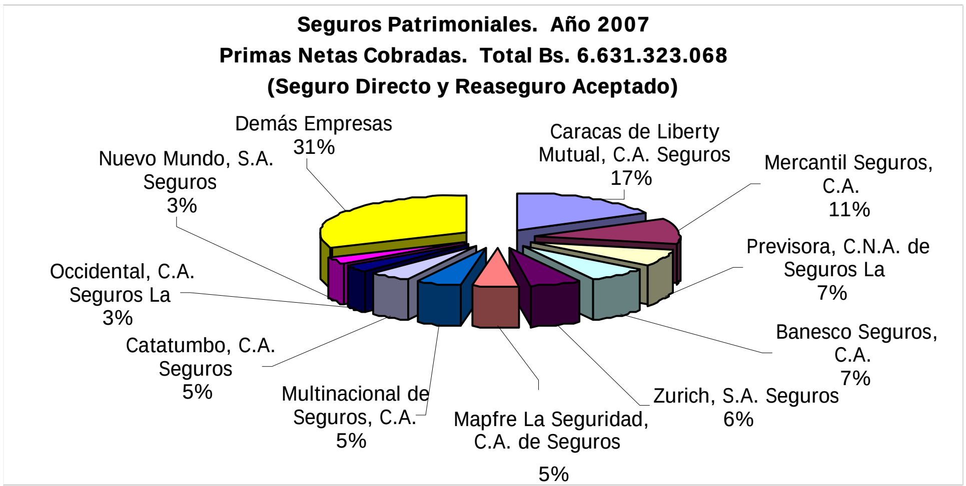

Figura 10. Seguros Patrimoniales. Primas Netas Cobradas 2007 (SUDESEG, 2008)

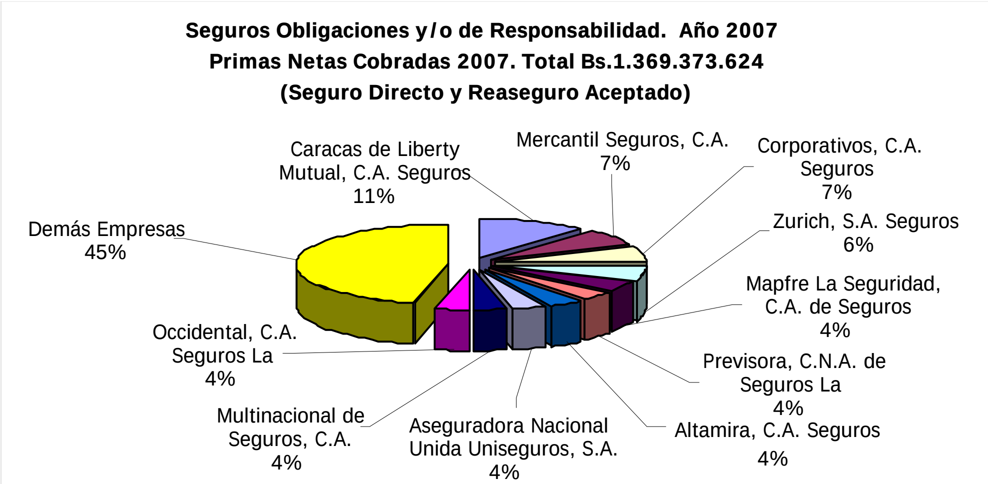

Figura 11. Seguros Obligacionales. Primas Netas Cobradas 2007 (SUDESEG, 2008)

2.7.2 Siniestros pagados

En el año 2007, las empresas de seguros pagaron Bs. 7.241.808.119 por concepto de siniestros en seguro directo, lo cual representa un incremento de 49,05% con respecto al monto pagado durante el año 2006.

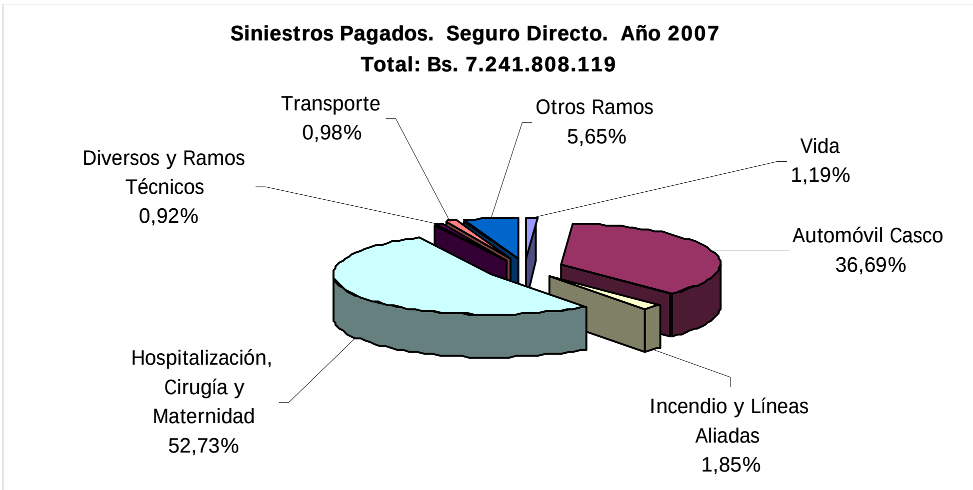

Figura 12. Siniestros Pagados. Seguro Directo 2007 (SUDESEG, 2008)

2.7.3 Resultado económico del ejercicio

Al cierre del ejercicio económico del año 2007, de las 50 empresas de seguros operativas en el mercado asegurador venezolano, 47 arrojaron utilidad por Bs. 734.646.005 y tres presentaron pérdidas por Bs. 12.368.885, originando un resultado positivo global de Bs. 722.277.119. Este monto representa un incremento de 25,48% con respecto al año 2006.

3. ANÁLISIS DE LOS COMPETIDORES

La principal competencia de AON ® a nivel mundial la representan las trasnacionales Willis y Marsh, también presentes en al menos 100 países del mundo incluyendo Venezuela donde ambas están mejor posicionadas que Aon Risk Services Venezuela. Adicionalmente existen otros competidores locales como S.A.I. corretaje de seguros y Vene-Asesores (quienes manejan cuentas estrechamente relacionadas con el gobierno por lo que se consideran en un segmento diferente del mercado), Serviseguros, Makler y Herrera de la Sota entre otros.

Las principales estrategias que utilizan los competidores son:

- Ofrecer pólizas de seguros a un menor costo y con mayores beneficios con aseguradoras no utilizadas por ARS Venezuela.
- El recurso humano preparado se retira de la empresa para trabajar con la competencia llevándose clientes con ellos.
- Estrategias de contacto personalizado con clientes y aseguradores.

En cuanto a la aparición de nuevos competidores, si bien todos los años se incorporan más productores de seguros, no representan una amenaza en el corto plazo pues luego de obtener la credencial por parte de la Superintendencia de

Seguros, su éxito dependerá de sus relaciones y la calidad del servicio para establecer una cartera de clientes tan sólida como la de ARS Venezuela.

Un adversario indirecto debido a las nuevas tendencias del mercado lo representan las mismas compañías de seguro, ya que en su interés por crear nuevos negocios están desarrollando canales no tradicionales para tener acceso directo a los clientes y dado que el 66% de la prima colocada en el mercado asegurador venezolano está concentrada entre 10 aseguradores esto se traduce en una competencia cerrada a nivel de servicio y asesoría más que en coberturas y precios.

Dentro del marco de las observaciones anteriores y tomando en cuenta que el comportamiento del mercado no es lineal y que cada año cambian las condiciones, las políticas de suscripción, los productos y los servicios ofrecidos por los aseguradores, ARS Venezuela intenta convertir la amenaza del canal directo en una fortaleza mediante el establecimiento de alianzas estratégicas con las empresas de seguro.

CAPÍTULO V. DESARROLLO

1. ANÁLISIS DE MERCADO

1.1 Análisis del Mercado Asegurador Venezolano

Los ramos de seguro de personas representan aproximadamente el 45% de la prima colocada del sector según los datos reflejados en la Tabla 1.

Tabla 1. *Composición porcentual de la cartera del sector asegurador.*

Ramo	2002	2003	2004	2005	2006	2007
Vida	2,29	2,20	2,22	2,35	2,35	2,49
Automóvil Casco	28,32	28,59	29,52	29,29	28,14	30,88
Incendio y Líneas Aliadas	9,83	10,93	8,15	7,16	6,02	5,00
Hospitalización, Cirugía y Maternidad	35,65	36,55	35,36	38,59	42,78	42,79
Diversos y Ramos Técnicos	5,64	4,83	5,64	4,66	3,63	2,79
Transporte	1,86	1,57	1,79	1,95	1,54	1,43
Otros Ramos	16,41	15,33	17,31	16,00	15,54	15,38

Fuente: Superintendencia de Seguros, 2008

En la Tabla 2 se resumen las Primas Netas Cobradas por ramo de personas de los últimos cinco años, donde se puede observar que, en general, existe una tendencia creciente en todas las líneas, presentándose el mayor pico entre los años 2006 y 2007 lo que coincide con el período de auge de los canales no tradicionales (Bancaseguro, Call Center, entre otros) como una estrategia nueva tanto de aseguradores como corredores.

Tabla 2. *Primas netas cobradas seguro directo por ramos.*

	Año (Valores en BsF)					
Ramo	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Vida Individual	18.683,17	22.225,52	30.471,00	36.483,89	47.115,40	182.748,78
Vida Desgravamen Hipotecario	2.201,66	2.623,39	1.903,02	2.367,12	3.604,00	9.677,70
Vida Rentas Vitalicias	1.502,08	1.073,88	1.395,81	1.637,46	1.884,13	1,11
Vida Colectivo	3.836,02	4.719,68	7.795,90	10.507,10	12.516,37	190.603,05
Acc. Pers. Individual	9.193,58	14.093,20	16.492,20	26.614,68	28.393,65	137.402,66
Acc. Pers. Colectivo	6.441,38	9.500,34	14.141,48	19.973,00	25.967,15	151.644,33
H.C.M Individual	87.539,67	130.141,50	178.192,10	249.692,31	340.116,32	1.179.723,10
H.C.M. Colectivo	30.127,87	51.768,16	74.564,11	103.728,86	155.171,43	5.393.765,41
Funerarios	1.265,89	2.002,79	4.694,33	5.224,61	10.533,20	154.064,84

Fuente: Superintendencia de Seguros, 2008

Dentro del marco de las observaciones anteriores es importante destacar (dejando de un lado el efecto inflacionario sobre el incremento de las primas ya que no justifica más de un 30% de crecimiento y en la mayoría de los ramos la variación es superior al 200%) que el impacto de la revisión hecha en el 2005 a la Ley Orgánica de Prevención, Condiciones y Medio Ambiente de Trabajo (ver referencias legales), ha hecho que los empleadores se vean más preocupados por tomar en nombre de sus trabajadores pólizas colectivas de vida, accidentes personales y hospitalización que les amparen ante eventos imprevistos relacionados o no con sus tareas laborales para evitar demandas o multas de los entes gubernamentales.

1.2 Análisis del Mercado Turístico en Venezuela

El comportamiento del turismo, tanto emisivo como receptivo, en el país durante los últimos tres años, se ha mantenido en ascenso, mientras que el número de turistas del exterior (receptivo) disminuyó entre los años 2006 y 2007 como lo resume la Tabla 3. La composición total se ha mantenido constante de acuerdo con la Figura 1.

Tabla 3. *Comportamiento del turismo de los últimos tres años.*

	AÑOS				
Turismo	**2005**	**2006**	**2007**	**Var 05/06**	**Var 06/07**
Receptivo	840.846	911.275	912.793	8%	0%
Emisivo	1.067.231	1.095.097	1.409.841	3%	29%
Interno	36.613.690	37.601.491	39.914.987	3%	6%
Total	**38.521.767**	**39.607.863**	**42.237.621**		

Fuente: Ministerio del Poder Popular para el Turismo, 2008

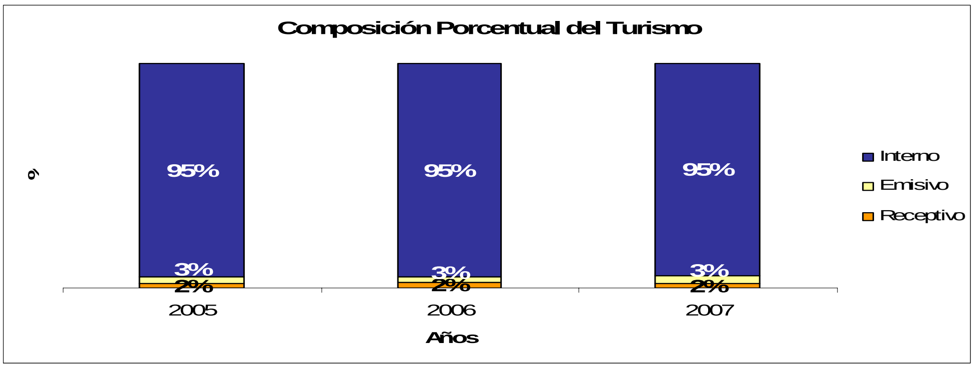

Figura 1. Composición del turismo total de los últimos tres años (Elaboración propia)

El turismo emisivo aumentó considerablemente entre los años 2006 y 2007 gracias al control cambiario establecido por el gobierno venezolano, el cual ha mantenido una tasa de cambio constante desde el año 2005 en Bs. 2150 (Bs.F 2,15) lo que favorece la salida del país con una menor cantidad de bolívares, disminuyendo el efecto inflacionario al consumidor. Aquellas personas que no cuentan con los recursos económicos necesarios para viajar al exterior prefieren movilizarse internamente por lo que se observa el aumento de esta variable y no se prevé una disminución en la misma a corto plazo, favoreciendo la implementación de la presente propuesta.

2. ANÁLISIS INTERNO

2.1 Análisis de los Recursos y de la Experiencia

El mercado asegurador se caracteriza por la fuerza de las relaciones entre el corredor y el asegurado, la confianza que éste último tenga en la asesoría y servicio prestados resultan claves para la perpetuación del negocio. Por esto es que la corporación AON ® tiene como fin ser la empresa de servicios de consultoría y seguros centrada en el cliente más eficaz del mundo.

Las relaciones de Aon ® Risk Services Venezuela con el mercado asegurador tanto a nivel nacional como internacional son fuertes sin la existencia convenios de exclusividad con ningún asegurador para garantizar que las mejores ofertas sean presentadas a los clientes en cada oportunidad.

Gracias a la amplia experiencia dentro del mercado venezolano, Aon ® Risk Services Venezuela (proveniente de la fusión de dos sociedades de corretaje con amplia trayectoria en el país), está en la capacidad de comprender mejor los riesgos a los que se ven expuestos sus clientes y diferenciarlos para atender a los temas más críticos según el caso. Adicionalmente cuenta con personal especializado para la asesoría y colocación de riesgos patrimoniales, de personas y fianzas.

2.2 Análisis de las Limitaciones de ARS Venezuela

Como empresa de corretaje de seguros ARS Venezuela depende de los aseguradores para el desarrollo de nuevos productos o modificaciones de los existentes. Además no puede percibir ningún pago directo por parte de sus clientes ya que por ley sólo puede recibir comisiones de las empresas de seguro.

Por estas razones, ARS Venezuela se encuentra en la búsqueda constante de nuevas estrategias para promocionar los ramos de seguros actuales con los clientes existentes y los potenciales para poder incrementar sus ingresos y participación en el mercado.

2.3 Análisis de los Valores de la Empresa

La integridad, el cumplimiento de los compromisos y el profesionalismo, son los principales valores de ARS Venezuela, por lo que busca rodearse de talentos que los compartan y los mantengan bajo su condición de intermediarios de seguros garantizando así a sus clientes el mejor servicio y asesoría que sea capaz de proveerles.

3. ANÁLISIS DE LOS COMPETIDORES

Los principales competidores de Aon ® Risk Services Venezuela son Rontarca Prima Willis (perteneciente al grupo Willis, el corredor más antiguo del mundo) y Marsh Venezuela dado que ambos tienen presencia internacional en más de 100 países y en el caso particular de Venezuela ambas empresas están mejor posicionadas entre las sociedades de corretaje del país.

En la Tabla 4 (ver página 62) se resume el análisis comparativo de los principales competidores de ARS Venezuela.

Tabla 4. Análisis comparativo de *los principales competidores de ARS Vzla.*

	Willis	Marsh
Objetivos		
¿Está persiguiendo básicamente la rentabilidad actual? ¿Una mayor participación en el mercado? ¿El liderazgo tecnológico?	Es el Nº 1 en el país su objetivo es mantener su participación y rentabilidad	Es el Nº 3 en el país su objetivo es mantener su rentabilidad y aumentar su participación
¿Está interesado en hacer incursiones agresivas o más interesados en la coexistencia?	Está ideando nuevas estrategias más agresivas ya que las actuales son más reactivas para proteger su cartera	Su enfoque es más agresivo con campañas para captar clientes de sus competidores
Estrategias		
¿Cómo está tratado de ganar? ¿Bajando sus comisiones? ¿Ofreciendo mayor calidad? ¿El mejor servicio? ¿Bajando sus costos?	Ofrece mejor relación costo/beneficio para sus clientes y buscando reducir sus costos operacionales	Baja su % de comisión para atraer nuevos clientes a largo plazo
¿Las acciones están básicamente orientadas al corto o al largo plazo?	Largo plazo	Corto plazo
Ventajas y Desventajas		
¿Cuáles son las principales ventajas en relación con ARS Venezuela?	Su retención de clientes es muy alta (99%) gracias a su estrategia de servicio (más ejecutivos y menos cuentas por c/u para mejor atención)	Están más organizados estructuralmente con un enfoque de sistema más funcional
¿Cuáles son las principales desventajas que ARS Venezuela puede aprovechar?	La estructura organizativa es más burocrática por lo que la toma de decisiones es más lenta al depender de los directivos	Paquete económico para sus empleados poco atractivo, cargos sin los beneficios correspondientes
Conductas de Respuesta		
¿Cómo respondería si nosotros aumentáramos nuestras comisiones? ¿Y si las bajáramos?	Trataría de mejorar la oferta con tal de atraer o retener sus clientes	Trataría de mejorar la oferta con tal de atraer o retener sus clientes
¿Cómo respondería si aumentáramos agresivamente nuestro presupuesto de promoción o nuestra fuerza de ventas?	Estrategia defensiva incentivando a su tren de ejecutivos para atraer mayor cantidad de nuevos negocios	Estrategia claramente defensiva y proactiva incentivando a sus ejecutivos a retener y aumentar la cantidad de negocios

Fuente: Adaptado de Kotler, 1999

4. DESARROLLO DE LA ESTRATEGIA Y DEL PRODUCTO

4.1 Desarrollo del Concepto

La idea original del proyecto de **“Protección integral de turistas hospedados en hoteles de la red ARS Venezuela”** era ofrecer una póliza combinada de seguros que incluyera las siguientes coberturas:

- Accidentes Personales incluyendo muerte accidental e incapacidad temporal o permanente.

- Gastos Médicos, atención telefónica y asistencia médica domiciliaria de emergencia las 24 horas del día.
- Robo, asalto y/o atraco de equipo electrónico móvil (por ejemplo cámaras o computadores portátiles).
- Robo, asalto y/o atraco de dinero en efectivo.

Luego de indagar en el mercado si existía un producto con las características de la idea original se encontró que la única opción a corto plazo era trabajar con la póliza AIG Travel Guard de C.A. de Seguros American Internacional (CASAI), ya que de acuerdo con el artículo 66 de la Ley de Empresas de Seguros y Reaseguros (ver referencias legales) cualquier nuevo seguro debe ser aprobado por la Superintendencia de Seguros antes de su comercialización, lo que requiere de estadísticas que soporten la tarifa aplicada.

El seguro ofrecido tendrá cobertura en el territorio nacional, con una vigencia máxima de 30 días (aproximadamente 57% más que la permanencia promedio de los turistas) contados desde el registro del huésped en un hotel de la red ARS Venezuela ya que la estrategia consiste en elaborar un producto masivo a ser vendido de forma mandataria por el canal participante.

4.2 Proveedores del Servicio

El producto AIG Travel Guard promocionado por CASAI tiene como proveedor de los servicios de asistencia a la empresa Veneasistencia. A continuación se hace una breve descripción de la trayectoria de ambas compañías.

C.A de Seguros American Internacional: Es una compañía especializada en seguros patrimoniales para industrias, empresas nacionales y trasnacionales, así como comercios e individuos dentro de Venezuela. Ofrece un amplio rango de productos continuamente actualizados para cubrir las necesidades cambiantes de sus clientes. Sus acciones están repartidas de forma equitativa entre el Banco del Caribe y American International Group (AIG), siendo este último la principal organización internacional de seguros y servicios financieros, con operaciones en más de 130 países. Las empresas del grupo AIG ofrecen una amplia gama de seguros comerciales, institucionales y personales a través de la mayor red multinacional que ninguna otra aseguradora puede ofrecer.

Cabe destacar que si bien AIG es uno de los grupos más afectados por la reciente crisis económica de los Estados Unidos, las calificaciones en relación a su solidez financiera a pesar de haber sido disminuidas siguen estando dentro de los estándares mínimos de la corporación AON ® para hacer uso de este proveedor para sus clientes.

Servicios Generales Veneasistencia C.A.: Esta empresa se constituyó en Venezuela el siete de septiembre de 1989. Un año después, la compañía pone en marcha su central de apoyo y se convierte en la primera de este sector en el país, brindando desde entonces servicios de asistencia en viaje a más de 40 compañías de seguro locales. La entidad también ha desarrollado programas de asistencia a personas, domicilio, comercios, vehículos pesados, servicios de call center y gestión de siniestros. Está certificada bajo la Norma ISO 9001:2000 por Bureau Veritas desde 2005 y tiene como zonas geográficas de influencia el territorio nacional y la mayoría de las islas del Caribe. Entre sus productos se encuentran:

Asistencia en Carretera: Envío de una grúa o vehículo taller para la reparación en el lugar de la avería y el posterior remolque del automóvil.

Pre-inspección de Automóviles: Red de peritos para realizar inspecciones que certifican el estado del vehículo, agilizando el trámite para asegurarlo.

Salud: Asistencia médica y farmacéutica en el menor tiempo posible y optimizando costes.

Red Internacional de Clínicas Médicas: Red de clínicas donde se proveen servicios de: primeros auxilios, diagnóstico y asistencia urgente las 24 horas del día, laboratorio, farmacia y rayos X.

Mediphone 24: Servicio telefónico de orientación médica 24 horas que permite al cliente contactar con un doctor que le oriente ante cualquier circunstancia relacionada con su salud. Integra servicios como envío de médico, enfermera y medicamentos a domicilio y conexión con especialistas.

Asistencia al Hogar: Equipos de profesionales para reparación de emergencias de plomería, electricidad, cerrajería o seguridad.

4.3 Procesos Asociados al Uso del Servicio

Para la elaboración de los manuales de procedimiento, que por ser propiedad de la Dirección de Mercadeo e Innovación no serán anexados en este trabajo, se analizaron los procesos relacionados desde el punto de vista de suscripción y manejo de reclamos para especificar cómo se llevará a cabo el funcionamiento del servicio.

4.3.1 Proceso de Suscripción

En la Figura 2 se resumen los procesos involucrados en la suscripción del seguro de viajes a nivel nacional.

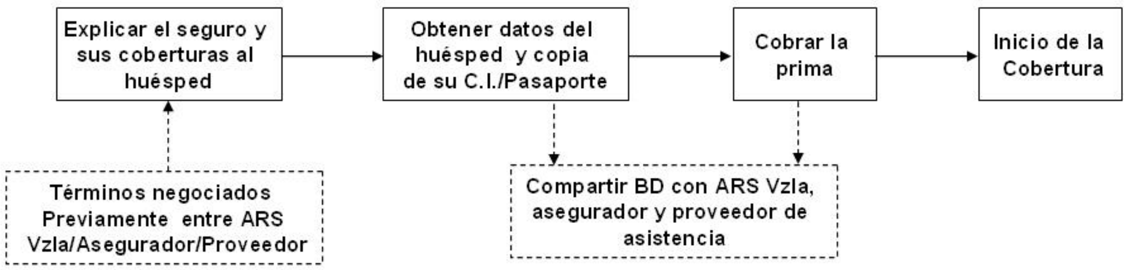

Figura 2. Diagrama de Flujo del proceso de suscripción de seguro de viaje (Elaboración propia)

4.3.2 Proceso de Reclamos

En la Figura 3 (ver página 66) se resumen los procesos involucrados en el manejo de reclamos del seguro de viajes a nivel nacional.

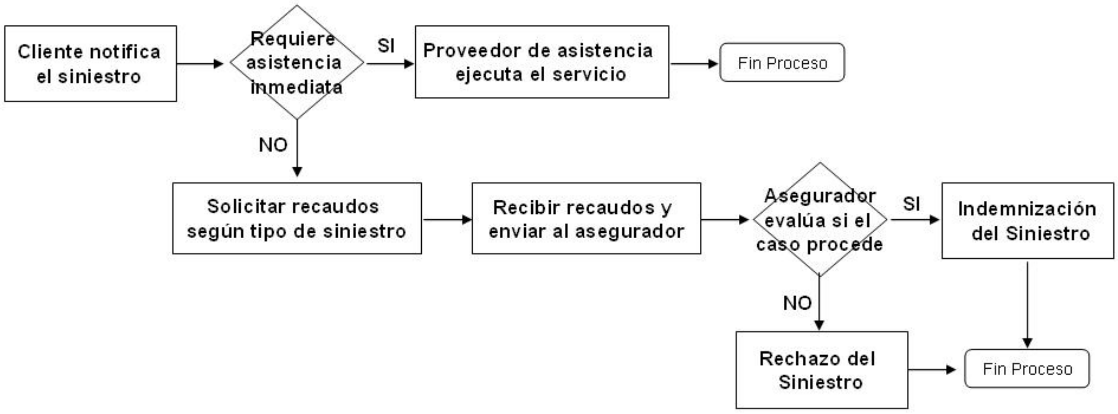

Figura 3. Diagrama de Flujo del proceso de reclamos de seguro de viaje (Elaboración propia)

5. SISTEMAS DE INFORMACIÓN

Los requerimientos para la instalación del aplicativo AON ® desarrollado para ventas masivas en los equipos del canal son los siguientes:

Servidor: El equipo principal de la red debe tener instalados los siguientes programas:

- Windows XP (ambiente de trabajo).
- ACCESS (las bases de datos están en configuradas en este programa).
- VISUAL BASIC 6.0 (programaciones adicionales).

Las herramientas administrativas requieren de Open Database Connectivity (ODBC), un estándar de acceso a Bases de Datos (BD) para realizar la conexión de los equipos de los teleoperadores con la BD “JHS.mdb” que se encuentra en la carpeta de Telemercadeo (la cual preferiblemente debe ubicarse en la unidad F del disco).

Sistema de Telemercadeo: Se debe instalar en el equipo que haga las funciones de servidor, simplemente se copia la carpeta de Telemercadeo en el disco “C”, ya que la misma contiene todos los programas junto con la BD “JHS.mdb”.

Sistema Administrativo: Se debe instalar en el equipo que maneja el administrador del sistema. En caso de no contar con el hardware específico para éste, se necesita copiar en el servidor la carpeta del Sistema Administrativo en el disco “C”, el cual contiene todos los programas y la BD de administración.

La conexión entre el sistema Administrativo y el de Telemercadeo para la selección de ventas se realiza con una búsqueda o consulta (Query) programada en el sistema Administrativo.

6. ANÁLISIS DEL NEGOCIO Y DE LA ESTRATEGIA

6.1 Propuesta Base del Producto Pre-suscrito

ARS Venezuela actualmente está en negociación con el proveedor para obtener una mejor cotización del seguro de viajero pre-suscrito. Sin embargo para efectos académicos se utilizó la propuesta original, la cual se resume en la Tabla 5, para el análisis de rentabilidad de la propuesta.

Tabla 5. Primera cotización de C.A de Seguros American International.

Plan Viajero Nacional por Días			
Coberturas y Beneficios	**Sumas aseguradas en BsF**		
	Silver	**Gold**	**Premium**
Servicio de Asistencia Nacional 24 hrs.	Incluido	Incluido	Incluido
Gastos Médicos por Accidente	5.375,00	8.062,50	26.875,00
Gastos Odontológicos por Accidente	1.075,00	2.150,00	6.450,00
Retraso del Viaje	645,00	967,50	3.225,00
Interrupción del Viaje	645,00	967,50	3.225,00
Cancelación del Viaje	645,00	967,50	3.225,00
Pérdida de Equipaje	645,00	967,50	3.225,00
Muerte Accidental 24 hrs.	21.500,00	32.250,00	107.500,00
Prima por 30 días de cobertura (BsF)	**96,75**	**161,25**	**290,25**

Fuente: ARS Venezuela, 2009

El producto a utilizar como base para los cálculos será el “Gold” ya que tiene una prima mensual de Bs.F 161,25 que al ser dividida entre la permanencia promedio (4,15 noches según las cifras del INE para la movilización interna detalladas en el Capítulo I) representa un costo diario de aproximadamente Bs.F 38,86.

6.2 Análisis de Escenarios y Retorno de la Inversión

De acuerdo con los indicadores de MINTUR (2008) de la Tabla 6, la ocupación media hotelera anual es de 74%, siendo el estado Vargas el que presenta el mayor valor acumulado, tal como lo muestra la Figura 4.

Tabla 6. *Ocupación media hotelera, según entidad federal*

ENTIDAD	ENE	FEB	MAR	ABR	MAY	JUN	JUL	AGO	SEP	OCT	NOV	DIC
ANZOÁTEGUI	90	88	87	64	62	62	93	**95**	90	93	91	89
ARAGUA	72	73	75	89	89	86	77	79	84	83	84	74
BOLÍVAR	87	88	88	70	72	88	90	94	90	71	61	37
CARABOBO	77	80	89	77	88	90	87	84	82	85	84	73
DISTRITO CAPITAL	76	79	83	78	81	80	87	90	90	85	88	66
FALCÓN	76	77	79	72	69	75	84	94	86	86	87	74
LARA	82	88	87	87	88	82	88	89	86	81	79	68
MÉRIDA	62	45	45	67	69	69	87	88	86	71	73	93
NUEVA ESPARTA	76	94	75	58	45	48	64	83	70	59	58	68
SUCRE	**35**	92	36	89	36	36	64	86	68	37	40	54
YARACUY	86	91	89	72	75	72	73	76	74	71	72	69
VARGAS	76	**95**	75	90	86	87	88	94	83	82	84	94
ZULIA	66	73	75	61	69	70	69	71	71	68	71	54
OCUPACIÓN MEDIA	**74**	**82**	**76**	**75**	**72**	**73**	**79**	**79**	**75**	**69**	**70**	**67**

Fuente: Ministerio del Poder Popular para el Turismo, 2008

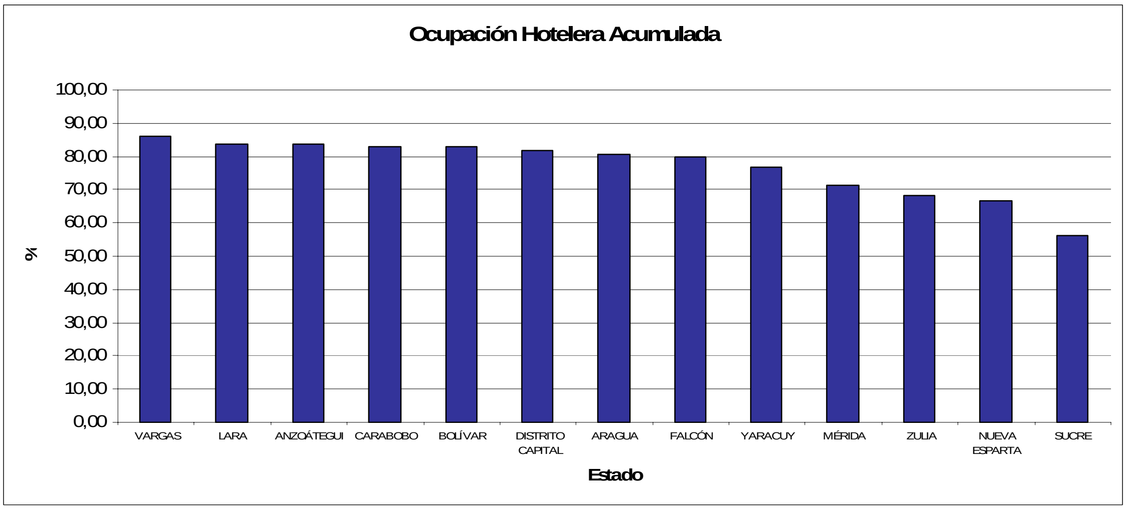

Figura 4. Ocupación hotelera acumulada, según entidad federal (Elaboración propia)

El escenario base para la evaluación tendrá una ocupación promedio anual de 74% para el canal usando para cada mes el promedio calculado en la

Tabla 6 (ver página 68). Para los casos optimistas y pesimista los valores corresponden al 95% y 35% respectivamente, tomando como referencia la cifra más alta y la más baja de la Tabla 6 (ver página 68). De acuerdo con los indicadores sobre alojamientos turístico registrados de MINTUR (2008) resumidos en la Tabla 7 se tiene un promedio de 38 habitaciones por establecimiento.

Tabla 7. *Total de alojamientos turísticos registrados, por entidad al 31/12/06.*

ENTIDAD FEDERAL	**TOTAL ESTABLECIMIENTOS**		
	Estab.	**Habit.**	**Habit. Prom.**
AMAZONAS	18	326	18
ANZOÁTEGUI	98	5.259	54
APURE	14	325	23
ARAGUA	100	3.327	33
BARINAS	33	1.056	32
BOLÍVAR	160	4.445	28
CARABOBO	59	3.605	61
COJEDES	12	401	33
DELTA AMACURO	5	101	20
DEPEND. FEDERALES	59	355	6
DISTRITO CAPITAL	281	14.131	50
FALCÓN	123	4.710	38
GUÁRICO	25	924	37
LARA	50	2.105	42
MÉRIDA	184	4.152	23
MIRANDA	94	6.850	73
MONAGAS	40	1.867	47
NUEVA ESPARTA	112	8.384	75
PORTUGUESA	20	898	45
SUCRE	66	1.978	30
TÁCHIRA	94	1.860	20
TRUJILLO	33	1.102	33
VARGAS	56	1.833	33
YARACUY	21	540	26
ZULIA	67	4.442	66
TOTAL	**1.824**	**74.976**	**38**

Fuente: Ministerio del Poder Popular para el Turismo, 2008

El análisis de escenarios parte de la premisa de que la comisión a recibir por parte del asegurador equivale al 20% de la prima cobrada con la posibilidad de agregar otro 17% con los incentivos adicionales de cobranza y siniestralidad que otorga la empresa de seguros.

El monto máximo a otorgar al canal de venta equivale al 30% calculado sobre la comisión de corretaje de seguros sin tomar en consideración los incentivos adicionales, ya que dependen de que la siniestralidad del grupo sea menor al 65% además de los tiempos de cobranza.

Los resultados de las estimaciones para el primer año bajo los tres escenarios se detallan en la Tabla 8.

Tabla 8. *Proyección de ventas seguro de viajero nacional por escenario*

Esc.	Descripción	ENE	FEB	MAR	ABR	MAY	JUN	JUL	AGO	SEP	OCT	NOV	DIC
95%	Ocupación Promedio MENSUAL	95%	100%	97%	96%	93%	94%	100%	100%	96%	90%	91%	88%
	Total Base Mes	783	824	799	791	766	775	824	824	791	742	750	725
	Margen de Ganacia por Venta	25.248	26.577	25.780	25.514	24.717	24.982	26.577	26.577	25.514	23.919	24.185	23.388
	Margen de Ganacia por Cobranza	21.461	22.591	21.913	21.687	21.009	21.235	22.591	22.591	21.687	20.331	20.557	19.880
	Total Costo por Canal	7.574	7.973	7.734	7.654	7.415	7.495	7.973	7.973	7.654	7.176	7.256	7.016
	Total Ganancia por Mes	46.709	49.168	47.693	47.201	45.726	46.218	49.168	49.168	47.201	44.251	44.743	43.268
74%	Ocupación Promedio MENSUAL	74%	82%	76%	75%	72%	73%	79%	79%	75%	69%	70%	67%
	Total Base Mes	610	676	626	618	593	602	651	651	618	569	577	552
	Margen de Ganacia por Venta	19.667	21.793	20.199	19.933	19.136	19.401	20.996	20.996	19.933	18.338	18.604	17.807
	Margen de Ganacia por Cobranza	16.717	18.524	17.169	16.943	16.265	16.491	17.847	17.847	16.943	15.587	15.813	15.136
	Total Costo por Canal	5.900	6.538	6.060	5.980	5.741	5.820	6.299	6.299	5.980	5.501	5.581	5.342
	Total Ganancia por Mes	36.384	40.317	37.367	36.876	35.401	35.892	38.842	38.842	36.876	33.926	34.417	32.942
35%	Ocupación Promedio MENSUAL	35%	43%	37%	36%	33%	34%	40%	40%	36%	30%	31%	28%
	Total Base Mes	288	354	305	297	272	280	330	330	297	247	255	231
	Margen de Ganacia por Venta	9.302	11.428	9.834	9.568	8.770	9.036	10.631	10.631	9.568	7.973	8.239	7.442
	Margen de Ganacia por Cobranza	7.907	9.714	8.359	8.133	7.455	7.681	9.036	9.036	8.133	6.777	7.003	6.325
	Total Costo por Canal	2.791	3.428	2.950	2.870	2.631	2.711	3.189	3.189	2.870	2.392	2.472	2.232
	Total Ganancia por Mes	17.209	21.142	18.192	17.700	16.225	16.717	19.667	19.667	17.700	14.750	15.242	13.767

Fuente: Adaptado de la Dirección de Mercadeo e Innovación de ARS Venezuela, 2009.

Para la proyección anual de los primeros tres años de operación se estimó de forma conservadora un crecimiento anual del 20% y se fijó como referencia una tasa de interés del 40% para el cálculo del retorno de la inversión.

En relación a los gastos, en adición a la comisión de venta que se gana cada canal, se hizo una estimación de los costos indirectos los cuales incluyen material publicitario, adiestramiento del personal y recursos de la empresa utilizados para el manejo de los siniestros. La tasa interna de retorno (TIR) obtenida para las proyecciones anuales de los diferentes escenarios se resume en las Tablas 9, 10 y 11.

Tabla 9. Proyecciones y r*etorno de la inversión. Escenario optimista.*

Escenario Ocupación 95%	Año I	Año II	Año III	
Total Polizas	9.395	11.274	13.528	
Ingresos Totales	Bs 560.511,22	Bs 672.613,46	Bs 807.136,15	
Costos Directos (Canal)	Bs 90.893,71	Bs 201.784,04	Bs 242.140,85	
Costos Indirectos (Personal, Materiales, etc.)	Bs 75.060,80	Bs 90.072,96	Bs 108.087,55	
Ingreso Neto	Bs 394.556,71	Bs 380.756,46	Bs 456.907,75	
Inversión Inicial	**Valor Presente del Ingreso Neto**			**TIR**
-75060,8	**Bs 281.826,22**	**Bs 194.263,50**	**Bs 166.511,57**	345%

Fuente: Elaboración Propia

Tabla 10. Proyecciones y r*etorno de la inversión. Escenario más probable.*

Escenario Ocupación 74%	Año I	Año II	Año III	
Total Polizas	7.343	8.811	10.573	
Ingresos Totales	Bs 438.083,77	Bs 525.700,52	Bs 630.840,62	
Costos Directos (Canal)	Bs 71.040,61	Bs 157.710,16	Bs 189.252,19	
Costos Indirectos (Personal, Materiales, etc.)	Bs 75.060,80	Bs 90.072,96	Bs 108.087,55	
Ingreso Neto	Bs 291.982,36	Bs 277.917,40	Bs 333.500,89	
Inversión Inicial	**Valor Presente del Ingreso Neto**			**TIR**
-75060,8	**Bs 208.558,83**	**Bs 141.794,59**	**Bs 121.538,22**	246%

Fuente: Elaboración Propia

Tabla 11. Proyecciones y r*etorno de la inversión. Escenario pesimista.*

Escenario Ocupación 35%	Año I	Año II	Año III	
Total Polizas	3.486	4.183	5.020	
Ingresos Totales	Bs 207.979,16	Bs 249.574,99	Bs 299.489,99	
Costos Directos (Canal)	Bs 33.726,35	Bs 74.872,50	Bs 89.847,00	
Costos Indirectos (Personal, Materiales, etc.)	Bs 75.060,80	Bs 90.072,96	Bs 108.087,55	
Ingreso Neto	Bs 99.192,01	Bs 84.629,54	Bs 101.555,44	
Inversión Inicial	**Valor Presente del Ingreso Neto**			**TIR**
-75060,8	**Bs 70.851,44**	**Bs 43.178,33**	**Bs 37.010,00**	53%

Fuente: Elaboración Propia

Como se puede observar en los resultados de las Tablas 9, 10 y 11 el proyecto es rentable incluso en el escenario más pesimista de los evaluados en el presente estudio.

7. COMERCIALIZACIÓN DEL PRODUCTO

La propuesta final del producto aún está en fase de desarrollo ya que en la primera cotización representa un costo diario por huésped de BsF. 38,86 lo que limita el mercado de hoteles a los cuales acceder sin que la tarifa por noche se vea muy afectada (el costo del seguro no debe representar un incremento mayor al 10% sobre el precio actual de la habitación del canal según la premisa planteada por ARS Venezuela).

La cotización actual del asegurador limita el producto hacia el segmento de hoteles de cuatro o cinco estrellas cuyas tarifas cumplen con la premisa anterior, los mismos representan apenas el 12% del total de alojamientos registrados de acuerdo con los indicadores publicados por MINTUR que se detallan en la Tabla 12.

Tabla 12. *Total de alojamientos turísticos categorizados, por entidad federal al 31/12/06.*

ENTIDAD FEDERAL	* * * * *		* * * *		* * *		* *		*	
FEDERAL	Estab.	Habit.	Estab.	Habit.	Estab.	Habit.	Estab.	Habit.	Estab.	Habit.
AMAZONAS	0	0	0	0	0	0	1	64	0	0
ANZOÁTEGUI	2	713	4	2.073	10	892	9	408	9	190
APURE	0	0	0	0	0	0	2	84	0	0
ARAGUA	0	0	2	207	9	486	6	200	10	412
BARINAS	0	0	0	0	3	215	1	60	1	26
BOLÍVAR	1	202	3	252	5	542	6	316	11	318
CARABOBO	1	161	4	487	3	232	7	433	4	165
COJEDES	0	0	0	0	0	0	0	0	1	21
DELTA AMACURO	0	0	0	0	0	0	0	0	1	22
DEPEND. FEDERALES	0	0	0	0	0	0	0	0	0	0
DISTRITO CAPITAL	1	881	4	481	22	1.751	23	1.164	41	1.657
FALCÓN	2	431	0	0	7	417	6	298	6	146
GUÁRICO	0	0	0	0	0	0	3	155	8	242
LARA	1	136	1	150	4	213	4	238	2	61
MÉRIDA	0	0	3	259	14	830	7	282	13	366
MIRANDA	4	1.540	3	394	3	233	4	255	12	392
MONAGAS	1	234	0	0	4	269	4	185	3	114
NUEVA ESPARTA	9	2.060	1	307	12	1.141	8	239	4	87
PORTUGUESA	0	0	0	0	1	28	4	166	1	66
SUCRE	1	164	1	114	3	227	8	347	4	109
TÁCHIRA	0	0	1	113	5	227	7	418	6	147
TRUJILLO	0	0	0	0	6	365	2	71	5	136
VARGAS	1	126	0	0	4	242	5	134	13	311
YARACUY	0	0	0	0	1	48	1	46	0	0
ZULIA	2	558	3	708	4	344	1	68	9	575
TOTAL	**26**	**7.206**	**30**	**5.545**	**120**	**8.702**	**119**	**5.631**	**164**	**5.563**

Fuente: Ministerio del Poder Popular para el Turismo, 2008

El material publicitario a emplear consta de un tríptico explicativo sobre las coberturas del seguro y sus servicios, indicando al cliente el proceso de activación en caso de ser necesario. Los folletos pueden ser distribuidos directamente por los eEjecutivos de Recepción al momento de hacer el registro del huésped o en las habitaciones del hotel.

Antes de comenzar a comercializar el producto se hará una prueba piloto durante el fin de semana del feriado nacional del 1 de mayo de 2009 para afinar cualquier falla operativa o requerimiento no previsto con el objeto de poder lanzarlo definitivamente durante el mes de Julio 2009 (temporada vacacional más larga del año). El adiestramiento del personal será responsabilidad de la Dirección de Mercadeo e Innovación de ARS Venezuela, tanto para los Ejecutivos de Recepción sobre qué campos deben completar en su sistema con el objeto de que luego se vean reflejados en los archivos de texto de la BD del aplicativo como a los analistas de siniestro que estarán dando apoyo en caso de la activación del servicio. En la Figura 5 se muestra el diagrama de flujo de la prueba piloto.

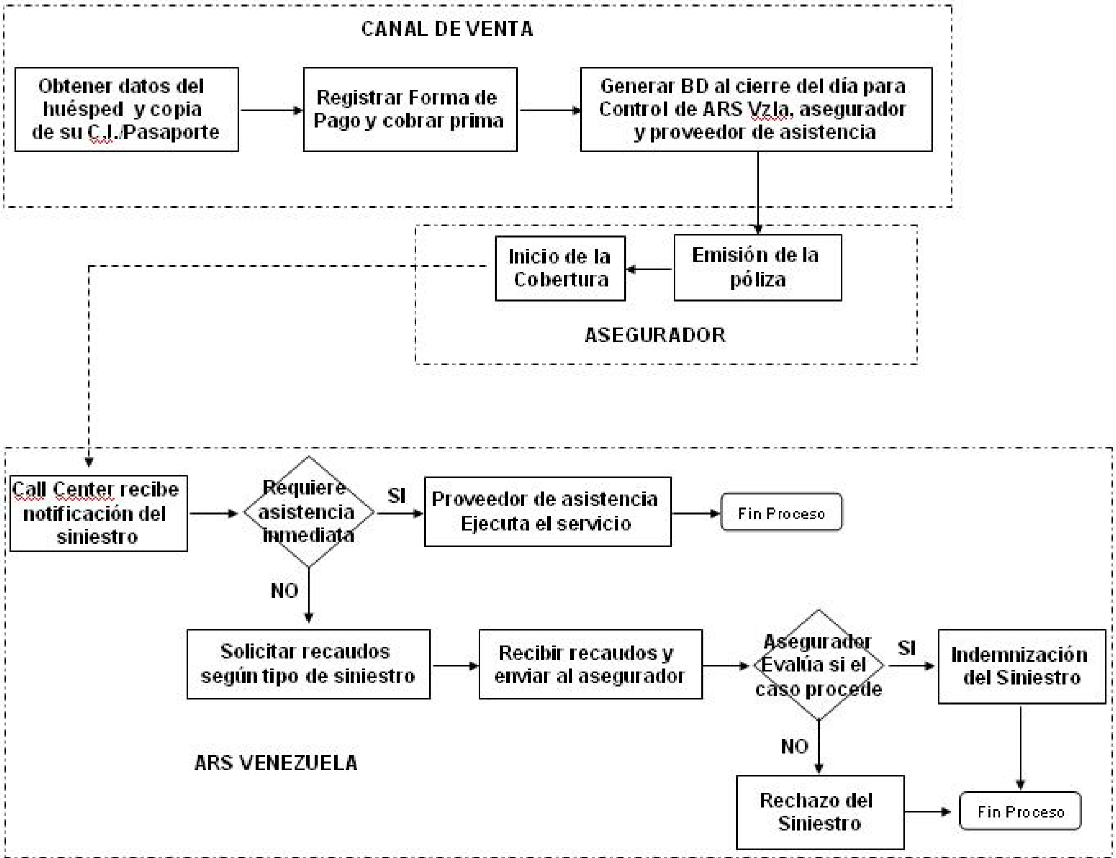

Figura 5. Diagrama de flujo de la prueba piloto (Elaboración propia)

CAPÍTULO VI. EVALUACIÓN

1. Evaluación Ex Ante del Proyecto

Antes de comenzar la fase de ejecución se revisó el grado de definición del proyecto para detectar las áreas en las que debía profundizarse la investigación, por ejemplo, actualizar la situación actual del mercado hasta donde fuese posible ya que a nivel mundial la solidez financiera de los aseguradores y reaseguradores se ha visto afectada producto de la crisis econñomica originada por la caída de las bolsas de valores.

1.1 Revisión de los Objetivos

Al obtener un mayor grado de definición del producto se hizo necesario hacer más específicos los objetivos del análisis de la siguiente manera:

Objetivo Específico Original:

- Diagnosticar la situación actual del mercado asegurador venezolano para evaluar la factibilidad de ofrecer a través de hoteles venezolanos un seguro de protección integral a turistas promocionado por ARS Venezuela.

Objetivo Específico Final:

- Diagnosticar la situación actual del mercado turístico venezolano para evaluar la factibilidad de ofrecer a través de hoteles venezolanos un seguro de protección integral a turistas promocionado por ARS Venezuela.
- Diagnosticar la situación actual del mercado asegurador venezolano para ofrecer un seguro de viajeros a nivel nacional promocionado por ARS Venezuela.

1.2 Revisión de la Justificación

Se revisó el diagrama de flujo del proceso de venta masiva para validar vacíos o incongruencias desde el punto de vista técnico para la elaboración de los manuales de procedimiento. La diferencia se muestran en las Figuras 1 y 2.

Diagrama de Flujo Original:

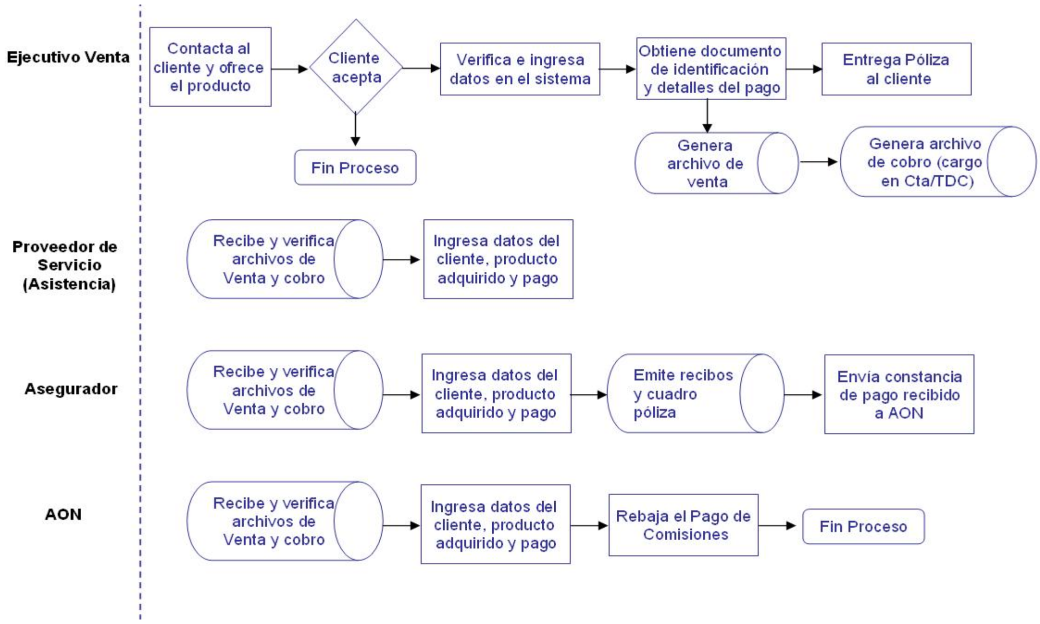

Figura 1. Diagrama de flujo del proceso de venta masiva (ARS Venezuela, 2008)

Diagrama de Flujo Final:

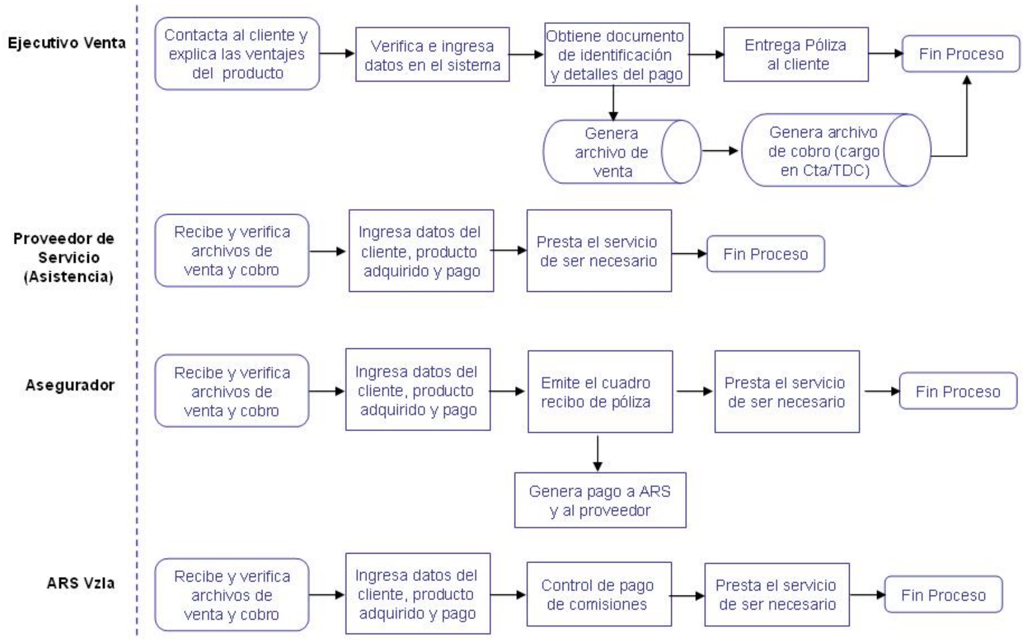

Figura 2. Diagrama de flujo corregido del proceso de venta masiva (ARS Venezuela, 2008)

En la justificación financiera se detectó que la información obtenida de MINTUR (2008) sobre la ocupación media hotelera, inicialmente ubicada como parte del planteamiento, tenía más sentido dentro del capítulo de desarrollo ya que resultaba ser la base para el análisis de escenarios para el cálculo del retorno de inversión.

1.3 Revisión del Marco Teórico

A medida que se recolectó mayor información para decidir la mejor estrategia de desarrollo de la propuesta se fue complementando el marco teórico colocando los antecedentes relacionados al área de mercadeo, ya que es bajo dicha dirección que se ubica el presente proyecto.

1.4 Revisión del Marco Metodológico

Al contar con una visión más clara de los objetivos del proyecto y consultar mayor bibliografía relacionada se complementó el marco metodológico añadiendo los métodos a utilizar durante las fases de análisis del mercado y de evaluación del proyecto, ya que anteriormente se contaba sólo con la metodología de investigación y ejecución en sí. Adicionalmente, como valor agregado, se documentó el desarrollo de una estrategia de mercadeo.

1.5 Revisión del Marco Organizacional

Se hizo una revisión de la matriz estratégica de la empresa, especialmente en el Análisis FODA, ya que durante la fase de conceptualización del proyecto se destacaba entre las debilidades que no existía una estructura comercial para el área de líneas personales, pero a partir de Diciembre 2009 se creó la Gerencia de Ventas Individuales y PYME, cuyo propósito es eliminar dicha carencia.

2. Evaluación del Monitoreo del Proyecto

Tal como se hizo en la Evaluación Ex Ante, el marco teórico fue actualizado a medida que se profundizaba en el desarrollo del proyecto, ya que se utilizaban términos que no habían sido definidos previamente, por ejemplo intermediario, y referencias legales que no fueron tomadas en cuenta inicialmente pero que resultaban relevantes al analizar el comportamiento del mercado asegurador.

A nivel de la cotización del producto pre-suscrito se encontraron varios problemas, ya que el asegurador no comprendió con exactitud la solicitud y basó su propuesta en los parámetros predeterminados por lo que aún se requieren de algunas semanas de negociación de la oferta. Incluso se debe plantear la posibilidad de otras alternativas como por ejemplo ir directo con el proveedor del servicio de asistencia y levantar la información estadística para hacer el estudio actuarial correspondiente para ofrecer las coberturas de Accidentes Personales mediante la Administradora AON ®.

El análisis de rentabilidad por escenarios deberá hacerse de nuevo una vez que se definan los términos finales de la negociación, esto implica cambios no sólo en el volumen de las ventas sino también en los costos, para evaluar si el proyecto sigue teniendo un retorno positivo de la inversión.

Se observaron algunos detalles sobre las características del mercado turístico a tomar en cuenta para afinar la propuesta e incluso la operación del servicio ya que en la misma habitación podría haber más de un asegurado lo que podría requerir el uso de la figura de un titular (responsable del pago) y sus familiares o acompañantes.

Es necesario obtener mayor información sobre la permanencia de los huéspedes, ya que el costo mensual de la prima de la propuesta resulta aceptable si la estadía del titular es de cuatro noches, pero sería costosa para aquellos que sólo pernoctan un día como suele ser el caso de los viajes de negocio (estos representan el quinto motivo de viaje, ver Figura 5 en el Capítulo I). Además, podría darse el caso de que la misma persona se hospede en el canal varias veces al mes y no se le debería vender nuevamente el producto hasta que no haya vencido la primera póliza, lo que implica la aplicación de filtros en el sistema de control de asegurados.

3. Evaluación Ex Post del Proyecto

Una vez alcanzado mayor grado de definición de la propuesta se obtiene que el proyecto está alineado con dos de los objetivos de ARS Venezuela: incrementar su cartera de clientes y desarrollar el área de mercadeo masivo lo que trae como resultado mayores ingresos para la empresa, incluso en el escenario más pesimista que está bastante por debajo del más probable.

Al hacer las proyecciones se encontraron detalles que deben ser investigados con mayor profundidad como la pernocta promedio específica de los huéspedes en el canal y el número de personas por habitación, ya que incluso se podría pensar en solicitar al asegurador un cotizador que tome en cuenta estas variables y la prima a cobrar sería calculada directamente por el Ejecutivo de Recepción al momento de cargar en la base de datos estos parámetros.

Estas consideraciones también afectan al momento de activar el servicio pues fallas en la parte operativa podrían conllevar al fracaso del producto si no está al nivel adecuado para satisfacer a los potenciales asegurados.

ARS Venezuela mantiene su filosofía de empresa y si bien no tiene experiencia en el área de mercadeo masivo, ha incorporado en su estructura la Dirección de Mercadeo e Innovación a la cabeza de un profesional con amplia trayectoria en este tipo de negocios con el objeto de impulsar y desarrollar todos los proyectos que superen la fase de evaluación.

CAPITÚLO VII. CONCLUSIONES Y RECOMENDACIONES

El proyecto **“Protección integral de turistas hospedados en hoteles de la red ARS Venezuela”** está alineado con los objetivos de la empresa y su fin es incrementar los ingresos por corretaje de seguros incluso bajo el escenario de ventas más conservador (pesimista) de acuerdo a los parámetros evaluados durante la primera fase de análisis.

Se recomienda hacer una investigación más a fondo de la pernocta promedio específica de los huéspedes por hotel y el número de personas por habitación. Estos indicadores no son publicados actualmente por MINTUR, pero resultan factores de peso para elaborar un cotizador más flexible que permita introducir estas variables al momento de calcular la prima facilitando así que el costo del seguro no represente más del 10% de la tarifa diaria por huésped.

Mediante la prueba piloto se debe evaluar el funcionamiento del área operativa al momento de activar el servicio para evitar fallas que podrían conllevar al fracaso del producto si no está al nivel adecuado para satisfacer a los potenciales asegurados.

Resulta de vital importancia para el éxito de los proyectos de venta masiva que ARS Venezuela cuente con una fuerte estructura de mercadeo que incorpore talentos en capacidad de hacer estudios de mercado, proyecciones y análisis de las tendencias para evaluar y poner en marcha proyectos que en el mediano y largo plazo incrementen la cartera de clientes de la empresa, ya que el comportamiento actual del mercado en los últimos años le ha dado más impulso a la venta individual en donde el cliente busca la mejor relación costo/beneficio y no se enfoca tanto en las relaciones personales con el corredor de seguros sino en su experticia en el área.

AON

Caracas Marzo 2009

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Universidad Católica Andrés Bello

Atc.
Prof. Alberto Santana
cc: Prof. Ana Julia Guillen

Referencia: Autorización para la Elaboración del Trabajo Especial de Grado

Por medio de la presente me dirijo a usted con la finalidad de informarle que **Aon Risk Services Venezuela** autoriza a la Ing. María Graciela Pelayo Armas, titular de la cedula de identidad V- 14.667.424, a divulgar y compartir información **no confidencial** de la empresa únicamente con fines académicos para la elaboración del Trabajo Especial de Grado: "**PROPUESTA DE UN PRODUCTO PARA LA PROTECCIÓN INTEGRAL DE TURISTAS HOSPEDADOS EN HOTELES DE LA RED ARS VENEZUELA**" con el fin de optar al titulo de Especialista en Gerencia de Proyectos de dicha casa de estudio.

Así mismo hacemos de su conocimiento que toda la información suministrada para el mencionado Trabajo Especial de Grado, será con fines académicos, pudiendo publicarse al tratar procesos públicos y comunes a todos los entes del sector.

Sin otro particular al cual hacer referencia, quedamos a sus gratas órdenes,

Muy atentamente,
AON Risk Services Venezuela C.A.

Lissette Borneo
Directora de Mercadeo e Innovación

'08 Insurance Market OVERVIEW

U.S. Edition

ENCHMARKING LOSS FREQUENCY CARRIERS TECHNOLOGY LOSS RATIO PREMIUM MARINE PRICING RISK SOFT MARKET LIMITS CAPACITY REINSURANC
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In our review of the property/casualty industry's results for 2006, we believed we would witness the industry's struggle to adjust to the major catastrophic events of 2005 and the continuing pressures on insurance underwriting. In 2007, we witnessed the result of those struggles: record underwriting results for two consecutive years.

In 2006, insurers and reinsurers prepared to face what climatologists predicted to be another year of significant catastrophic losses. Similar predictions were made in 2007, but those failed to materialize to any substantial degree. For the past two years, property/casualty insurers maintained pricing discipline and strict underwriting requirements and essentially awaited the major storms. Now, maybe to no one's surprise, the industry is seeing rates soften and the return of capital.

The rate declines began in 2005 and, at first, overall costs remained fairly firm due, in large part, to the property covers that were being written in Florida, the Gulf Coast and others areas prone to catastrophe losses. The influx of capital into Bermuda and decreased demand in Florida has led to a softening even in property catastrophe pricing.

The picture for casualty lines is much like the cat exposed lines in that there has been continued price softening due to what has proven to be successful underwriting results. In addition, the commercial lines have experienced their second straight year of reserve releases where reforms and favorable experience have led to redundancies.

Although the industry, in general, behaved much the same in 2007 as in 2006 with respect to cat losses and investment yields, in the later part of 2007, the industry began to feel the effects of the downturn in the subprime mortgage market. Although certain mono-line sectors are being monitored closely, the property/casualty industry has, to date, remained fairly unscathed by these events.

In 2006, the industry reported its second underwriting profit in more than 25 years and with third quarter 2007 results and preliminary 2007 results reported, seems poised to report a third year of underwriting profits. This would be the industry's sixth straight year reporting positive overall operating results. The modest 3.9% premium growth in 2006 however, does not appear to be sustained. A slightly lower underwriting profit was reported against a slightly higher investment result producing a net income through the first nine months of 2007 of only a modest 4.4% higher than the same period in 2006. As in 2006, there was comparatively little capital added during the year and policyholders' surplus continued to rise; just over 11% during the twelve months ending in September to approximately $528 billion.

PREMIUM GROWTH

The declining premium growth rate reversed itself briefly in 2006 when the growth rate increased from a flat 0.0% in 2005 to 3.9% in 2006. The growth rate for the first nine months of 2007 has moved into the negative territory as premiums decreased 0.4% to $342.0 billion compared to the same period in 2006. This decrease was largely due to the reinsurance segment which decreased about 8% and continued to struggle with top line growth from competitive rates and increased ceding company retentions. Growth in the commercial lines segment was flat year over year.

UNDERWRITING RESULTS

The industry continues to report underwriting profits aided, in part, by a second straight year of favorable loss reserve development. The industry reported an underwriting profit of $18.6 billion for the first nine months in 2007, compared to a $23.8 billion for the same period the previous year. The combined ratio rose slightly from 91.6% in the first nine months of 2006 to 93.8% as of September 30, 2007. For the same periods, the loss ratio and loss adjustment expense ratio increased from 65.5% to 66.7% while the industry expense ratio continued to deteriorate from 25.7% to 26.7%. Major catastrophe losses once again had a significantly smaller impact on results with catastrophic losses contributing an estimated 1.4 points to the total industry combined ratio for the first nine months of 2007, versus the 2.3 points reported for the same period in 2006 and 25.1 points in 2005.

Reversing trends noted in previous years, the results for the personal lines segment of the industry were less impressive than those reported for the reinsurance and commercial lines segments. The combined ratio for the personal lines segment continued its quarterly climb by another .5 points to 96.1% for the third quarter. The personal lines segment reported a 95.1% combined ratio for the nine-month period, up from 92.3% for the same period in 2006. The reinsurance segment had been the worst performing segment but continued to show improvement with a combined ratio that fell from 95.0% for the first nine months in 2006 to 93.9% for the same period in 2007. The commercial lines combined ratio continues to reflect strong underwriting despite another slight increase to 92.2% through September from the 90.4% reported for the same period in 2006.

In 2005, only one line of business – medical malpractice – showed any material improvements but this all changed in 2006. The improvement in med mal results continued and each of the other major lines of business also showed improvement over the unusually high 2005 results as well. In 2006, all major commercial lines ended the year with an underwriting profit and three key commercial lines recorded an improvement of more than 10 points in their combined ratios: inland marine, other liability and fire & allied lines.

Combined Ratios	2004	2005	2006	Improvement
Inland Marine	82.5	89.8	75.7	14.1
Commercial Auto	92.9	92.1	92.2	-0.1
Medical Malpractice	111.0	101.0	91.2	9.8
General & Product Liability	117.4	113.1	95.4	17.7
Commercial Multiple Peril	100.6	97.1	92.9	4.2
Workers' Compensation	105.2	102.7	95.0	7.7
Fire & Allied Lines	86.8	104.1	80.8	23.3

(Source: A.M. Best)

Although 2007 results are not yet finalized, the combined ratio of 93.8% to date is on par with 2006 results indicating that we should not expect the level of improvement shown line-by-line above to be duplicated this year. In fact, so far, it appears that med mal will be one of the few lines showing improvement in its combined ratio in 2007 as stable loss frequency and severity continues to counter rising medical costs. If we jump ahead to 2008, we continue to trend up as A.M. Best projects that not even med mal will show improvement in its combined ratio. Best's estimated 2007 combined ratio of 95.6% for all lines is projected to rise across the board to 98.6% in 2008.

OPERATING RESULTS

The industry reported a net income of $70.6 billion in 2006, up significantly from the $47.7 billion reported in 2005. This was the fifth year in a row that the industry has reported a positive return on surplus. The industry also reported an increase in capital for the fourth straight year as surplus grew 14.9% to $502.7 billion. We've noted the underwriting income but, as in the past, the increase came primarily from investment income which totaled approximately $55 billion. Thus far in 2007, the industry has reported a net income of $49.8 billion compared to the $47.7 billion reported for the first nine months of 2006 and policyholders' surplus of $528.1 billion.

In 2005 and 2006 there was little change in the investment results for property/casualty companies with investment yields nearly identical both years at 4.6% and 4.5%, respectively. Investment yields showed a modest decline so far in 2007 at 4.1% compared to 4.2% in the same period of 2006. Although there was only a mild change in net investment income in 2006, the contribution of realized and unrealized capital gains shifted somewhat from realized gains of $12.1 billion and unrealized gains of $-5.8 billion (compared to $3.6 billion and $21.3 billion, respectively in 2006). A. M. Best expects the capital gains in 2007 to be down considerably from the $24.9 billion in 2006. An increase in the industry's total invested assets and operating cash flows has helped avoid any serious repercussions from the current difficulties in the credit markets. In this regard, the major rating agencies seem to agree that property/casualty investment portfolios have minimum exposure to the subprime mortgage downturn.

Last year we noted that there had been a significant decline in capital contributions compared to 2005 and there has been no significant change in the first nine months of 2007 either. We had suggested that the decline in capital contributions was possibly due to the industry's acknowledgement of an overcapitalized marketplace and that this might lead to additional price softening as companies strive to utilize capital in the most efficient manner. There are indications that this has, in fact, occurred and has also led to more active capital management measures in the form of share buybacks, dividends to stockholders and greater potential for M&A activity. For example, in 2006, dividends to stockholders were a record $24.9 billion, up from $15.6 billion, $14.4 billion and 10.8 billion in 2005, 2004 and 2003, respectively. Dividends through third quarter 2007 of $18.6 billion outpace dividends through third quarter 2006 of $16.7 billion.

The return of competitive pressures and another year of benign loss trends may test the industry's underwriting self control further. A return to a lack of underwriting discipline combined with the pressures of excess capital, will make it difficult for the industry to repeat the favorable results of the past two years unless the marketplace starts to provide more favorable opportunities for investment returns, even if the big losses continue to defy the experts.

Personal Lines

Key financials	2007E	2006	2005	2004	2003
Net premiums written	na	219.8	215.7	208.7	196.7
Policyholders' surplus	na	191.2	167.2	155.2	137.9
Change in NPW	-10.0%	1.9%	3.3%	6.1%	10.4%
Change in PHS	12.7%	14.3%	7.7%	12.6%	19.7%

Underwriting results	2007E	2006	2005	2004	2003
Underwriting gain (loss)	na	16.4	5.3	10.6	2.6
Net income	na	25.3	16.5	19.7	13.7
Pure loss ratio	na	55.3%	60.5%	58.2%	61.3%
Total loss ratio	na	67.8%	73.2%	70.6%	74.1%
Total expense ratio	na	25.5%	24.5%	24.2%	24.2%
Combined ratio	97.0%	93.3%	97.7%	94.8%	98.3%
Investment ratio	na	7.5%	6.9%	6.4%	6.6%
Operating ratio	na	85.8%	90.8%	88.4%	91.7%

Commercial Lines

Key financials	2007E	2006	2005	2004	2003
Net premiums written	na	216.0	207.0	203.9	193.0
Policyholders' surplus	na	237.2	200.6	179.4	161.3
Change in NPW	-1.5%	4.4%	1.5%	5.7%	12.4%
Change in PHS	6.6%	18.2%	11.8%	11.2%	18.4%

Underwriting results	2007E	2006	2005	2004	2003
Underwriting gain (loss)	na	17.6	-2.6	-4.3	-5.3
Net income	na	38.6	22.2	14.5	13.6
Pure loss ratio	na	51.2%	60.5%	61.8%	62.0%
Total loss ratio	na	64.7%	75.3%	76.3%	76.6%
Total expense ratio	na	26.7%	25.9%	25.7%	25.2%
Combined ratio	94.0%	91.4%	101.2%	102.0%	101.8%
Investment ratio	na	14.4%	13.7%	11.7%	12.2%
Operating ratio	na	77.0%	87.6%	90.4%	89.6%

Reinsurance

Key financials	2007E	2006	2005	2004	2003
Net premiums written	na	20.8	13.8	23.6	24.9
Policyholders' surplus	na	74.2	66.7	64.0	56.3
Change in NPW	-8.5%	50.6%	-41.3%	-5.4%	3.2%
Change in PHS	7.0%	11.3%	4.2%	13.7%	38.6%

Underwriting results	2007E	2006	2005	2004	2003
Underwriting gain (loss)	na	1.6	-7.9	-1.9	-0.2
Net income	na	6.7	8.3	3.5	4.1
Pure loss ratio	na	54.0%	103.3%	71.3%	64.9%
Total loss ratio	na	65.3%	119.5%	82.2%	75.3%
Total expense ratio	na	27.0%	37.1%	25.8%	25.8%
Combined ratio	95.0%	92.3%	156.6%	108.0%	101.1%
Investment ratio	na	38.9%	64.1%	21.9%	24.2%
Operating ratio	na	53.4%	92.5%	86.1%	76.9%

Total US PC Industry

Key financials	2007E	2006	2005	2004	2003
Net premiums written	451.1	456.7	439.6	439.7	421.0
Policyholders' surplus	548.2	502.7	437.5	402.0	358.1
Change in NPW	-1.2%	3.9%	0.0%	4.4%	9.7%
Change in PHS	9.0%	14.9%	8.8%	12.3%	21.5%

Underwriting results	2007E	2006	2005	2004	2003
Underwriting gain (loss)	19.3	35.6	-5.0	4.2	-2.9
Net income	59.2	70.6	47.7	38.1	31.7
Pure loss ratio	55.8%	53.3%	62.1%	60.8%	62.1%
Total loss ratio	68.3%	66.2%	75.8%	74.0%	75.5%
Total expense ratio	27.2%	26.2%	25.4%	24.9%	24.6%
Combined ratio	95.6%	92.4%	101.2%	98.9%	100.1%
Investment ratio	na	12.2%	12.0%	9.7%	10.2%
Operating ratio	na	80.2%	89.2%	89.2%	89.9%

Source: 2006 - 2003, Best's Statement File

Year-end 2007 estimates (2007E), per Best's Review/Preview, January 28, 2008.

EXECUTIVE SUMMARY

As a result of the record 2005 hurricane losses of $67 billion (including off-shore losses), significant changes in the 2006 property insurance market were at hand. Consequently, price firming, catastrophe perils deductible increases and catastrophe perils limits reduction were experienced by many insureds with adverse loss experience and/or exposure to catastrophe perils. This trend began to ease in the fourth quarter of 2006 as it became apparent that the 2006 hurricane season was going to be mild. Total insurable 2006 catastrophe losses were estimated at $9.2 billion. This lead to a U.S. property & casualty industry combined ratio of 92.4 percent, the best since 1949.

Despite the 2005 losses, the U.S. property & casualty industry policyholder's surplus (the capital it has to write insurance risks) grew to $425.8 billion in 2005, and further increased to $487.1 billion at year end 2006. Surplus growth continued growth to $521.8 billion for the year end 2007.

Underwriting profit for 2007 ended at $24.2 billion, which yielded a slightly deteriorated industry combined ratio of 93.8 percent. However, industry capitalization remains strong enough that estimates are that a $25 billion to $35 billion CAT year could easily be withstood without severely impacting rates.

This healthy industry surplus growth, coupled with the new capital that has been raised, will continue to foster a competitive environment in 2008 for the commercial property insurance market. Nevertheless, insurer financial strength will remain a concern if the increasingly active storm pattern would become the norm over the next several years, as some meteorologists continue to predict. Despite the benign hurricane seasons of 2006 and 2007, rating agencies continue to closely monitor how insurance insurers manage aggregate exposure to catastrophe perils.

The absence of meaningful catastrophe losses, and the impact of abundant market capacity, continues to dictate favorable property market conditions through the end of Q1 2008. While any natural or man-made catastrophe event could disrupt present soft market conditions, we are anticipating the following to hold through to the beginning of the 2008 wind season:

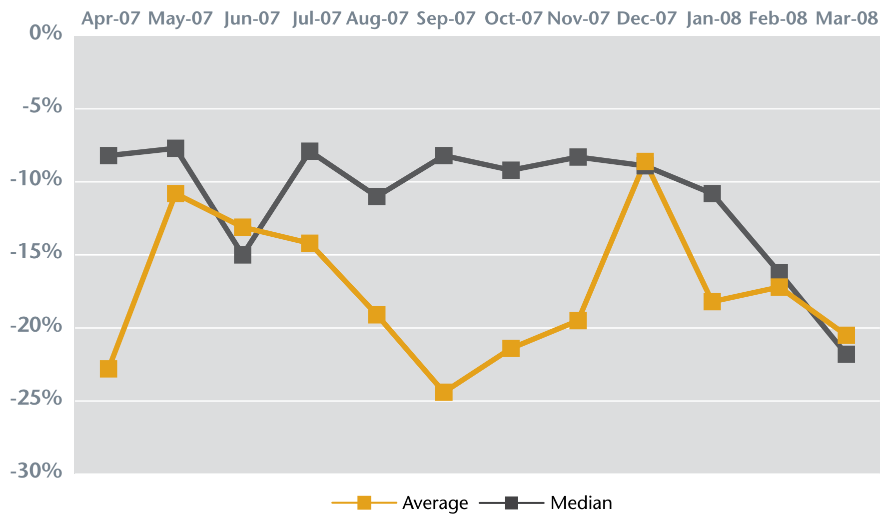
- Stabilized and increasing capacity as new and existing markets provide expanded "all risk" and catastrophe perils cover.
- Reduced pricing for most insureds, including those with exposure to natural catastrophe perils, except for certain accounts with extreme exposure to natural catastrophe perils and/or adverse loss histories.
- Competition between carriers to grow market share will yield additional downward pressure on pricing.
- Stable policy deductibles will prevail. Flexible catastrophe perils deductibles achievable based on quality of underwriting information.
- Stable to improved policy terms and conditions
- Continued conservative wind analysis and rating agency scrutiny of carrier natural catastrophe aggregate.

As some meteorologists predict that the United States is entering a period of active storm seasons on par with those seen in the 1930s and 1960s, fundamental, permanent changes in natural catastrophe peril underwriting are with us to stay.

RATES/PRICING

The aftermath of the 2005 storm season caused the property insurance market to briefly and sharply firm in 2006. This had been followed by a 2007 significant softening correction, which continued throughout the 1st quarter of 2008. Average and median rate change for the last twelve months ending March 31, 2008 is indicated in the chart below.

Monthly Average and Median Rate Change
Last Twelve Months
Source: Aon Data



Reduced pricing continues to prevail throughout the first quarter of 2008, as the 2006 and 2007 hurricane seasons became non-events. Price reductions have been the norm on both an average and median basis in 2007, absent other factors such as adverse loss history. For 1Q 2008, average rate reductions went from 18.2 percent in January 31, 2008 to 20.5 percent at March 31, 2008. The median for the same period went from 10.8 percent to 21.8 percent.

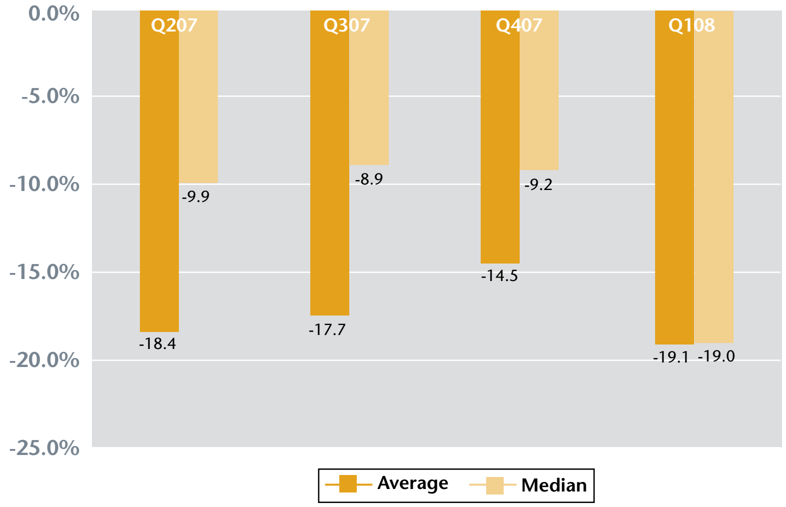
The trend to price reductions has accelerated even further in the period January 1, 2008 through March 31, 2008 as can be observed in the chart below. While, average rate decreases seemed to slow slightly between Q2 2007 and Q4 2007, there has been a noticeable resurgence in average rate reductions for Q1 2008.

There also was a differential between the average rate reduction and median rate reduction in Q2 2007 to Q4 2007, indicating that there were more accounts with lower rate reductions, than there were accounts with rate reductions at the higher end of the scale. In Q1 2008 it appears that the distribution of accounts with rate reductions has been more evenly spread, evidencing that more accounts are enjoying the larger rate reductions at the higher end of the scale.

We believe this change is made possible as a function of a mature market that possesses abundant capacity and has been very profitable. However, it is Aon's broking expertise and ability to efficiently access the global markets in London, Bermuda, Zurich, and the U.S., that truly drives the maximum savings available from the marketplace.

Naturally, current rate structures are a fragile dynamic that is very much a function of the absence of large natural or man made catastrophe loss … a situation that could change very quickly as we saw in late 2005 and early to mid year 2006.

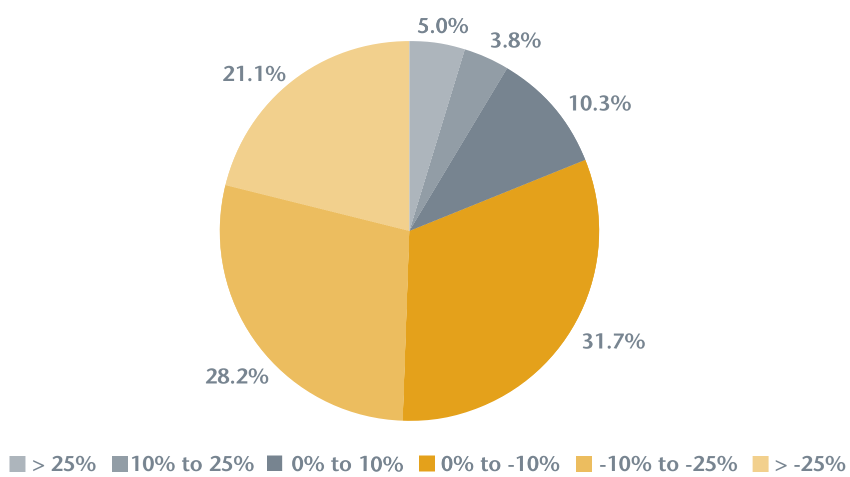
Average Median and Rate Change
Last Four Quarters
Source: Aon Data



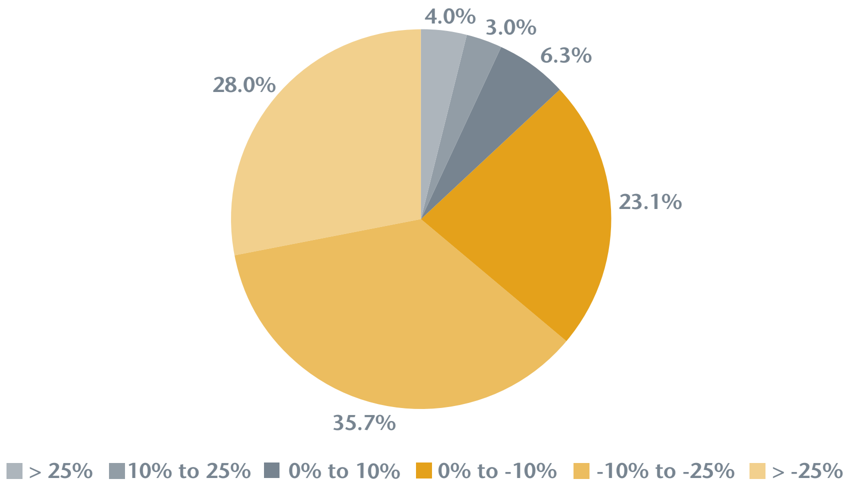
While average rates are decreasing, the range of rate change is very much dependent on individual risk characteristics. Hence, even in a softening market, pricing change is not uniform across all risks. It varies by type of account, size of account and loss history. Insurers continue to differentiate risks based on exposure to natural catastrophe loss. Catastrophe peril underwriting has become highly computer model dependent and is the principal driver of the price change.

The distribution of pricing change over the past twelve months is detailed in the two charts below. The first depicts the distribution by the number of renewals. The second chart displays the amount of premium associated with these rate changes.

Distribution of Rate Change by % of Programs
Last Twelve Months
Source: Aon Data



Distribution of Rate Change by % of Premium
Last Tweleve Months
Source: Aon Data



In all, 81.0 percent of all accounts were renewed with a rate decrease over the last twelve months. As this involved 86.8 percent of the premium involved, it is clear that rates are still being reduced regardless of account size. A key driver was and continues to be exposure to natural catastrophe risk as well as loss history. Cat modeling based on detailed risk data has been effective in optimizing the Nat Cat component of price changes. Good loss experience and risk improvement can also have a very dramatic, positive impact on pricing.

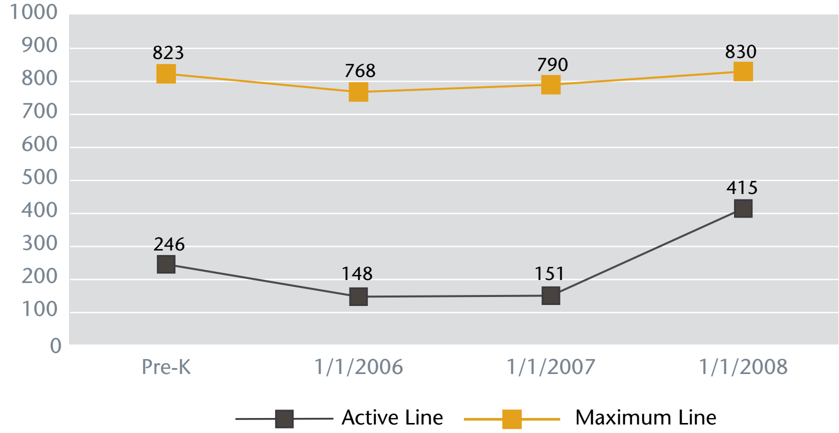
LIMITS AND CAPACITY

The post hurricane loss reaction of the catastrophe property treaty market affected overall market capacity in 2006. However, several factors have caused this situation to improve markedly, including:

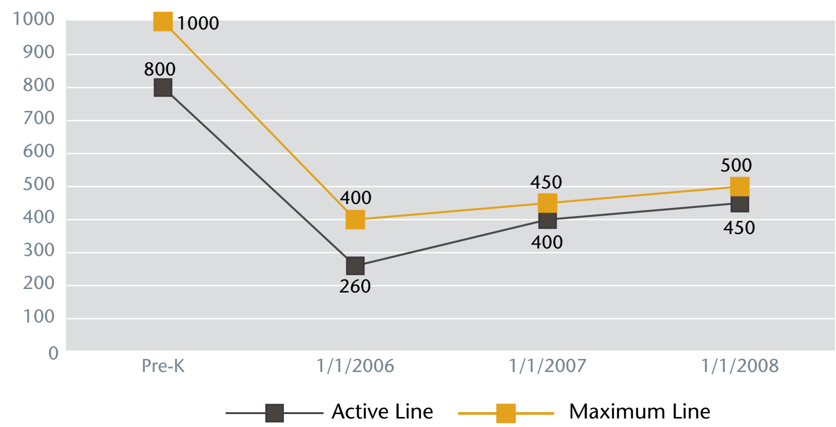
- Very good carrier results for 2006 and 2007
- New entrants to the market
- Better utilization of market capacity – active vs. maximum
- Modeling
- Quality data
- Positive reinsurance market
- Carrier growth goals

With respects U.S. coastal wind and critical earthquake, there has been a notable improvement in the difference between carrier's maximum line and actual active lines, across U.S., London and Bermuda markets.

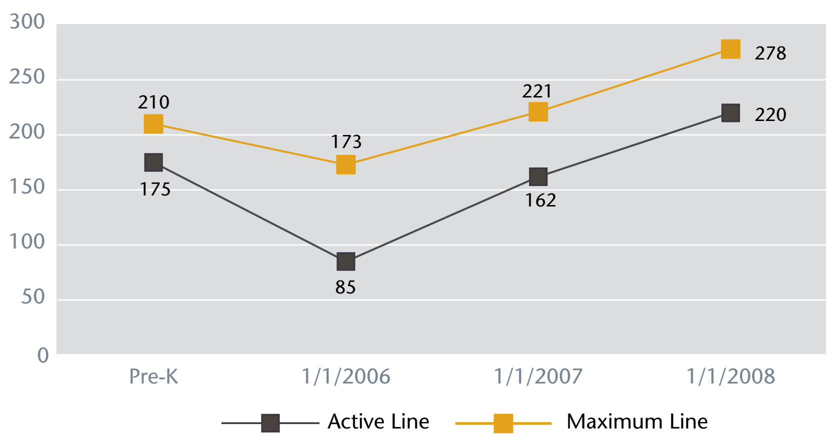
U.S. Market-U.S. Coastal Wind
Pre-Katrina to January 1, 2008



London Market-U.S. Coastal Wind
Pre-Katrina to January 1, 2008

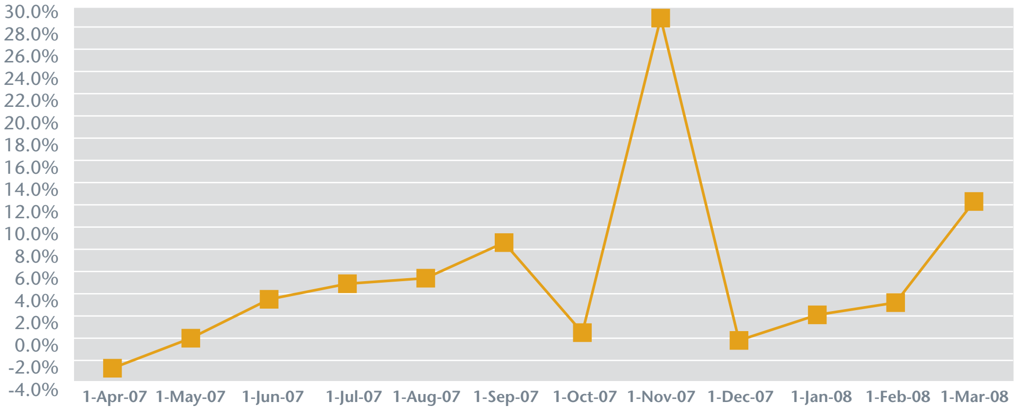


Bermuda Market-U.S. Coastal Wind
Pre-Katrina to January 1, 2008



While ample capacity is available, clients are making "buy decisions" based on their risk appetites. The general trend that had existed through Q4 2007 to increase program limits, appears to be slowing beginning in Q1 2008. While clients had previously been trading a portion of rate reductions for higher limits, it appears that accounts renewing in Q1 2008 are not pursuing additional program limits as aggressively beyond those secured at prior renewal. This trend is somewhat attributable to clients having already reached maximum limits required during marketing efforts in Q4 2006 and Q1 2007.

Monthly Limit Change
Source: Aon Data



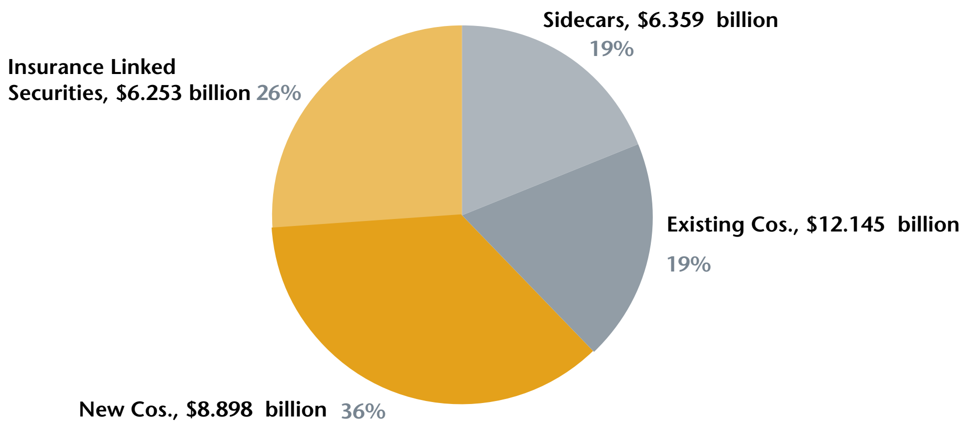
While program limits are expanding (albeit at a slower rate in Q1 2008), windstorm limits continue to expand at higher rate compared to program limit changes. This comes as more affordable windstorm capacity is available, and pre-existing wind sub-limits are eliminated or increased.

Note that the aggregate exposures to windstorm will continue to be carefully monitored by insurers because:

- Insurers catastrophe treaties have become more expensive and provide less protection
- Rating agencies are very closely scrutinizing insurers aggregate management systems
- The catastrophe models have been modified to take into account lessons learned and are more conservative
- Insurers utilize these models in a more conservative manner

However with increased reinsurance capacity available, carriers are able to offer higher gross limits while limiting their net exposure.

Combined new capital raised by reinsurers across 2006 and 2007 were roughly $33.7 billion. This figure is broken down as follows:

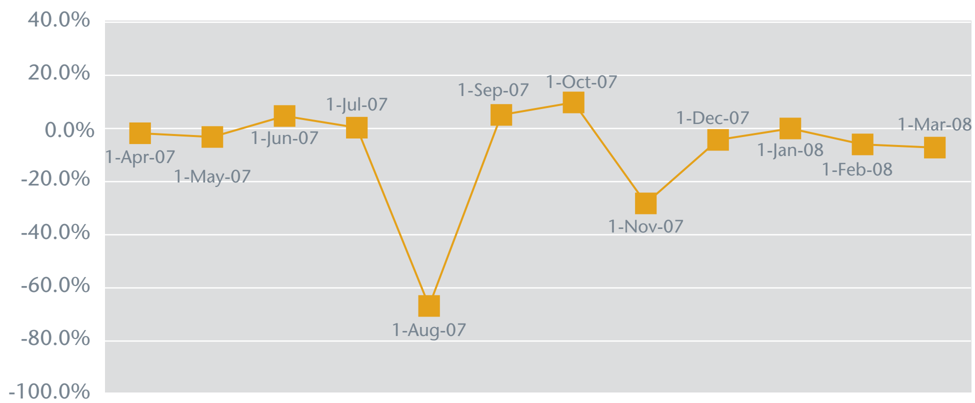


Source: Lane Financial Trade Notes, January 31, 2007

DEDUCTIBLES

For the past several years, program deductibles have been virtually unchanged. Presently, while most programs are renewing at expiring deductibles, it appears that the practice of exchanging premium savings for even lower deductibles is slowing through Q1 2008. Slowing is likely also attributed to the fact that very large deductibles imposed in 2006, have finally been reduced back to acceptable levels.

Monthly Deductible Change
Source: Aon Data



MARKETPLACE HIGHLIGHTS

- We are expecting to see very active competition for middle market accounts including HPR.
- Lexington Insurance Company increased its capacity for commercial domestic property insurance by an additional $1 billion, raising the total non-catastrophe property capacity to $1.5 billion. Their capacity covers a broad array of North American-based commercial occupancies on any non-catastrophe exposed account, including commercial real estate, manufacturing, municipalities, retail and healthcare risks and can be offered on a global

basis. This new capacity enables large clients with very high commercial property exposure to protect the full breadth of their commercial property assets.

- C.V. Starr has a new property operation writing both general property and builders risk coverage. Maximum capacity is $10 million.
- Torus and Barbican are new London facilities
- Bermuda continues to attract new capital to the island mainly focused on the reinsurance markets.
- Everest Re Bermuda has made a business decision not to write direct and facultative property business
- Ending of the IRB monopoly in Brazil

EMERGING TRENDS

Pressure is being exerted on the markets to increase key sub-limits of coverage. Underwriters are starting to consider caps and/or flat deductibles for CAT perils. CAT percentage deductibles beginning to drop below 5 percent, but these typically achieved only with the highest quality of underwriting information.

Multi-year programs are beginning to become available. These become appealing as markets are looking to lock in a steady level of premium over an extended period of time, while clients gain a level of long term premium certainty. These are structured as:

1. A truly non-cancellable policy for the duration of the policy term.
2. A multi-year contract, with certain caveats that permit either side from exiting the contract at the policy's 12th month anniversary(s). On the carrier side, these usually relate to loss history, change in reinsurance protection, change in underwriting philosophy.

Typically carriers will insist on premium payment upfront for the entire multi-year term. The challenge for many clients is having the cash flow to meet this requirement. Obviously, alternatives are available via Aon Premium Finance.

Market continues to be accepting of the Aon Manuscript Property Policy form. We have seen success in mitigating traditionally mandated market form changes to the wording.

Quality of underwriting data still is paramount when negotiating a program with critical wind, earthquake, and flood exposures. Availability of secondary modeling characteristics are often the drivers for the most competitive quotes available from the market. Without inputting these secondary metrics, many of the modeling fields default to the "worse case scenario," which isn't always indicative of the true exposure base.

Treaty Reinsurance Market

Insurers lay off a portion of their exposure to natural catastrophe risk in the reinsurance market through treaty mechanisms that follow the fortunes of the insurer.

Key drivers of the softening reinsurance marketplace

1. Lack of significant catastrophe losses
2. Stability of catastrophe models

3. Excellent property reinsurance results
4. Softening rating agency models
5. Significant capital inflows
6. Re-insurer growth goals

January 2008 Treaty Renewals

- The January 1, 2008 reinsurance market was a market that reflected discipline on both sides of the transaction.
- Clients expected lower prices due to exposure management initiatives as well as the steadily increasing capacity in the reinsurance marketplace, including capital markets, as well as their own balance sheets
- Re-insurers understood they were coming off pricing that was relatively near the peak of the cycle and they carefully targeted reductions

January 2008 Catastrophe Renewals

- The only significant structural changes were decreased catastrophe limits for complex Commercial Lines insurers where limits were down 15 percent to 20 percent. We believe these changes were driven by insurer's increased capital and softening rating agency requirements for catastrophe exposed business during 2007.
- Uncertainty surrounding the FHCF 2008 structure and its ability to timely finance capacity similar to that expiring possibly limited the rate on line decreases for Florida exposed programs. Growth in coastal pool assessment exposures now a clear consideration in the reinsurance program structure and pricing.
- Some terms and conditions improved modestly; but clients emphasized maximum price reductions at this renewal.
- A number of "sidecars" were non-renewed. Over $2 billion of "sidecar" capacity was taken off the table. This is a reflection of deteriorating expectations from capital providers to these facilities. This has the effect of taking capital out of the risk taking market and may serve to have a stabilizing effect on pricing.
- Capital markets expansion will continue. Capacity, term, security and pricing in the capital markets remains attractive and will continue to be used as a reinsurance market cycle hedge.

January 2008 Treaty Renewals

- Property per risk renewals were down between 10 percent - 12.5 percent
- Clients found ample capacity and some commercial insurers sought increased line capacity.
- Many per risk programs for larger account writers renew later in the year.

KEYS TO SUCCESSFUL PROPERTY RENEWAL

Timing remains a major issue. Most renewals with significant catastrophe risk potential are still requiring almost all available time leading up to inception, in order to finalize program placements. Driving forces include: the sheer volume of quotes requested of underwriters; a more rigorous modeling process (a bottleneck); and accounts being quoted and re-quoted as more options are explored to control/reduce pricing. This is much less of a problem for accounts that do not have significant natural catastrophe exposure. The key is to start early and devise an effective communication process so that all involved in the renewal will have access to real time status.

An early, comprehensive renewal strategy is also critical to achieving a successful property program in any market. Options should be prepared and prioritized well in advance of the renewal. This strategy enables buyers to manage the impact of market actions.

Preparing exposure data (values), related modeling (wind and earthquake modeling) and other analyses in advance of marketing is a must. Accurate reporting of exposures is the initial step to differentiation and should paint a thorough picture of the insured's risk. Detailed COPE data is also a must. Time element exposure analyses, especially contingent business interruption and business continuity planning, are particularly compelling in demonstrating the effectiveness of a risk management program.

Insureds should distill risk management practices and philosophies into a concise presentation that includes relevant risk metrics and quantifiable successes. This should be demonstrated in the property risk control information that is integral to any submission

In all, the best renewal results are in direct proportion to the quality of information in which underwriters are asked to consider the risk. By investing in the steps outlined above, clients can reap significant financial returns.

TERRORISM MARKET UPDATE

Executive Summary

- The Terrorism Risk Insurance Act (TRIA) of 2002 was extended by amendment on December 22, 2005 and again on December 26, 2007.
- TRIA requires insurance carriers to "make" terrorism risk insurance "available" in its property & casualty policies.
- TRIA is triggered when the Treasury Secretary, in concurrence with the Secretary of State and the Attorney General, certifies that an incident meets the TRIA definition of an act of terrorism.
- To be certified, an event must cause at least $10 million in aggregate property and casualty insurance losses, and take place on U.S. soil.
- Each participating insurer is responsible for paying out a certain amount in claims – a 20 percent deductible – before Federal assistance becomes available.
- For losses above a company's deductible, the federal government will cover 85 percent, while the insurance carrier contributes 15 percent in "coinsurance."
- For 2008, the aggregate insurance industry deductible is $27.5 billion – losses below this amount are subject to mandatory policyholder surcharges following an event in order to pay back funds remitted by the U.S. Treasury above insurance company retentions.
- Losses above $27.5 billion are not subject to a mandatory surcharge.
- Losses covered by the program are capped at $100 billion and insurers exposures are specifically capped at their individual deductible and co-insurance retentions.
- TRIA does not cover auto, life, health or other personal lines of insurance or reinsurance.

TRIEA 2005 Extended with Reauthorization Act of 2007:

On December 18, 2007, the House of Representatives passed extension legislation for TRIEA in the form of the "Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA)," mirroring legislation put forth by the Senate and passed into law by the White House on December 26, 2007.

The TRIPRA 2007 Reauthorization Act contains six key changes to prior TRIEA 2005 Act:

1. A seven (7) year extension term (until 12/31/14);
2. The inclusion of "domestic" acts of terrorism in the definition of covered or "certified" events;
3. Accelerated post event payment provisions for reimbursing the federal government via surcharges for events below a certain insured loss threshold (USD27.5 billion) as well as additional discretionary recoupment provisions;
4. A cap on insurer retentions that clearly defines that insurers are only responsible for their respective coinsurance and TRIA deductible exposures and cannot be looked to for funding losses in excess of the USD100 billion annual aggregate backstop;
5. Requires U.S. Treasury to craft regulations for notifying Congress of the potential for TRIPRA's USD100 billion annual aggregate cap to be exceeded and to determine how losses above this amount will be pro rated amongst insureds; and,
6. Changes the "recoupment" provisions of TRIA to essentially accelerate repayment of the difference between insurers retained losses and government payments to insurers for individual or aggregate losses that don't go above USD27.5 billion in any one TRIPRA "Program Year". The repayment via surcharges is now subject to a defined schedule for repayment and the surcharge cape that existed before has effectively been removed for repayment of government funds for losses below USD27.5 billion.

Signature into law by the White House on December 26, 2007 was excellent news for insureds, insurers and the U.S. economy in general. On December 31, 2007, the Terrorism Risk Insurance Program (TRIP) office overseen by the U.S. Treasury published additional Interim Guidance re the impact of the Reauthorization Act changes, which can be summarized as follows:

1. Once the Bill was signed into law it became effective for all placements with a renewal date on or after December 26, 2007 – as of the day the Reauthorization Act was passed into law.
2. For all new and renewal offers of coverage for covered P&C lines, insurance carriers will be obligated to comply with the new inclusion of "domestic acts of terrorism" coverage effective 12/26/07, with no waiting period for making this mandatory offer of coverage for all new and renewal policies negotiated on or after that date.
3. In-force or mid term placements, where the original "make available" mandatory offer of coverage was complied with at the initial time of the renewal offer of coverage (i.e., under the old TRIEA 2005 requirements) will **not** be required to make available the expanded coverage under the Reauthorization Act.
4. Any policy with a so-called "pop up" or "sunset" clause that excluded or limited coverage after December 31, 2007 based upon TRIA not being renewed will require a new offer of terrorism coverage under the revised definitional requirements of TRIPRA 2007 for the balance of the in-force policy term.
5. Also, while somewhat unclear, it would appear that any policy that was to take effect in 2008, but was negotiated and bound in 2007 (including before December 26, 2007) is required to "make available" terrorism coverage under the new Reauthorization Act coverage definition.

6. The terrorism definitional change, and several of the other aforementioned changes, will require insurance carriers to change the wording for their "Mandatory Disclosure Notices" that they are obligated to attach to quotes for all covered property and casualty lines backstopped by TRIA. The TRIP Interim Guidance states that changes to this Mandatory Disclosure, focusing primarily on the new USD100 billion cap on insurer liability, must be made in all Mandatory Disclosure Notices by March 31, 2008.

It is important to note that, for onshore captives accessing TRIA directly or for insureds with open market programs, the broader definition of terrorism coverage contained in the Reauthorization Act does not automatically become effective on December 26, 2007. Onshore captives and insurers are only obligated to offer this broader definition of coverage as part of the initial offer of coverage for a renewal or new placement on or after December 26, 2007, but not for in-force policies. If, however, a new mid-term offer is made, that offer of coverage must comply with the new Mandatory Disclosure requirements and it must include coverage as per the new, broader "act of terrorism" definition in the Reauthorization Act.

It is expected that the TRIP office will be issuing additional Interim Guidance and Final Rules re TRIPRA in the coming months.

Aon is very pleased with the final result of the TRIA extension and thanks all parties with a vested interest in the backstop's extension for their diligent efforts in bringing TRIA's extension to a long-term resolution that will assist clients in renewals for many years to come.

Changes to TRIEA 2005 Contained in TRIPRA 2007 Reauthorization Act

Several changes have been introduced with TRIPRA 2007, but the extension is most notable for what hasn't changed – specifically, insurer retentions under the Act.

1. Extends coverage to include domestic terrorism (e.g., Oklahoma City Bombing incident) as well as foreign terrorism (currently only foreign acts are covered) for U.S. based risks – important change for insureds. Foreign assets and risks are still not backstopped by TRIA.
2. Provides for an extension with no increase in the insurer deductible, which remains at 20 percent of the prior year's direct earned premium. Opponents were calling for some form of progressive increase in private market deductibles as part of any extension.
3. Insurers (and Onshore Captives) co-pay or coinsurance remains at 15 percent of losses for conventional terrorism up to USD100 billion.
4. Reauthorization Act clarifies the cap on federal reimbursement to ensure that insurers are "capped" at their respective retentions and will not be required to pay above their respective coinsurance and deductible retention levels.
5. Final compromise Reauthorization Act establishes a Federal Commission on Terrorism Risk Insurance to assess the market for terrorism risk.
6. Reauthorization Act continues to require that insurance carriers "make" terrorism risk insurance "available" in their property and casualty policies for conventional terrorism attacks and now extend this requirement to include coverage for "domestic" as well as "foreign" terrorist acts via a comprehensive "act of terrorism" definition.

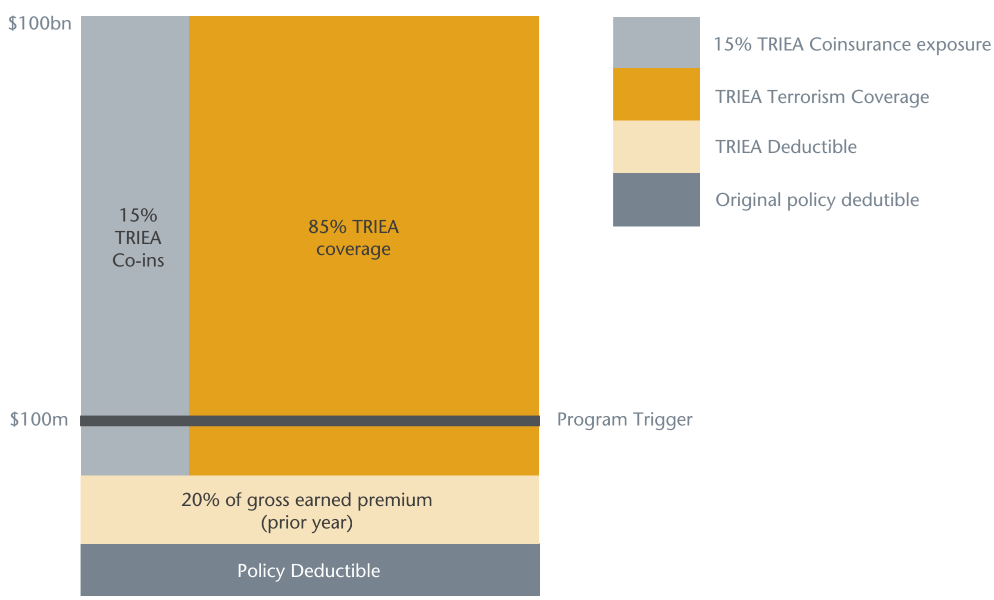
Also, another key change found its way into the Reauthorization Act and effectively solved a major hurdle to TRIA's extension in terms of how Congress was going to pay for the supposed cost of the backstop. As part of the extension debate, the Congressional Budget Office (CBO) published a study that estimated the "cost" of TRIA to the Federal Government to be over USD 8.4 billion over the next 10 years. A lower estimate by the CBO of USD5.1 billion was issued for the Senate version of the Reauthorization Act. The insurance industry and Aon disputed the CBO figure as being entirely arbitrary in terms of the prospective cost of TRIA, but it nevertheless caused issues with the backstop's extension. This presented a procedural hurdle for Congress' passage of TRIREA 2007 in that Congress essentially could not pass legislation that would add to the federal budget deficit under new "pay as you go" rules.

The Reauthorization Act solved the "pay as you go" issue regarding TRIA by building upon the existing Recoupment Provisions of TRIA (under TRIEA 2005, if aggregate losses are below a USD27.5 billion threshold, insureds were assessed a post-event surcharge on all in-force P&C policies of up to 3 percent with insurers remitting these funds to the U.S. Treasury – losses above this level had no surcharge). The Extension Bill effectively accelerates this Recoupment Provision to ensure that the CBO cost estimates are covered for the proposed seven year extension term by:

- Removing 3 percent cap on surcharges and mandatory recoupment level set at 133 percent of the mandatory recoupment amount for a given Program Year.
- Requiring repayment for losses below the USD27.5 billion aggregate loss threshold over two terms (losses between 2007 – 2013 repaid by 2013 and losses after 2011 repaid by 2017)

The Reauthorization Act also leaves open the potential to have additional "discretionary" post-event surcharges levied by the Treasury in the event that Congress – this was a provision in prior versions of TRIA.

TRIPRA 2007 - Retention as of 2008 Program Year



Summary of Key Changes in TRIPRA 2007 Reauthorization Act

- Includes "domestic" terrorist acts in the definition of a Certified TRIA Event
- Provides for a seven (7) year term with no changes to current TRIEA 2005 Deductibles, Coinsurance or Loss Trigger thresholds

- No change in covered property and casualty lines
- Clarifies that insurers are "capped" at their respective retention levels for deductibles and coinsurance exposures

STANDALONE TERRORISM MARKET

The specialty or "standalone" terrorism market continues to provide both short-term and long-term capacity to the property terrorism marketplace. However, this market only addresses the insurance needs of approximately 10 percent of Aon's clients as the balance of Aon's client base continues to rely on embedded TRIA and Non Certified coverage or the option of declining terrorism coverage altogether.

Even with TRIA extended for another seven years, the standalone terrorism market will remain a critical market for clients with significant Tier One or "high hazard" terrorism exposures and clients using onshore captives to access TRIA directly, where reinsurance of retained captive exposures are required or Non Certified terrorism is needed to provide wrap coverage around TRIA coverage gaps – like foreign locations. The take-up rate for standalone terrorism increased substantially in the run-up to TRIA's expiration and 2007 benchmarking indicates that standalone terrorism take-up rates continued to climb as many insureds opted for this market as a hedge against the inherent volatility of pricing and capacity associated with all risk property market offers of TRIA and non certified coverage.

Even with a certain future for TRIA, there will remain substantial pressures that will lead clients to the standalone terrorism markets. For example, corporate governance pressure, foreign exposures not covered by TRIA, lender loan covenants and an increased awareness of the terrorism peril will continue to impact standalone capacity and pricing moving forward. Standalone terrorism rates have not increased to the extent of underlying all risk property rates, but severe capacity constraints continue to exist in certain "Tier 1" cities (Chicago, New York, San Francisco, Washington D.C.). Nevertheless, in 2006 and early 2007, there were some notable increases in standalone terrorism capacity, specifically:

- Lexington (AIG) has now increased (effective the beginning of 2007) their maximum line from USD100 million to USD250 million – and this maximum capacity can be deployed in Tier 1 "high hazard" zones.
- Lloyd's of London syndicates have increased their line sizes and number of new syndicates have filed revised business plans to offer standalone terrorism – increasing theoretical Lloyd's capacity from approximately USD500 million to USD700 million.
- A "Class of 2005" Bermuda market entrant, Lancashire, can now provide USD100 million of excess standalone capacity on all risks – including "high hazard" accounts or zonal areas.

Also, the standalone terrorism markets have demonstrated an increasing willingness to alter their standard "T3/T3A" form (as well as the newer "T4/T4A" form) to track with underlying all risk property coverage terms and conditions (and sublimits) for key coverages that were previously excluded by these forms, such as:

- Contingent "Time Element"
- Interruption by Civil Authority
- Loss of Ingress or Egress
- Service Interruption Property and "Time Element" combined
- Demolition and Increased Cost of Construction Including "Time Element"

- Miscellaneous Unscheduled Locations
- Research & Development
- Royalties
- Property in Transit
- Brands & Labels/Control of Damaged Property
- Fine Arts
- Accounts Receivable
- Valuable Papers and Records
- Electronic Data Processing & Media
- Automatic Coverage for Newly Acquired Locations
- Seepage and/or Pollution and/or Contamination amendment to standard T3/T3A wording
- Debris Removal
- Architect and Engineering Fees

Moreover, for key Time Element/Business Interruption exposures, the standalone forms can now be tailored to offer:

- Loss of Profits and Gross Revenues (or whatever BI basis is used to calculate a loss)
- Extra Expense
- Rental Value and Rental Income
- Royalties
- Leasehold Interest
- Extended Period of Indemnity that tracks with property policy
- Business Interruption/Loss of Profits period that tracks with property policy

These extensions of coverage are not a "given" and must be negotiated on a case-by-case basis and weighed against other considerations, such as pricing, aggregate capacity constraints and high hazard exposures, but these extensions are becoming more commonplace. TRIA's extension will likely cause standalone terrorism markets to become even more competitive relative to terms and conditions for U.S. risks.

Pricing for standalone cover generally decreased by 10 to 15 percent in 2006 for U.S.-situated risks, although some large accounts generated 20 to 30 percent plus rate decreases on renewal. Foreign situated risks are generally seeing reductions in the 5 percent – 15 percent range. This is impacted by the fact that many foreign corporations have access to state pools and often do not buy as much limit. This has resulted in excess capacity for foreign locations - hence the downward movement in rates. Currently, standalone terrorism rates range (as a percentage of Total Insured Values) between 1.0 percent to 0.001 percent, but pricing remains very much dependent upon occupancy, property subclass of business and, most importantly in "High Hazard" areas, the actual ZIP or Postal Codes where major assets are located.

Aon does expect continued rate movement downward in 2008 unless there is a major terrorism incident, large natural catastrophe loss or TRIEA fails to renew. It stands to reason that TRIPRA 2007, with a period of seven years, will only add stability and capacity to the terrorism marketplace, thereby continuing downward trends in standalone terrorism pricing and rates.

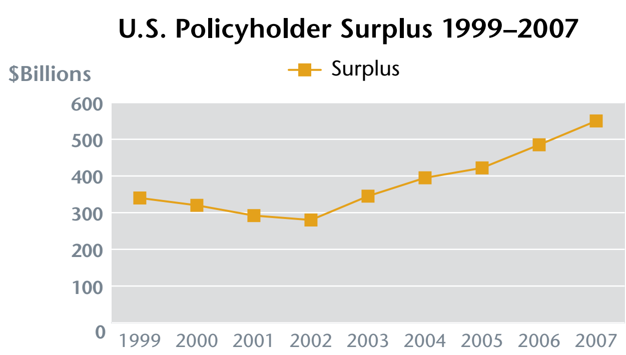
Standalone terrorism market capacity
As of May 2007

Underwriter	S&P Rating	Best's Rating	Normal max. Line ($)	Absolute max. Line ($)
Lloyd's of London (UK)	'A+' (Lloyd's S&P rating)	'A' XV (Lloyd's rating)	705,000,000	755,000,000
AIG/Lexington (US)	'AA+'	'A+ p XV' (Lexington rating)	100,000,000	250,000,000
Arch Insurance Company	'A-'	'A r XV'	15,000,000	25,000,000
Axis Specialty (BER)	'A'	'A XV'	150,000,000	200,000,000
Glacier Re (EUR)	N/A	'A-' IX	15,000,000	15,000,000
Hannover Rückversicherungs (EUR)	'AA-'	'A XV'	10,000,000	10,000,000
Lancashire (BER & UK)	N/A	'A- XII'	100,000,000	200,000,000
Montpelier Re (BER)	'A-'	'A-' XIII	50,000,000	50,000,000
QBE Insurance (Europe) Ltd.	'A+'	'A u XIV'	25,000,000	30,000,000
Total			1,875,000,000	2,290,000,000
National Indem. Company (US – Berkshire)	'AAA'	'A++ g XV'	$500,000,000	$1,000,000,000
Total incl. Berkshire			$2,375,000,000	$3,290,000,000

EXECUTIVE SUMMARY

Market conditions affect all insureds

As U.S. property & casualty industry policyholder surplus surged to an estimated $550 billion at year-end 2007, the casualty market continued in a softening mode with program and rate improvements the norm. Most insurers continue to be profitable from underwriting results and/or investment income. The following is an A.M. Best summary of U.S. property & casualty results. Note: U.S. P/C policyholder surplus decreased $60 billion from 1999 through 2002 *but increased $270 billion* from 2002 through 2007. The traditional measure of underwriting profitability is the combined ratio and the results below indicate that market softening is eroding this measure.



P/C Industry Combined Ratio	
Calendar Year	Combined Ratio (%)
1999	106.5
2000	108.0
2001	115.8
2002	107.4
2003	100.1
2004	98.1
2005	100.7
2006	92.7
2007	93.8
2008*	97.3

*Projected

2007/2008 (to date) Results

The U.S. property & casualty industry in 2007, with an estimated combined ratio of 93.8 percent, ended the year with near record profits of approximately $60 billion and U.S. policyholder surplus reaching $550 billion. With overall strong underwriting results, combined ratios at or below a 100 percent for five straight years, this is by far the best ever in the history of the industry. As noted above, without significant catastrophic losses, the combined ratio for 2008 with overall softening rates is estimated to reach 97.3 percent. As the combined ratio approaches 100 percent, returns for insurance companies will become progressively less competitive with the Fortune 500 group (according to Fitch). This competitive situation has also resulted in a relaxation of terms and conditions.

With excess capacity and rising surplus (in the wake of several non-catastrophe loss years and in the face of intensifying competition and softening market conditions) 2008 should be a challenging year for the U.S. property & casualty industry to maintain pricing and underwriting discipline. Better-than-expected underwriting results, driven by a sharp decline in catastrophe losses; overall favorable loss reserve development and loss frequency trends; and solid investment returns helped propel the industry's net income to record levels and allowed insurers to recover from their hurricane losses of 2005. As a result, insurers were able to strengthen their capital position, which ultimately will provide added protection against the next mega-catastrophe.

Due to basic economics, increased profitability leads to increased capacity and competition resulting in lower insurance premiums. Further, as capital is redeployed from catastrophe-prone exposures to loss (i.e. wind and earthquake), the capital will seek premium in more predictable lines of coverage such as casualty, driving further softening of the market. Further, carriers will increase their net lines as reinsurance rates fail to decrease at the same rate as retail rate decreases.

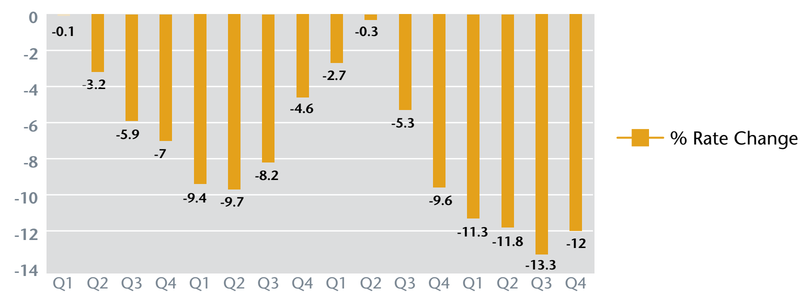
Premium costs to the insured are the ultimate display of market conditions reflecting industry profitability, anticipated investment return, carrier market share objectives and levels of available industry capital/surplus. The following charts display the significant rate decrease pressure experienced over the last several years. General liability, auto liability and workers compensation premiums have seen rate decreases since the first quarter of 2004 and these rates have continued to decrease, ranging from -5 percent to as much as -20 percent annually. Mid-sized and large accounts are enjoying the largest rate decreases.

Carriers will strive to:

- Understand and hedge pure catastrophic risk
- Uncover new business opportunities
- Make their organizations ever-more efficient
- Maximize their risk management operations
- Provide broadened coverage commitments for superior risks
- Attach capacity more aggressively

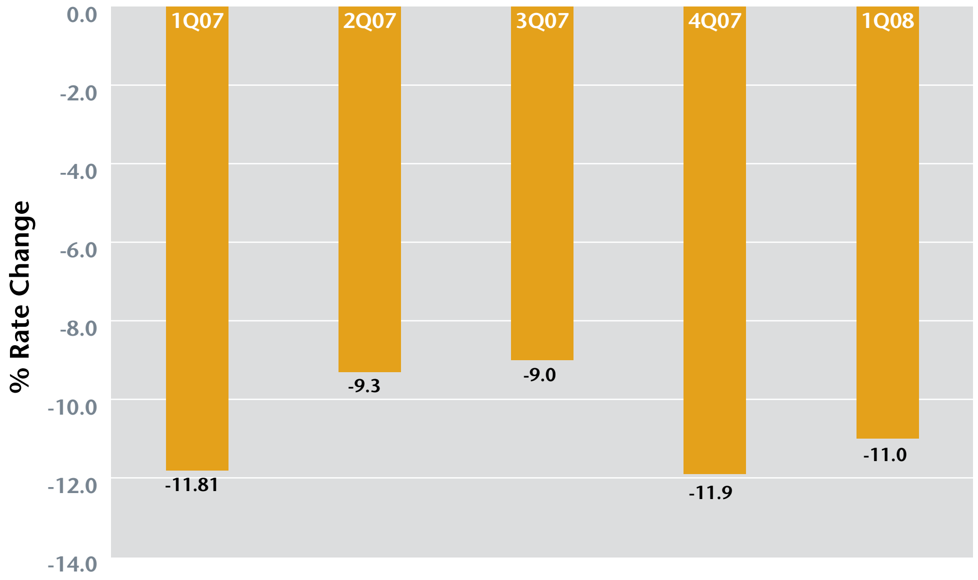
The following charts summarize property & casualty commercial premium rate changes experienced by quarter starting in 2004 through the end of 2007. The fourth quarter of 2005 through the third quarter of 2006 demonstrates the impact of Katrina. However, the move back to substantial rate decreases accelerated thereafter.

Average Commercial Rate Change, All Lines (1Q:2004 - 4Q:2007)



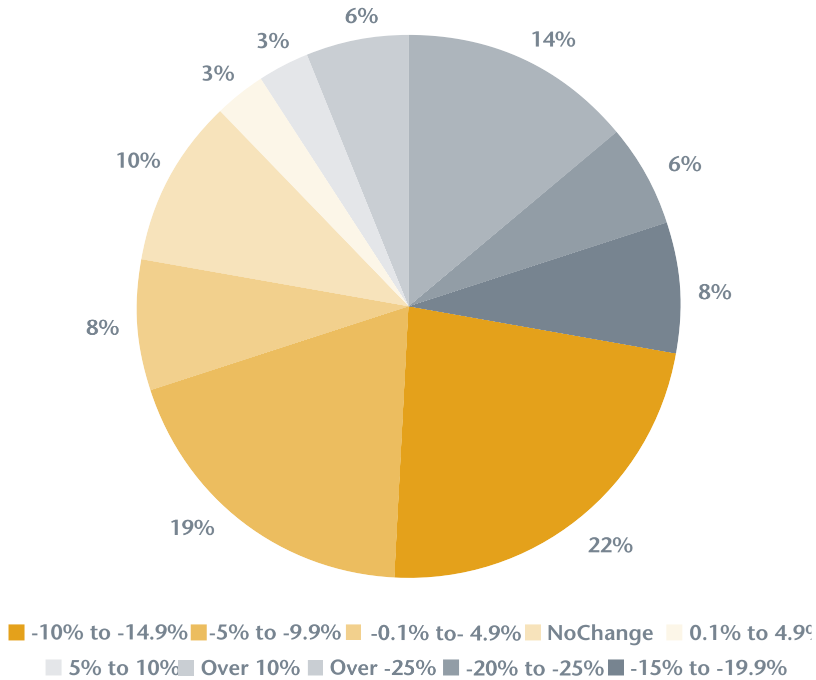
The chart above included rate change benchmark data supplied by the Council of Insurance Agents & Brokers across a broad spectrum of commercial accounts. The following charts contain Aon client benchmark data demonstrating rate decreases (2007 compared to 2006) experienced by coverage type followed by a detailed distribution of rate changes for that particular line of coverage by size of decrease/increase. We start with workers compensation, followed by auto liability and general liability:

Workers Compensation Average Year-over-Year Rate Change

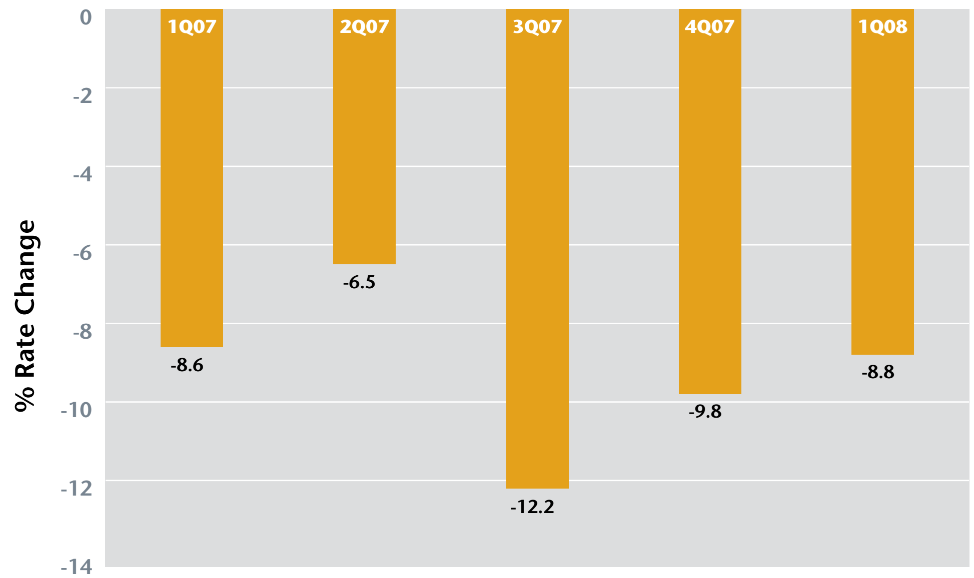


2007 Workers Compensation Rate Change Distribution

(Some accounts experienced flat rate renewals or even rate increases. This was generally due to large claims, changes in risk exposure or attachment at lower deductibles)

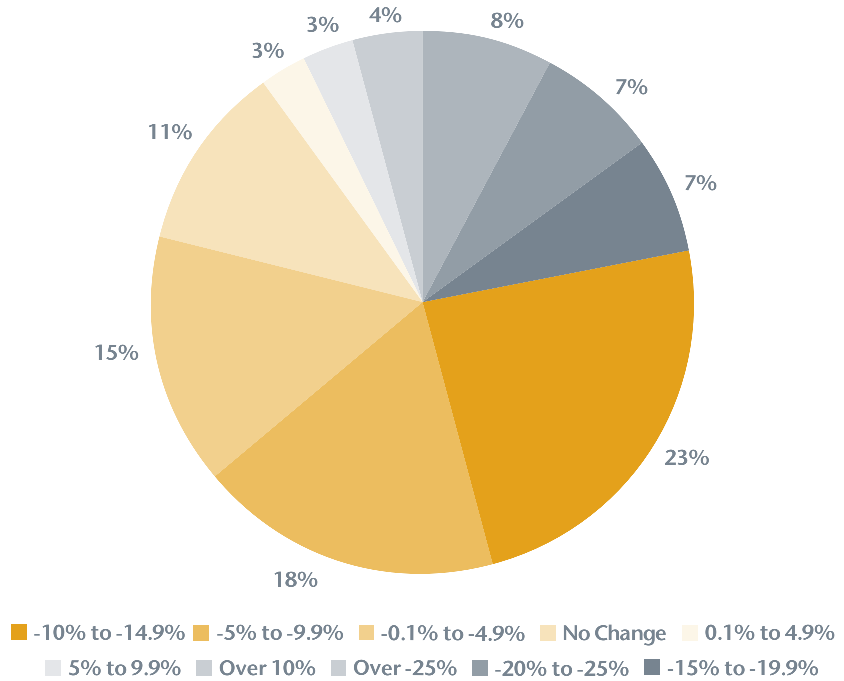


Auto Liability Average Year-over-Year Rate Change

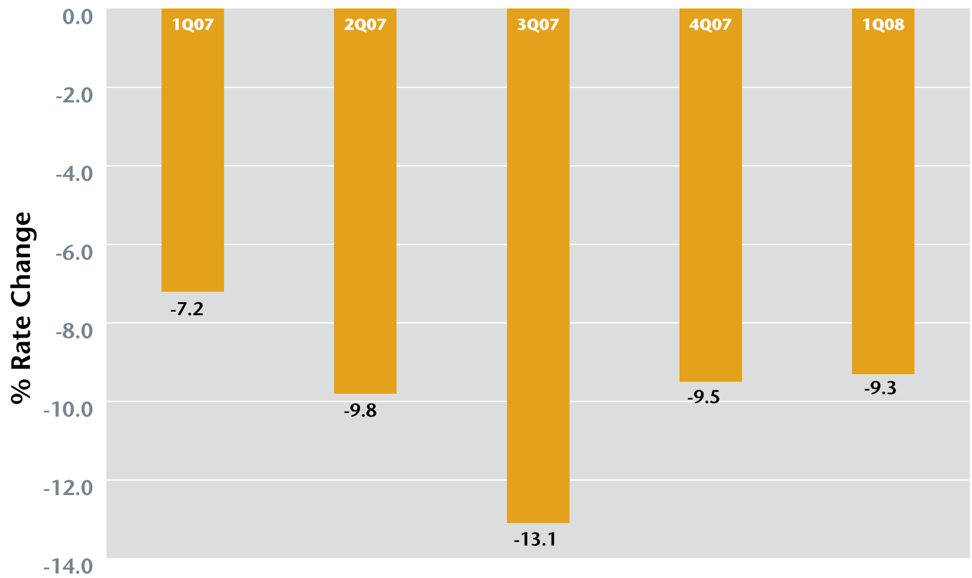


2007 Auto Liability Rate Change Distribution

(Some accounts experienced flat rate renewals or even rate increases. This was generally due to large claims, changes in risk exposure or attachment at lower deductibles)

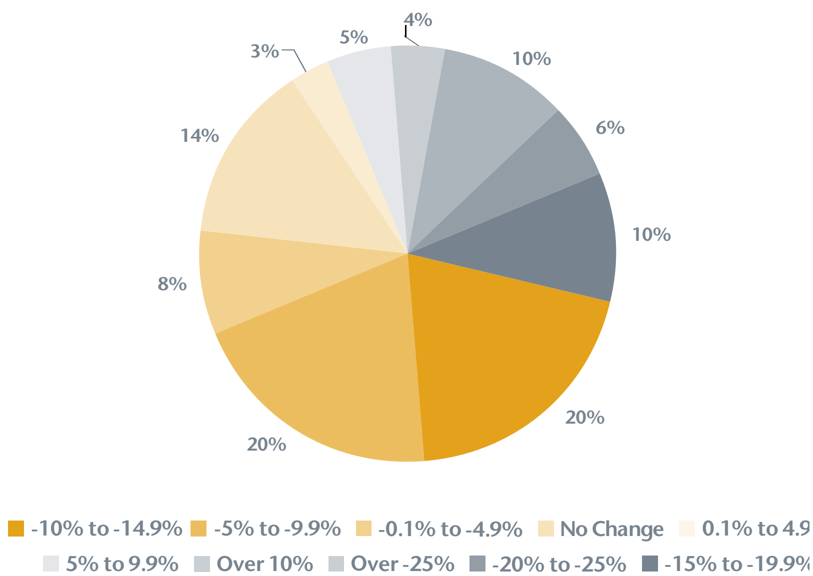


General Liability Average Year Over Year Rate Change



2007 General Liability Rate Change Distribution

(Some accounts experienced flat rate renewals or even rate increases. This was generally due to large claims, changes in risk exposure or attachment at lower deductibles)



Outlook: 2008 and beyond

Deterioration in the combined ratio is anticipated for year end 2008 and into 2009 partially due to the falling premium levels with rate decreases accelerating along with increasing softness in the reinsurance market where casualty reinsurance rates have fallen 5 percent – 15 percent in 2007 (according to Aon Re). Aon Re has seen further reinsurance rate drops of up to 10 percent – 15 percent in January of 2008.

The prominent characteristics of the casualty market in 2008 and beyond are as follows:

- Soft market conditions continue, with client program improvements resulting from competition, merit and/or exposure change (without major natural catastrophes or terrorism events)
- P/C combined ratios will reach 105 percent – 110 percent over the next three to five years
- There is continuing insurance carrier focus on acquisition and retention of quality insureds.
- The U.S. tort system remains an issue, but is not worsening. Tort system costs as a percentage of GDP have decreased, and reforms have prompted optimism. Introduction of products liability reform.
- Underwriters continue to question exposure, loss experience and underlying terms and conditions. Individual account underwriting continues. Quotes are directly linked to the particular account's risk and retention profile.
- Client-specific experience, exposure, form and attachment points continue to have the greatest impact on pricing; with specific industry and account exposure change/experience exceptions.
- Insureds considering the transfer of risk at lower levels at under-priced premium levels.
- Carriers will strive for growth but insurers will be challenged to sustain growth in the next three to five years with margin compression accelerating.
- With these prevailing conditions, consolidation is more likely
- Operational Transformation - to focus on better business alignment and expense control

Premium rates have been declining faster than a year ago as increased capacity (surplus) has become available. In that regard, net written premium growth (NPW) has stalled with net written premiums expected to potentially reach negative growth of .3 percent in 2008 (according to the Insurance Information Institute), leveling for the next several years. What does this current NWP trend foretell about the current state of affairs and predictions for the future? Before the last hard market, during the period 1994 to 1999, net written premium growth moved as follows:

Calendar Year and P/C Net Written Premium Growth Summary

1994	1995	1996	1997	1998	1999
+3.7%	+3.6%	+3.2%	+3.0%	+2.2%	+2.3%

During the next three years, NWP growth jumped as high as 14 percent as the hard market of 2001 to 2004 gripped the insurance market place. Except for a minor increase in NWP in 2006 due to Katrina, the stage appears to be set for another round of NWP contractions. This could be the pre-cursor of a hard market to come sometime after 2012. As expressed in the chart below, if NWP results follow these estimates, it could signal the conclusion of the soft market.

Calendar Year and P/C Net Written Premium Growth Summary

2007	2008*	2009*	2010**	2011**	2012**
+0%	-.3%	-.7%	-.9%	-1.7%	-1.6%

* Insurance Information Institute estimate   ** Following the 1994 to 1999 trend

Even with a heavier than expected catastrophe loss scenario in 2008, premium rates for non-catastrophic exposures to loss will continue sharply softening as capital is redeployed to less catastrophic exposures to risk.

PRIMARY CASUALTY INSURANCE

Pricing

Competition continues to put pressure on the market for large casualty risks. Risk transfer rates above client loss retentions for workers' compensation, primary general liability and automobile liability risk transfer products continue to move aggressively in downward direction, depending on risk characteristics. Our informal January 2008 "Rate Renewal Benchmark" revealed some significant rate reductions offered by incumbent insurance carriers in an attempt to preclude competitive bidding situations. However, accounts with hazardous/catastrophic exposures to loss did not enjoy the same level of rate reductions.

Businesses with good credit ratings and favorable risk characteristics can expect overall reductions averaging 5 percent to 15 percent on year-over-year total cost, including insurer administrative expenses. More substantial rate decreases are possible for high-quality accounts that are subject to strong competition. However, not all insureds are receiving rate decreases. Accounts in financially challenged businesses and those with unfavorable loss experience are most susceptible to rate increases. Fewer competitors vie for business with these characteristics.

Finally, the costs for state assessments, surcharges, second injury funds, etc. (referred to as "pass-through costs") continue to increase. In that regard, individual costs need to be analyzed for accuracy.

With regard to specific cost components, the cost to our clients to obtain financial responsibility* ("fronting") from high-quality insurance carriers is driven by the state of the market and by the level of competition. This cost can vary considerably based upon the insurance carrier's assessment of risk transfer assumed in the program (above client retained loss), the level of services provided to the insured (specialized IT, significant actuarial support, cost allocation support and overall "client business" support activities) and the level of collateral required to support the insured's retained loss.

The chart below outlines some recent survey results for financial responsibility "fronting" services. Generally best-in-class pricing for "Fronting" (minimal risk transfer and unsupported by other lines of insurance (i.e. standalone) would run as follows:

		Cost
First $5M of expected loss	5.0%	$250,000
Next $10M of expected loss	1.5%	150,000
Next $35M of expected loss	75%	262,500
Next $50M of expected loss	.50%	250,000
	(Could go to .25%)	
Total expected loss $100M =		$912,500 (.91% average est.)

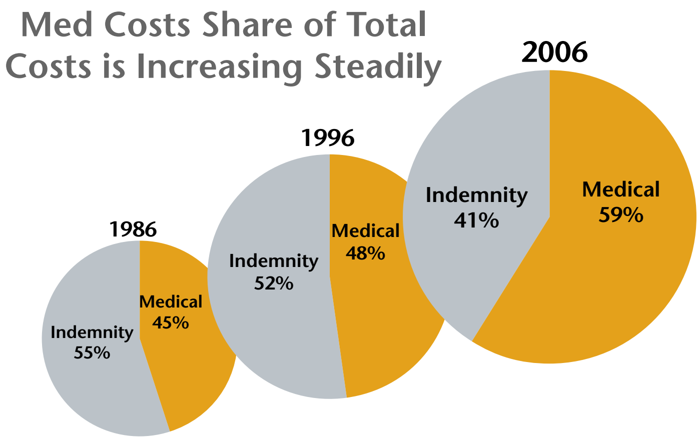
(*) This cost includes charges that cover the Insurers' expenses such as salary, rent, travel, audits, actuarial, underwriting, policy issuance, licensing within the 50 states and capital to support premium quotes. Also, this includes the delivery of automobile ID cards and workers' compensation posting notices where this is provided by the insurer.

Lowest price surveyed was $107 million expected loss with fronting at $425,000 (however 100 percent LOC's) the highest price surveyed was cost in excess of $2,283,000 for $89 million expected loss. Specific samples of cost for "fronting" services are outlined as follows:

Benchmark Company 1	$89.9M expected loss @ 2.5%
Benchmark Company 2	$54.4M expected loss @ 1.4%
Benchmark Company 3	$73.0M expected loss @ 1.2%
Benchmark Company 4	$43.4M expected loss @ 1.4%
Benchmark Company 5	$48.0M expected loss @ 1.2%

Specific issues relative to other major pricing components of primary casualty programs are as follows:

- **Commercial Automobile.** Insurers have granted significant rate reductions (from 5 percent to 25 percent) for 60 percent to 70 percent of insureds. This line has been more favorably influenced than general liability and workers' compensation by increased reinsurer participation as the year has progressed. Reinsurers are hungry for business, and automobile is typically the line that softens first. This is in spite of the fact that most underwriters feel automobile liability rates are at last adequate for what has been a loss leader in the past.
- **General Liability.** Rates on risks with good loss experience are decreasing in the range of 5 percent to 15 percent. Also, some insurers are becoming more aggressive by including allocated loss adjustment expense (ALAE) within the deductible. We have seen many instances where ALAE was moved from a pro-rata share basis to full inclusion within the deductible amount.
- **Workers' Compensation.** Double-digit inflation of medical costs over the past few years continues to increase insureds' loss experience, most notably excess of deductible experience. It is now estimated that about 15 percent of all workers' compensation loss dollars are attributed to claims in excess of $250,000. However, we expect to see rate decreases ranging from flat to 25 percent for up to 75 percent of all workers compensation business throughout 2008 as a result of competition as well as some favorable statutory changes. Insureds with high concentrations of employees in major metropolitan locations must constantly demonstrate best-in-class terrorism prevention programs and processes.



Source: NCCI (based on states where NCCI provides ratemaking services).

Major corporations with large self-insured retentions of loss should see renewal pricing "rate changes" in line with the following benchmarks:

Excess WC Rate Renewal Benchmark Survey
Fortune 500 Companies

Company	WC Per Occurrence Loss Retention	Excess WC premium rate per $100 payroll	2006 rate reduction or increase over previous rate	2007 rate reduction or increase over previous rate
Retail	$3,000,000	0.0367	0%	0%
Heavy Mfg.	25,000,000	None	-	-
Financial	500,000	0.0520	-12%	-20%
Heavy Mfg.	3,000,000	0.0748	-8%	-12%
Services	2,000,000	0.0770	-8%	-22%
Food Mfg.	1,000,000	0.0920	-1%	-9.2%
Financial	1,000,000	0.0415	-4%	-8%
Retail	5,000,000	0.0600	-12%	-10%
Transportation	25,000,000	0.0300	-14%	-49.0%
Technology	10,000,000	0.0282	24.5%	4.8%
Retail	5,000,000	0.0250	-5%	-10%
Services	4,000,000	0.0299	27%	0%
Financial	1,000,000	0.0950	-34%	-10%
Transportation	2,500,000	0.0129	-5%	-14%
Services	1,000,000	0.1000	-2.5%	12%
Publishing	2,000,000	0.0310	-17%	-51%
Retail	1,500,000	0.0519	-3.5%	-1.5%
Vehicle Retail	1,000,000	0.0547	-8.5%	-11%
Retail	1,000,000	0.0450	-33%	-4%
Communications	3,000,000	0.0251	-20%	-13.5%
Heavy Mfg.	1,000,000	0.0735	-24%	-11.5%
Food Services	2,000,000	0.0282	0%	-15%
		0.0507	**-7.6%**	**-12.1%**

It is far more difficult to predict the magnitude of the increases in surcharges and assessments imposed on the insurers by the various states. Typically, these surcharges and assessments are for guaranty funds, second injury funds and other administrative funds. If more insurer insolvencies occur, guaranty fund assessments may increase. Currently there are major changes occurring in several states that could impact cost in this area.

In summary, primary casualty cost components have decreased considerably throughout 2007 and we are already experiencing further market softening in 2008.

Collateral (for loss sensitive "deductible" programs)

There is intense competition to offer substantial collateral credits for high credit quality insureds. Carriers are offering as much as 24 months of expected claim payment credits for the highest credit worthy companies. Generally, carriers will set an overall unsecured amount of credit that they will accept for a particular insured based upon their overall financial evaluation and credit agency ratings. However, as the level of credit quality for the insured decreases to below investment grade, carriers may seek to include collateral in amounts exceeding outstanding retained liabilities ("penalty amounts").

Deductibles/Loss Retentions

Retention levels increased significantly after 9/11 and have not, in general, retreated to prior levels. In many instances, retentions are at such a level that further increases will not yield meaningful savings. However, alternative deductible/loss retention due diligence analysis should be a standard procedure associated with every renewal process. This should incorporate a thorough review of client initiatives in terms of claims management and loss reduction/elimination. Significant client investments may signal an increased risk reward strategy or vice versa.

Capacity

There have been few meaningful changes in the number and quality of carriers actively writing large primary casualty business with at least 12 viable markets competing for this business. However, not all of these carriers are targeting jumbo accounts, those with expected losses in excess of $10 million. This segment of the market is limited primarily to ACE, AIG, Discover Re/Travelers, Liberty Mutual, Old Republic and Zurich. Hartford is also vying to compete in this market. Although there are fewer markets competing for this business, competition remains fierce. One very interesting result of the softening market is the desire by multiple line carriers to look at opportunities to underwrite portfolios of risk using multiple product offerings.

As rates have declined, the market has been in flux with the recent exit of two insurers from the market and the entrance of two new players.

XL Insurance, which is operating solely out of New York, and Arch Insurance, meanwhile, have entered into the primary casualty risk management market and are helping to sustain competition. Arch, a traditional regional structure, has brought fresh capacity and new ideas to large risk underwriting. Unencumbered by legacy issues, XL and Arch can expand at whatever rate they deem appropriate.

Coverage Issues

The uncertainty of emerging risks is resulting in underwriters restricting coverage, as they fear the unknown or the next asbestos. Some areas of concern include: silica, mold, electromagnetic fields (EMF), bovine spongiform encephalopathy (BSE), and genetically modified food and labeling. Insurers are generally unwilling to offer primary general liability policies with unlimited defense obligations on accounts that are perceived to have any of these exposures.

Captives (as a risk financing tool for primary casualty exposures to loss)

New captive formation still continues with businesses exploring captives as a way to help offset the economic impact of higher pricing and reduced coverage. While fronting insurers remain available, they are taking a harder look at the credit ratings of the parent organizations and in many cases require additional security. Furthermore, since fronting insurers are responsible for TRIA exposures, they may become more cautious and selective in participating in captive plans.

While tax minimization and deferral is one of several reasons for forming a captive insurance company, these risk financing and risk transfer vehicles are primarily formed to provide coverage for parent organizations at acceptable prices, for various economic reasons. These reasons may include:

- The unavailability of coverage or the cost of coverage associated with hard market conditions
- Insuring the uninsurable
- Smoothing of historical and potential future losses
- Cash flow benefits
- Unbundling of conventional services
- Consolidating treatments of global exposures
- Reduction of government regulations and restrictions
- Fronting for global reinsurance capacity

Keys to Primary Casualty Program Success (see additional process steps outlined in the umbrella/ excess section)

- A strategic renewal process, requiring a collaborative review of client risk management objectives, exposures to loss, projections of future loss, financial requirements and a detailed projection of the casualty insurance market in terms of competition and bidding strategies. This must include an accurate assessment of client catastrophe risks and controls in place to minimize such risk. Client risk reduction/elimination initiatives must be thoroughly articulated and measured regarding their impact on future client risk characteristics. In addition, the optimal approach to market competition and/or incumbent "best-in-class" program delivery must be formulated and delivered. This should include relevant benchmark information and appropriate industry data, as well as strategies to achieve the lowest possible levels of insurer required collateral (total projected outstanding liability less paid claim credit for up to 24 months depending upon insured credit ratings). Further, all insurance carrier "pass-through" costs must be examined and a strategy set to produce the lowest possible cost. And finally, carrier/TPA total service costs and services need to be reviewed against best-in-class benchmarks to set optimal renewal objectives.
- Rigorous information and actuarial analysis supporting client risk financing strategies must be incorporated into the evaluation process.
- Detailed underwriting information helps underwriters ensure their continued profitability and understanding of the risk before their offer quotes. Underwriters are scrutinizing loss history and exposure data, and often ask questions that require further research. Arguments in favor of client differentiation can be made, even in the most difficult industry classes.
- Create the most effective client/broker team and marketing/renewal strategy to communicate with the market in order to achieve the optimal result. Leverage overall relationships with carriers to achieve best results.
- Finalize all program contracts and insurance policies utilizing "best-in-class" wording modifications that inure to the benefit of the insured. Produce contract certainty as soon as possible.

UMBRELLA AND EXCESS LIABILITY INSURANCE

Overall Picture

P&C Industry Profitability	↑	**2007: 14%** **2nd best since 1988** **Net Income(est.) $60B**
P&C Insured Losses	↓	**2007: Est. Combined Ratio 93.8** **(Deterioration mode)**
Excess Casualty Premiums	↓	**Rates 2007: – 9%** **Rates 2008: Jan – 10%+**
Coverage	↔	**Underwriting Scrutiny Continues**
Capacity	↑	**Increase overall**
Demand	↑	**Increased Demand –** **Increased Severity Trends**

- Capacity is increasing due to anticipated economic opportunity, new as well as increased capacity from existing markets.
- Rates continue a downward trend with average rate decreases in the double digits - some insured and/or industry exceptions;
- Premiums generally remain flat as opposed to adjustable; markets willing to accept change in exposure base where appropriate, e.g., revenue vs. units.
- Trend toward individual account underwriting continues, with quotes directly linked to the specific account risk and retention profile.
- Underwriters continue to be willing to consider cogent arguments about changes in exposure or organization that could mitigate or eliminate future losses.
- Willingness of carriers to consider multi-year options appears to be evident, but implemented multi-year deals remain scarce.
- Attempts at non-price differentiation continues in the lead layer marketplace, e.g., offering of assistance in the event of a catastrophic loss (being offered by AIG and ACE)/*primary* Accidental Death & Dismemberment coverage within lead layer placements (Lexington - $5,000,000 aggregate).
- Punitive damages affirmative coverage/wrap remains generally available; pricing increased slightly as a percentage of on-shore premiums.
- Terrorism generally available with some foreign exposures requiring specific operations and/or security information.

Capacity

- There is still approximately $2 billion of total available capacity in the excess casualty market for U.S. risks; some with restrictions on industry, coverage forms and/or size of insureds. Currently, the maximum available for any single risk is approximately $1 billion.

- New capacity is entering the excess casualty marketplace to try to take advantage of the favorable investment marketplace, both new carriers, e.g., Axis, Bermuda and Berkshire Hathaway, and UK access and additional capacity available from existing insurers such as Lexington UK excess facility. Due to basic economics, this should lead to continued/increased competitive pressure on excess layer pricing.
- There are limited lead, first and second layer options for more difficult industries and risks but competition for market share remains fierce.

Pricing

- During 2007, approximately 50 percent of insureds saw lead and total program decreases of 10 percent or more.
- Overall lead and excess layer pricing continues to be competitive with about half of rate decreases generally in double digits; restructuring can help drive further premium reductions. Expect previous rate decreases to be taken into consideration for 2008 renewals.
- Scrutiny of increased exposure can help ensure limited impact, e.g., increased revenue due to increased product/service pricing/fuel surcharges as opposed to increased volume or exposure. Where applicable, insureds may want to consider less fluctuating exposure base, e.g., number of units as opposed to revenue.
- Punitive damages wrap coverage saw some increases in rate and/or minimum premiums in 2006 and 2007 as insurers providing this coverage continue to establish independence from on-shore underwriting unit(s). Coverage affirmative (without wrap) tend to take into consideration total underlying premiums inclusive of wrap costs. Where available and appropriate, insureds might consider "Most Favorable Jurisdiction" endorsement wording as an option – often available without additional premium.

Underlying Limits

- Lead layer underwriters are scrutinizing terms and conditions of scheduled underlying in attempt to ensure no drop down except resulting from aggregate depletion.
- Insureds and underwriters paying strict attention to aggregate and per occurrence, especially large automobile fleets. Within certain classes and program structures, separate retentions and sub-limits may be required. Well-qualified actuarial and analytical services can help establish the most advantageous retention in the context of a company's overall cost of risk.
- Most umbrella and excess insurers continue to require underlying limits with allocated loss adjustment expenses outside the indemnity limit/retention erosion.

Generally, we continue to recommend that Insureds spend premium dollars purchasing higher catastrophic limits rather than reducing retention levels.

Coverage Issues

- Coverage remains restricted in umbrella and excess casualty placements; i.e., unusual enhancements are generally limited or not available. Aon's Umbrella & Excess Casualty Practice has developed a list of endorsements for many lead carriers to help ensure the best-in-class coverage available to our clients. Pushing the envelope may yield some results – carriers desire to remain competitive on all levels.
- Coverage exclusions may be added for specific exposures as a result of individual account underwriting, some driven by reinsurance restrictions.

- Industry-specific product exclusion lists continue to evolve, especially in the pharmaceutical, biotech and chemical industries.
- The ever changing landscape of emerging risks currently include:
  - Electromagnetic fields (EMF)
  - Bovine spongiform encephalopathy (BSE)
  - Genetically modified food and labeling,
  - Generic drugs
  - Indoor air quality (IAQ)
  - Methyl tertiary butyl ether (MTBE)
  - Water softeners
  - Silica
  - Building material chemical additives
  - Pandemic/vaccines (especially for health industry)
  - Other chemicals, e.g., diacetyl, acrylamide and PFOA (Teflon chemical)

Mitigation of Coverage Restriction(s)

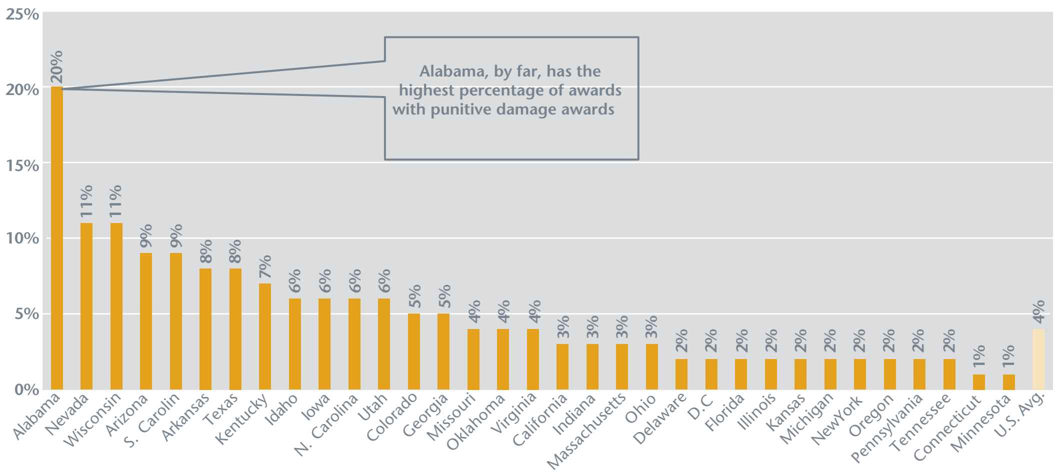
- Insureds who find their most significant exposure excluded or limited might reconsider their risk transfer position on product liability and exploring self-insurance or other option. In the current competitive marketplace, we recommend seeking creative options to exclusion(s) or self insurance of such risks.
- Hone exclusions to their least potential impact by coordination of markets and face-to-face negotiations in markets including the United States, Bermuda and Europe. For example, exclusion may apply mainly to a certain product or business service, but this is not specified in the exclusion language. We recommend negotiating to ensure the exclusionary language limited to those specific products or services as opposed to being applicable across the board.

Punitive Damages Coverage

- Punitive damages affirmative coverage, generally available, is restricted or not available in some markets; some markets exited the "wrap" are using different forms such as "Most Favorable Jurisdiction" or requiring a separate arbitration clause (federal or off-shore) to ensure ability to enforce the contract.
- The majority of large corporations continue to purchase affirmative punitive damages coverage at an additional cost. Before declining this coverage, we recommend that Insureds carefully consider possible scenarios where the lack of this coverage could put them in an adversarial position with their insurance carrier in the event of a large punitive verdict against them.

Regarding punitive wrap damages coverage, some markets have taken a conservative approach and eliminated or changed the way they offer the coverage but in general, punitive wrap coverage is available. The following chart summarizes punitive damage awards experienced by state.

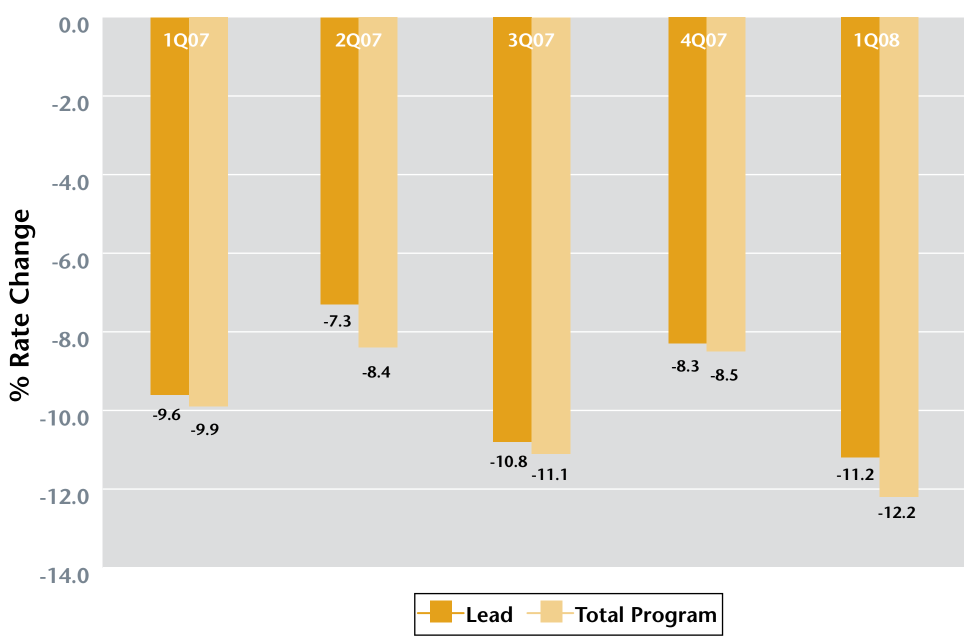
% of Jury Awards with Punitive Damages, by Jurisdiction 1998–2004*



*Data for AK, HI, LA, ME, MD, MS, MT, NE, NH, NJ, NM, ND, SD, VT, WA, WV and WY were listed as "N/A" by JVR. Several of these states had above-average punitive award rates in previous issues of the JVR publication. Source: Jury Verdict Research, *Current Award Trends in Personal Injury* (2006 edition).

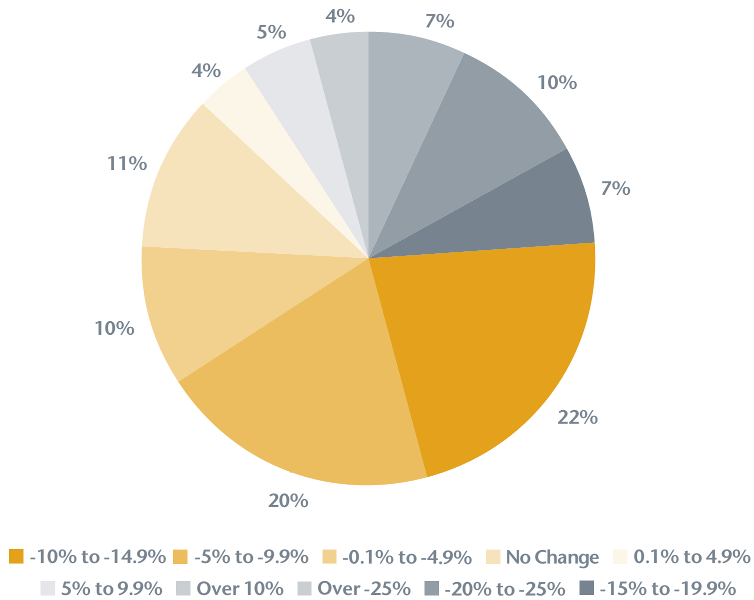
The following three benchmark charts set forth Aon data for umbrella/excess programs placed in 2007:

Umbrella/Excess Liability Average Year-over-Year Rate Change (07 vs. 06 & Jan. 08 vs. Jan. 07)



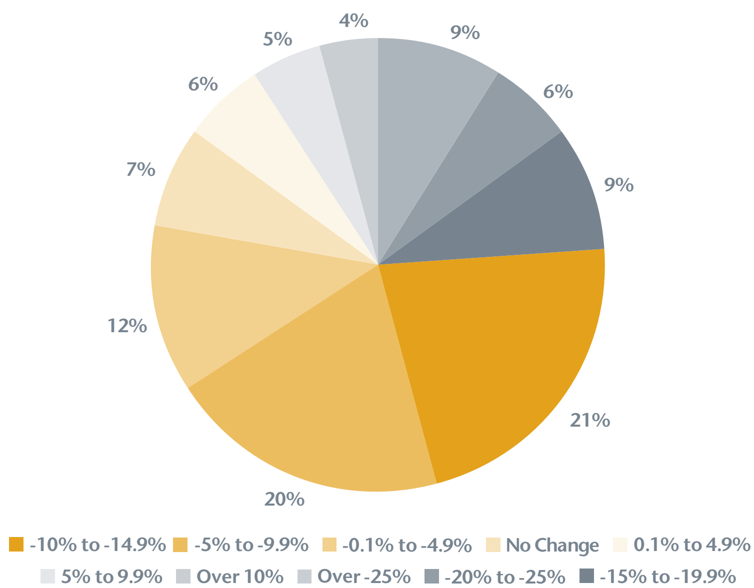
2007 Umbrella/Excess Liability Rate Change Distribution – Lead Umbrella

(Some accounts experienced flat rate renewals or even rate increases. This was generally due to large claims, changes in risk exposure or attachment at lower underlying limits)



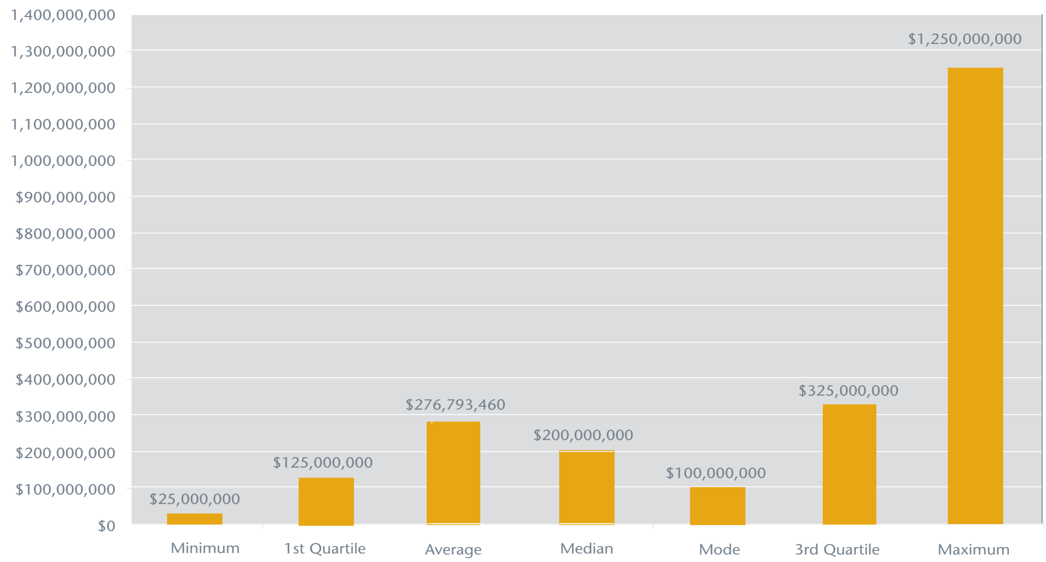
2007 Umbrella/Excess Liability Rate Change Distribution – Entire Umbrella Program

(Some accounts experienced flat rate renewals or even rate increases. This was generally due to large claims, changes in risk exposure or attachment at lower underlying limits)



This next chart summarizes the range of total limits purchased by Fortune 500 companies:

Umbrella/Excess Liability Limits



The following chart sets forth the overall cost per $1,000 of revenues for the purchase of umbrella/excess liability coverage for 2006. This cost continued to decrease throughout 2007 by almost 15 percent.

Umbrella/Excess Insurance:

2006 Cost of Insurance per $1,000 Revenues				
Revenue Range in Millions	First Quartile	Median	Third Quartile	Average
0-$100	0.58	1.79	4.80	2.86
$100-$250	0.50	0.92	1.79	1.35
$250-$500	0.17	0.59	1.51	1.23
$500-$750	0.18	0.49	1.10	0.94
$750-$1,000	0.22	0.46	1.30	0.84
$1,000-$2,500	0.15	0.42	0.90	0.74
$2,500-$5,000	0.14	0.21	0.48	0.39
$5,000-$10,000	0.09	0.21	0.45	0.42
Over $10,000	0.06	0.15	0.28	0.26
Total	0.16	0.44	1.18	1.04

Source: RIMS Benchmark Survey (2006)

Alternative Risk Transfer Options

Each client's specific profile and risk financing objectives will drive the alternative risk transfer decisions. According to the A.M.Best Co., more than 40 percent of commercial lines premium has now left the traditional insurance market. Sophisticated commercial customers in recent years have turned increasingly to captives and other alternative markets. However, a softening market will attract more classic risk transfer. Brief summaries of some alternative risk approaches follow.

Integrated Risk & Multi-Year

Integrated risk program is one in within which more than one line of insurance are consolidated. The structure usually has a single overall aggregate limit, sometimes on a multi-year basis. Integrated risk is one of the few areas where some underwriters continue to offer multi-year policies – usually three years, but sometimes up to five years.

- Attachment points may vary for line of coverage in an integrated risk program.
- Generally provided on a catastrophe level attachment, an integrated program may provide efficient and effective catastrophe levels of risk transfer typically above a market-driven retention.
- Often multi-year, integrated risk programs generally include annual premium adjustments only for changes in exposure base.

Blended and Finite Risk Solutions

Blended and finite risk mechanisms are currently under intense scrutiny. Any insured considering these should have the support and advice of accounting and legal consultants from the beginning.

Finite Risk:

- Finite risk is traditional coverage financed in a non-traditional way, e.g., an insured may fund the desired limits over time, deducting a credit for cash flow value and perhaps reversionary interest.
- Finite risk is used mainly when other options have been exhausted;
- Because much of the benefit of this finance mechanism depends on anticipated investment income, as the investment market improves, the value of a finite risk approach improves.

Blended Finite Risk:

- Blended finite risk insurance is the combination of self-insurance with valuable risk transfer protection under one policy for a combined premium.
- It is often used when desirable or necessary traditional risk transfer methods are overpriced or unavailable.
- Blended finite risk is best used in a tri-party arrangement involving the client, broker and underwriter to structure the solution around a pre- or post-loss funded structure, achieving cash flow referral should the client need it.

As noted above, we highly recommend early involvement of accounting and legal advisors when considering such an approach.

Swing Plans (for excess buffer layer)

Offered by limited markets, swing plans tend to be of great interest to certain insureds although the softening market is reducing the need for this approach.

- Similar to a retro plan, the initial swing plan premium is subject to later adjustment upward or downward, depending on the actual risk and loss results over a multi-year period.
- Generally available on a multi-year, single or double aggregate limit; claims-made, occurrence-reported basis or occurrence form.
- Specific time frame and calculation for determination of the final premium. In some cases, Insureds may be able to commute, or give up, their coverage for a return of a large portion of the original premium.
- Interest in these plans tends to be greatest when cost of risk transfer is extreme compared to limits, especially in the lead layer, and finite risk is not a viable or desirable option.

KEYS TO SUCCESS (COMBINED PRIMARY CASUALTY AND UMBRELLA/EXCESS)

Preparation continues to be the key to a successful marketing process. We recommend the following process as used by Aon's Primary Casualty and Umbrella & Excess Casualty Practice, which brings together the collective knowledge and experience from all of Aon's resources:

Phase I: Pre-renewal

- **4–6 months prior to renewal:** Initial Strategy Meeting – Market conditions review; issues identified; market options reviewed; agree goals, objectives and timeline to renewal. This includes a written strategy document and markets to be approached to client.
- **4–5 months prior to renewal:** Collect, verify, analyze and organize information to ensure the best possible submission to underwriters; create submission; retention options evaluated; finalize strategy, marketing/brokerage plan.

Phase II: Execution

- **3–4 months prior to renewal:** Submission to markets, key market client meetings (preferred between 30 and 75 days prior to renewal date)
- **20–25 days prior to renewal:** Underwriting proposals due; renewal proposal meeting with client- options discussion and agreement on final execution
- **10–15 days prior to renewal:** Final negotiations and bind coverage.

Phase III: Post-renewal

- **7 days post-renewal:** Open Items List developed
- **30 day intervals:** Open Items List updated until all items closed

Focus on Risk Differentiation:

- Differentiation in written and verbal presentations assists underwriters in seeing the merits of the individual insured as opposed to viewing an account as part of an industry or class, even in the most difficult industry classes.

- Provide underwriters with a clear view of risk mitigation techniques including risk management practices and philosophies including relevant risk metrics to measure success.
- Insureds with difficult products should address these products specifically in these presentations, ensuring that the underwriters comprehend the product specifics as opposed to only the publicly available information.
- Reviewing with underwriters the largest individual losses and techniques employed to avoid similar future losses can make an impact.
- Underwriters' questions should be answered as fully as possible; full disclosure is recommended.

While directors' and officers' liability insurance ("D&O") renewal purchasing in 2007 and 2008 has resulted in premium decreases for most clients, the complexity of the product has continued to increase in many respects due to the greater array of available alternatives and contract enhancements. In second quarter 2008, the D&O marketplace is in a tremendous state of flux characterized by greatly reduced insurer capacity and significant premium increases for financial services firms and mortgage REITs (particularly those having disclosed sub-prime exposure), in sharp contrast to the abundance of capacity and continued substantial premium decreases for most commercial clients. Meanwhile, securities class action claim frequency grows apace, the stock market continues to deteriorate, a recession is threatening, allegations of improper disclosure are rampant, rising plaintiffs' bar firms are aggressive in negotiations, and the industry's current underwriting of commercial D&O is probably not sustainable. Essentially insurers and all market participants are "holding their breath" awaiting either a large insurer consolidation or failure or other event trigger to turn the market to D&O pricing increases for all risks. Ironically, despite the level of insurer concern, broad coverage amendments remain available.

In 2008, an individual client's experience in the D&O marketplace will vary depending most significantly upon the client's ownership, size, industry and risk profile. The most impactful underwriting differentiation is based upon ownership.

PRIVATELY-HELD COMPANIES

Loss experience is far less than that experienced by public companies in both frequency and particularly severity. There is abundant insurer capacity (in excess of $400 million) as both large and small D&O insurers fight for market share leadership in this space and the leading insurers for privately-held firms are Chubb, AIG, Travelers and Hartford. As a result, privately-held companies (without even publicly traded debt) exist in a continuous "soft" marketplace with respect to D&O insurance, and currently premiums are decreasing by 5 - 10 percent upon renewal. The product is usually offered in combination with employment practices liability insurance (typically viewed as the most significant liability exposure for management of private firms) and fiduciary liability insurance, and corporate liability protection is broadly granted. Crime insurance and kidnap, ransom & extortion insurance are regularly included by many insurers, and with some may also offer workplace violence, or network or media liability insurance. Many insurers are releasing favorable new policy forms in 2008.

Limit purchasing varies between $1 million to $10 million most typically with the larger firms purchasing between $10 million and $200 million, for an approximate average of $15 million. Increasingly privately-held firms are also purchasing non-indemnifiable Loss/Side A coverage for their management, with this trend including approximately 15 percent of purchasers currently. Retentions are small, typically ranging between $5,000 and $500,000, with a few companies having retentions of $1 million to $20 million, for an average of $138,000. Limits, retentions and premiums all increase by multiples when these firms plan for initial public offerings.

PUBLIC COMPANIES

Publicly traded companies are differentiated in the D&O marketplace by size, industry and risk profile. Two underwriting "bright lines" continue: one based upon market capitalization, and one based upon industry or sector.

Market Capitalization/Company Size

More favorable underwriting exists for companies having a market capitalization of less than $5 billion, and preferably under $1 billion, as statistical data suggests that class action securities litigation frequency and claim severity are significantly reduced for such companies.[1] Many insurers respond very aggressively to such smaller market cap and micro-cap companies. Companies above a $1 billion to $5 billion market cap face a more limited marketplace in terms of: potential insurer participants, primary and excess insurer alternatives, greater premiums, and reduced insurer flexibility with terms and conditions. Within the Fortune 100 and the greater than $10 billion market cap segments, conditions tighten even further based upon the negative historical claim trends associated with those segments. Insurers' strong preference in 2003 - 2005 had been to avoid granting indemnifiable loss coverage altogether for the Fortune 100, but this has lessened in 2006 - 2008 and for many firms of this size (other than financial services firms), indemnifiable loss coverage and even entity coverage for securities claims is more readily available than in prior years.

Business or Industry

The second bright line, in addition to each client's individual risk profile (including financial performance, quality of management, culture, reputation for controls, disclosure etc.), is the particular client's business(es) or industry(ies). The historical trends for D&O claim *frequency* have been more negative for the financial services, healthcare (including life sciences and pharmaceutical companies), information technology, and telecommunications sectors for large cap companies; and more negative for the financials services, healthcare, information technology, and utilities sectors for small and mid-cap companies. The historical trends for D&O claim *severity* have been most negative for the financial, industrial, telecommunications, information technology and health care sectors for large cap companies; and most negative for consumer staples, energy and utilities sectors for small and mid-cap companies. The financial services and information technology sectors have been the most consistent claim leaders with negative claim trends over the last two decades. While favorable insurer results mitigated client industry differentiation in D&O underwriting in 2007, in 2008 class underwriting is rampant again and within these sectors it is important to emphasize favorable comparables to competitors and the industry group overall. In 2008 there is strong consideration given to each company's sub-prime exposure and recession correlation.

Sub-prime Affected Industries: In 2007, following the collapse of the housing market in the United States, the securities and businesses tied to real estate investments began to deteriorate. The end result has been over $250 billion in write-offs by primarily financial institutions (mortgage lenders, investment banks, banks, insurance companies, corporations, REITs, construction firms, etc.) in the U.S. alone, and international financial institutions domiciled outside of the U.S. have begun to take write-offs as well. Goldman Sachs predicted global write-downs of $1.2 billion (with $460 million of that total from the U.S.), Lehman subsequently predicted total global write-downs of $400 billion. Fitch's Ratings announced insured sub-prime-related loss estimates on April 9, 2008 of $3 - 4 billion and stated, "Fitch believes that the majority of these losses will be borne by the largest writers of primary and excess D&O." (Note that industry D&O premiums are estimated, inclusive of some financial products premium, to approximate $10 billion.). Another D&O-relevant feature of these write-downs has been the terminations of many senior managers and CEOs. Kevin LaCroix in his D&O Diary blog has tracked over 62 sub-prime related securities class actions, 20 derivative actions and 11 ERISA actions but notes that the line is starting to blur as to what constitutes "sub-prime-related."

[1] Historically class action securities litigation settlement ranges have approximated 2.5 to 7 percent of security holder damages, translating into $2.5 million to $7 million for a $100 million stock price drop, but $*25 million to $70 million* for a $1 billion market cap drop.

Any business found to have a material exposure to sub-prime risk is being severely penalized by D&O insurers with 50 – 500 percent premium increases, retention increases, and in some cases real reduction of available capacity, particularly for indemnifiable loss and entity securities claims. (The Fed actions following the Bear Stearns announcements helped shore up faith in non-indemnifiable loss protection, otherwise that pricing was poised to rise rapidly.) In fact, due to broader D&O underwriting concerns for profitability across commercial companies, insurers are actually engaged in a "feeding frenzy" as they seek to take full advantage of the significant pricing increases being levied on financial services firms. In 2008 all non-financial services businesses are also queried as to the nature and extent of their investments and those for their pension funds, to determine if sub-prime or auction rate securities exposure exists.

Recession Correlated Industries: In addition to the woes of the financial services firms, energy prices and those of many commodities (metals, corn, etc.) are sky-rocketing and reducing returns across a wide variety of industries. Additionally there is concern that the U.S. economy will move into a full-fledged recession (potentially followed by a global downturn) with a corresponding financial impact upon most businesses. Insurers are wary of disclosure risk with such firms (i.e. disclosure of liquidity threats, inability to close M&A transactions, operating impact from unavailable debt financing, etc.) and may be more conservative with pricing decreases and renewal terms. It is increasingly important to meet with D&O insurers to speak to your business' historical experience in economic downturns and its liquidity protections.

2008 MARKET TRENDS

The D&O industry is clearly at a "tipping" point with insurers weighing whether the pain they are feeling as a result of sub-prime related claims and the spike in overall claim activity should translate into broader market pricing change. In addition to the sub-prime crisis, there are many emerging issues of concern relative to directors' and officers' liability insurance in 2008.

Reinsurance Protection Waning

In response to more restrictive terms and pricing from reinsurers, many D&O and financial products insurers have significantly decreased their reliance on reinsurance between 2005 and 2008. AIG, Chubb, and XL purchase only minimal reinsurance, for example. On a positive note, this should lead to increased underwriting flexibility and swifter quoting. However, this does raise the concern that insurers may react more reflexively to negative loss trends, which may result in sharper market spikes. We also believe that insurers' increased "net" exposure has worsened the conservative positioning evident in insurer claim responses and management.

Auction Rate Securities Impairment

These securities may represent the next ripple in the evolving sub-prime and credit crisis. Companies are beginning to report failed auctions relative to auction rate securities. If auction failures continue they may be forced to write down the securities or sell them at a loss. Non-temporary fair value declines also impact corporate earnings. Further, reclassification from a short-term instrument to a long-term instrument could have liquidity debt covenant implications. Claims related to disclosure of auction failures and auction rate securities write-offs are beginning to occur, with 12 claims filed in March – April 2008.[2]

[2] These long-term bonds (typically 20 – 30 year maturity) are classified as short-term investments and are priced and traded like short-term debt because their interest rates are reset periodically through Dutch auctions – which are typically held every 7, 28, 35 or 90 days and which represent the company's opportunity to sell the securities to gain cash. Glass Lewis & Co. Oct. 29, 2007

Hedge Funds

The size of hedge funds' war chests and their increasing flexing of their muscles in M&A transactions, together with their lack of regulation cause most insurers to note this risk as the probable "next big thing" to lead to a wave of D&O claims.

Multiple Claim Sources

One of the most significant issues for clients and insurers in the D&O marketplace continues to be multiple claim sources. In addition to the traditional class-action securities litigation, claim sources include shareholder derivative suits, opt-out suits, ERISA actions, investigations and claims brought by State Attorneys General, Justice Departments and the Securities Exchange Commission (SEC) and other industry-specific regulatory bodies. This dilemma increases the severity of claims in both defense costs and settlements, which in turn causes excess insurers to question the adequacy of pricing (or rationality of premium discounts to underlying premiums) at higher attachment points. Further, the discovery process for any one of these claims may adversely impact the others, so care is required.

Spiraling Defense Costs

The nature of the new millennium fraud cases has led to more frequent requests for separate counsel due to conflicts between defendants' interests. While the D&O industry's insurers have long supported expert lead counsel supplemented by "local" counsel where appropriate, as well as separate counsel due to conflicts, the probability of legal conflicts between defendants has grown.

The complexity of the cases, electronic discovery, together with multiple defense counsel and multiple claim sources and plaintiffs, have all resulted in an explosion of defense costs. The Insurance Information Institute estimated in 2005 that, when loss exceeds USD100 million, defense costs and expenses average *33 percent or more of such loss*.[3]

Aggressive Position by Insurers in Claims Response and Negotiations

Aon's financial services' legal and claims management practice leader has confirmed an increased aggressiveness by insurers in all aspects of the claims process: initial position letters, narrow interpretations of primary and excess contract language, a presumption of discounting their Limit obligation - paying only cents on the dollar in any settlement on the basis of potential coverage disputes such as timing of notice, etc. (often termed "Limits shaving"), greater reliance upon public policy and disgorgement defenses, greater inflexibility in negotiations, inexplicable positions, and delays in payment. These are the consequences which we had long feared in the wake of greatly broadened policy forms, broad severability, limited conduct exclusions and greatly reduced rescission powers for insurers.

[3] However, in a draft paper, "Markets and Monitors: The Impact of Competition and Experience on Attorneys' Fees in Securities Class Actions," released in December, 2005 Michael A. Perino, a securities law professor at St. John's University examined a random sample of more than 230 settlements between April 1997 and May 2005. Perino found that the involvement of public pension funds has led to significant reductions in attorneys' fee requests and awards. His paper can found at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=870577.

In cases with a public pension fund serving as a lead plaintiff, the mean attorneys' fee was about 20 percent, versus 27 percent in cases led by other types of plaintiffs, Perino found. The public pension funds were more successful in obtaining lower attorneys' fees than union lead plaintiffs, which negotiated average fees of 22 percent, Perino said.

Per ISS Securities Class Action Alert, "More Institutional Investors Are Filing Objections", by Ted Allen, January 2006: Under Rule 23(e) of the Federal Rules of Civil Procedure, a court may approve a class settlement only after finding that it is "fair, reasonable, and adequate." The court will hold a "fairness hearing" to consider any objections from class members. At that hearing, the plaintiffs in favor of the settlement have the burden of proving that the proposed settlement meets this standard, and the court has a fiduciary duty to the class to ensure that the interests of every member are adequately represented.

As required by Rule 23(h), the court also must review the proposed attorneys' fees and has a duty to make sure that the award is not excessive. In virtually all securities class actions, the recovery for investors and the legal fees are paid by the same source (defendants and their insurers), so that a decrease in attorneys' fees will lead to a greater recovery for investors.

Aggressiveness and Unpredictability of the New Plaintiffs' Bar

The abrupt exit of the plaintiffs' bar attorneys that everyone loved to hate, Lerach and Weiss in particular, has actually had a deleterious effect on claims management, defense firms report. Lead defense counsel have reported on a new level of nastiness and aggressive process demands as well as the annoyance of experimental motions by newer attorneys, all of which waste time and increase defense costs.[4]

Severity and Frequency of D&O Claims

After an explosion of D&O claims between 1999 and 2004, the frequency of D&O litigation for all companies returned to post-PSLRA levels through June, 2007, with only 118 "traditional" securities class action suits brought in 2006, down 35 percent from the 2005 total and 50 percent from the 2004 total. 2007 was on track for similar performance with only 67 claims filed through August 2007. (Aon believes that the slowdown was predominantly due to the favorable equity market during that time as well as the turmoil amongst the plaintiffs' bar following the Bershad, Weiss and Lerach indictments.) In the second half of 2007, claims related to the sub-prime crisis, deteriorating returns across varied companies and industries and increased volatility in the equity markets shot upward resulting in 177 total securities class action claims for 2007. Filings have continued at a frenetic pace into 2008 with 48 claims reported in the first three months of the year.

Of course there are many types of D&O claims in addition to securities class action claims and some of those such as derivative claims (where security holders bring litigation on behalf of the Company and which settlements inure to the company), have been rising, even during the slowdown for securities class action claims. Cornerstone Research revealed in its Securities Class Action Settlements 2007 Review and Analysis that over 55% of the cases settled in 2007 were accompanied by the filing of a derivative action, up from 45% in 2006. Further, many of the Options Timing Suits of 2006 resulted in derivative claims rather than securities class action claims.

Of greater concern to insurers and large, publicly traded companies, the severity of securities claims has increased significantly each year since PSLRA's passage - with the exception of 2007 where average securities class action claim settlement severity shrunk from $38.1 million to $25.9 million when the billion plus "outlyer" claims are excluded. However the median size claim increased form $7.03 million to $7.6 million in 2007 and there have been 56 claim settlements in excess of $100 million over the prior five years. To date in 2008, average securities class action severity is back up again, at $39.78 million. Cornerstone Research stated that the total settlement value for 2007 of $7.2 billion paled to the unprecedented 2006 total of $10.6 billion, (and Tyco, the third largest settlement behind Enron and WorldCom represented 45% of that total); however, excluding the four largest settlements, "2007 exceeded all prior years except 2006."

Fortune 100 Fears

The largest firms are more frequently the target of D&O and securities class action litigation and more likely to have severe settlements exhausting most or all of their D&O insurance. The frequency of claim brought against Fortune 100 companies was 13.6 percent on a five year average and 11 percent on a three-year average (versus a 4.9 percent average for three and five years for the Fortune 201 – 500.) In 2007, 34 of the S&P 100 and 58 of the S&P large cap firms were the subject of securities class action claim filings. In 2007, 15 of the S&P 100 and 28 of the S&P Large Cap firms also settled claims in excess of $10 million (not inclusive of defense costs). The five-year average severity of claim for Fortune 100 companies totals $291 million.

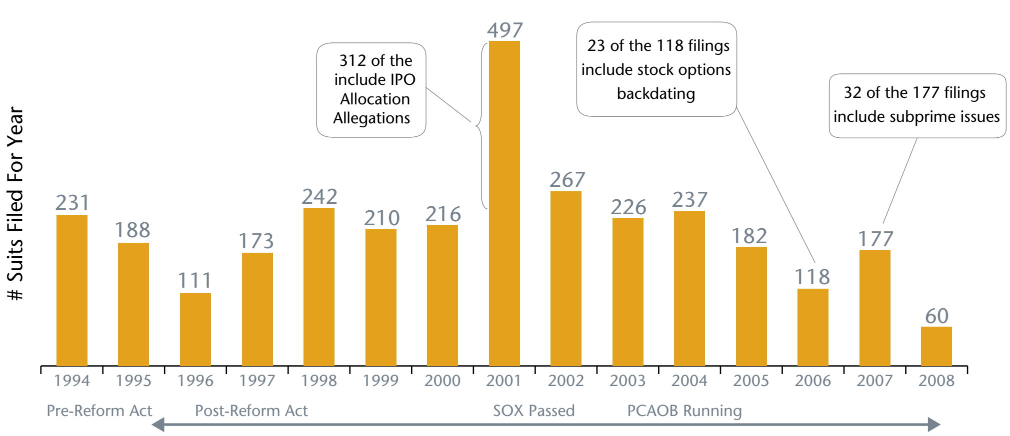
[4] National Underwriter, "D&O Insurer Attorneys Face Meaner Class Action World," by Susanne Scalfane, February 18, 2008.

These statistics support an ongoing correlation between size of publicly traded firm and market cap and size of and susceptibility to D&O claim. And of course a simplistic analysis of potential damages based upon a 10% stock price drop for larger vs. smaller firms confirms the severity potential. As noted, insurers respond more conservatively to such risks. When loss far exceeds Limits purchased (as is often the case with the Fortune 100 due to their large market capitalization) insurers have greatly reduced coverage defenses and negotiation capabilities in a D&O claim and the standard view in underwriting the Fortune 100 is that the Limits are quickly exhausted in a material claim. While Side A only purchasing (with the corporation's liability for personal indemnification and its liability in securities claims self-insured) remains rare (10.5% of the Fortune 200 per Aon data), there is increased conservatism in the underwriting of such programs today following the Bear Stearns events. Insurers fear insufficient liquidity cushions in place at even large firms (particularly outside of the financial services sector where regulatory supports may not exist). **As a result we continue to see a significant differentiation between the underwriting of Fortune 100 and Fortune 101-500 companies.**

Excess Insurer Discomfort

Excess insurers are being buffeted on all sides. Severity trends and the normalization of the occurrence of claims in excess of $100 million have created significant unease for D&O underwriters who had historically viewed excess layers above a $25 – 50 million attachment point as being above the "burn layer" and thus appropriate for discounted pricing. Coverage breadth continues to expand as a result of increased flexibility by primary insurers broadening traditional A/B/C coverage forms – often based upon the realization that their layer will be exhausted by defense costs and thus structured to ensure the participation of any excess D&O insurers in any resultant settlement. Additionally, follow-form Side A coverage is disappearing with many of these layers converting to broad Side A Excess and DIC coverage, with little premium differential for insurers. Clients continue to treat excess insurers as a commodity, often failing to keep them informed of claim progress until a settlement looms. And as "limits shaving" has become the norm in D&O claims handling, excess insurers argue that the true attachment point for excess insurers is eroding (a $100 million excess attachment shrinks to $70 million of underlying insurance payment with 30 percent discounting by underlying insurers). Finally, pricing is falling. In the 1990's excess D&O pricing for layers above $75 – 100 million reached lows of $1,500 per million for the Fortune 1000. Through 2006, high excess pricing generally held to a minimum of $10,000 per million, but in 2008 this is increasingly in the $5,000 – 10,000 range.

Federal Securities Fraud Class Action Litigation



Source: Stanford Law School, Securities Class Action Clearinghouse

Insurer Financial Performance:

Insurer financial strength is relevant in two respects. Any deterioration in profitability is a sign of a potential market turn with increased premiums and the potential of reduced insurer capacity. Secondly, D&O insurers represent long-term counterparty risk as claims typically reach settlement two to four years from filing, and frequently longer; and because, in addition to contract language, part of an anticipated insurer claim response can be based upon relationships. Insurers will be hurt in the economic downturn by the impact on investment income and to the extent that insurance purchasers scrimp on non-compulsory insurance. 2007 data was recently released by the Insurance Services Office indicating that net income after taxes for the property-casualty industry was down by 6 percent from 2006, to $61.9 billion.

Of the D&O insurers, AIG, Swiss Re and XL have each announced over a billion in losses, charges or write-downs related to sub-prime investments; however no significant rating action has followed. While the professional services and advisor E&O exposures are self-insured in part by many large financial services firms, the D&O exposure related to derivative losses, bankruptcy losses and disclosure-related securities class action claims and regulatory investigations are generally substantially insured. Based upon our analysis of Limits placed with insurers in this sector, AIG, XL, Ace, Chubb, Lloyd's, HCC and Hartford are most significantly exposed to loss (AIG in particular represents 45 percent of Aon's financial sector client's primary D&O Limits), but at greater financial risk may be many smaller insurers with multiple $10 million Limit layers exposed. Zurich, a significant primary and excess insurer has recently announced plans to sharply curtail its financial services underwriting.

Of the 43 significant D&O insurers[5], 23 percent are rated AA- to AA+ , 44 percent are rated A+ or A, 9.3% are rated A- and 21 percent are not rated (usually due to being newer) by S&P. Of those, only 7 percemt have a Negative Watch or Negative outlook. Of these same insurers, 86 percent are rated A, A- or A+ by A.M. Best's. Of those, only 11.9% are noted as Negative/Under Review or Negative Affirmed. Further, 60% of the insurers are rated as financial size category XV insurers by A.M. Best's, indicative of surplus and related in excess of $2 billion. 20% of the D&O insurers are rated XI or lower by A.M. Best's, indicative of surplus and related below $1 billion.

International Coverage

Although D&O policies are generally stated to apply to claims “worldwide," as with most insurance products, many countries either will not or may not permit the utilization of non-admitted insurance. Aon has over 150 publicly traded clients who are purchasing admitted D&O coverage in such countries - either via a “tie-in” with the “Master” policy or through separate Limit of Liability purchasing. This global capability has become a point of competitive differentiation in the selection of primary or low excess D&O insurers in recent renewals, with many clients prioritizing Ace, AIG, Chubb and Zurich for such layers as a result. While the pricing impact remains negligible, the process involved in orchestrating cover in one or more of 100 countries, each having different laws and regulation, greatly increases the complexity of the D&O renewal process for all parties.

Much Improved Pricing

Generally, outside of the financial sector, premiums are in a very favorable state for buyers, reflecting abundant insurer capacity (including new D&O capacity from Ironshore and Nationwide), an 18 month let-up in claims activity between 2005 – 2007, and a profitable insurance sector. After

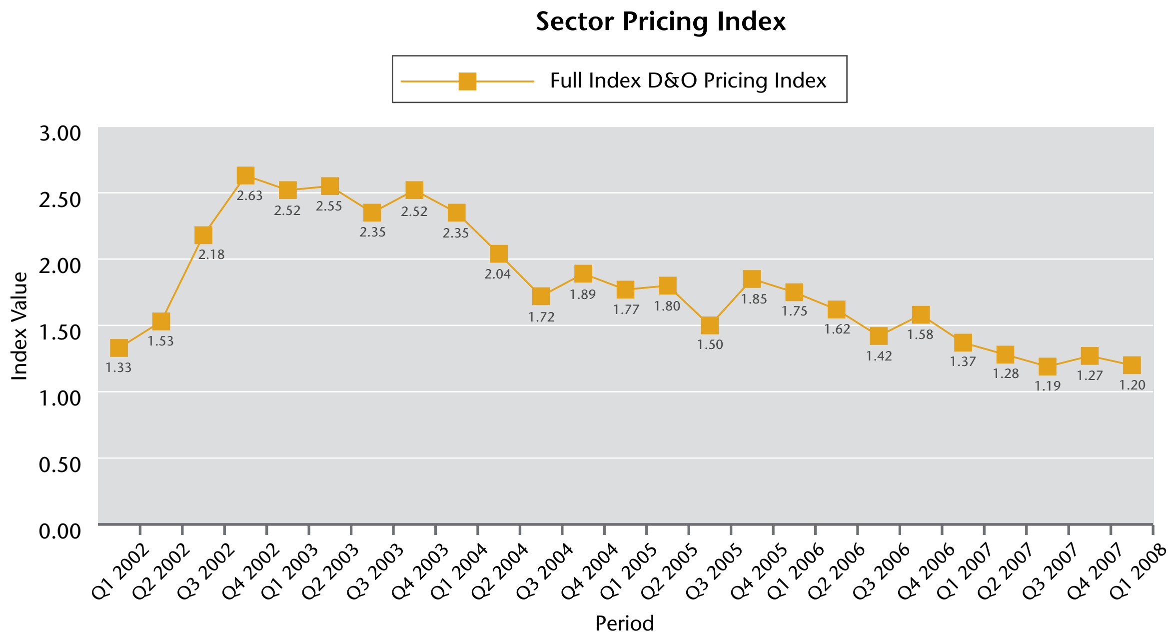
[5] Our count includes insurers from multiple country distribution points (i.e., Ace USA, Ace Bermuda, Ace/CODA and Ace Westchester are counted as 4 companies) but not multiple insurers from the same distribution point (i.e., Houston Casualty and U.S. Specialty paper both from the U.S. HCC distribution point and having identical ratings are counted as one)

incurring little hurricane damage in Fall 2006 and Fall 2007, there has been a scramble for premium resulting in steep discounts from alternative, non-incumbent insurers (15 - 50 percent decreases) while incumbent insurers continue to attempt to hold the line with moderate decreases of 5 - 15 percent from expiring premiums. And this trend may gather steam with the passage of each additional day without significant hurricane impact in Fall 2008 if the sub-prime crisis and recession do not serve to turn the market in Q3 2008. In particular, privately held firms can readily achieve insurer competition to drive premium decreases. We also see a surprisingly level of competitiveness continuing for firms undergoing initial public offerings and Special Purpose Acquisition Companies ("SPACs").

Excess D&O premiums continue to be rated off of underlying layers with typical premium per million discounting ranging from 5 percent to 50 percent. However, in the highest excess layers (excess of $75 million generally), insurers typically provide only a minimal discount or no discount, requiring a minimum premium level for the provision of capital, regardless of underlying rates (but these "minimums" have been dropping). As mentioned, in 2007 - 2008 insurers continue to seek to defray premium decreases for Side A coverage by converting from follow-form coverage to broader excess and DIC coverage. Of course, the decrease in primary insurer competition and the reduction in excess capacity available to the largest commercial corporations, such as the Fortune 100, can result in flat premiums or minimal decreases where risk profile difficulties persist or for clients in the most problematic industries or sectors.

Despite sub-prime pressures on financial services companies and a return to historical claim frequency, Aon's D&O Pricing Index illustrates Q1 2008 premium levels to be below the decade's prior low in Q1 2002; however, on an unadjusted basis premiums are still far higher than that period. This is because the index, based upon premium per million, is also reflective of the greater Limits purchased today – and the greater prevalence of large Limit Side A purchasing. As expected the gap between financial sector premiums is growing with the index displaying a 16 point spread from the pricing for All Other Industries at Q1 2008.

With similar market forces of emotions, herd-mentality and momentum as that of the equity market, the insurance market, particularly for longer term loss payment products like D&O, is irrational and difficult to predict. But the signs of a market turn are present and we are concerned that pricing for commercial firms may trend to flat or small increases in the second half of 2008. For corporations achieving sizeable premium savings to budget, this may be the year to negotiate with a long-term lead insurer to *not* drive premium to the minimum levels in return for extensive coverage enhancements and more objective premium consideration in the next hard market. (The difficulty with this approach is that (1) soft markets last far longer than hard markets do, and (2) excess participants tend to be more of a commodity and less relationship-based.)



Abundant Insurer Capacity

Excluding capacity dedicated to not-for-profit organizations or a single industry, such as those focused solely on healthcare, financial institution or energy companies, publicly traded D&O capacity is approximately $950 million. However this paints an overly optimistic picture as many insurers regularly offer less than their stated "maximum" capacity[6] where indemnifiable loss coverage is included, and many have restrictions on aggregate capacity utilization between their different distribution points – such as between the United States, Bermuda and Europe. Despite diminishing capacity through (1) consolidation, (2) insurers exiting industry groups or the public company sector, and (3) insurers which were downgraded such that they no longer met client or broker requirements; the D&O marketplace has been regularly replenished by the creation of new facilities supported by readily available venture capital funding.

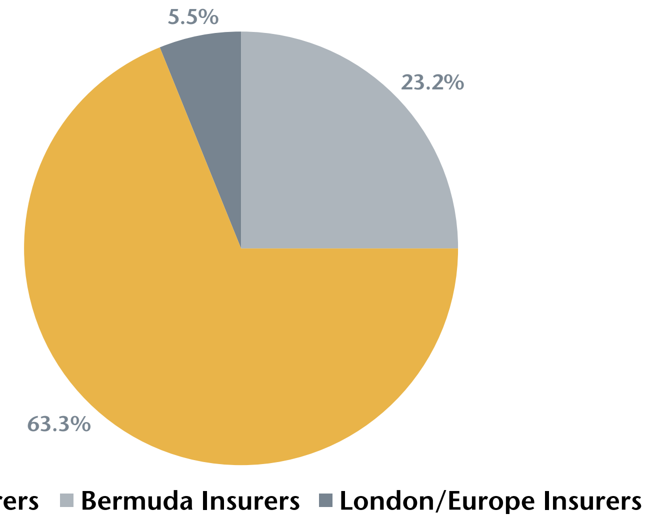
In 2007, Ironshore (led by former Executive Risk and AIG management) and Freedom Specialty/ Nationwide (led by reputable underwriters from varied insurers) entered the D&O marketplace and based upon, respectively, client and broker credibility and financial strength (for Nationwide in particular) have assumed excess participation in many programs.

For Fortune 200 corporations, available capacity diminishes and it may become difficult to achieve limits inclusive of indemnifiable loss coverage greater than $300 million to $500 million. However, programs which are either solely dedicated to non-indemnifiable loss or which have large layers dedicated to non-indemnifiable loss may be built with $500 million or greater limits.

It should be noted that, outside of financial services, many insurers who previously offered only $10 - 15 million capacity in 2003- 2006 may now offer $25 million in limits (and insurers who previously offered only $25 million may now offer $50 million in limits) in an effort to reduce premium impact caused by the softening marketplace. **Aon cautions that this compromise may be fraught with**

[6] Many D&O insurers have authorized capacity of $25 million for any A/B/C single risk and up to an additional $25 million for Side A only coverage, but will provide only $10 million to $15 million in limits in an effort to manage their aggregate exposure or due to reinsurance restrictions in higher limit layers.

danger relative to the inevitable next market hardening as clients will have fewer insurer relationships to turn to and, as history has demonstrated, incumbent insurers *will* revert back to their lesser, usual capacity leaving the client to sort out continuity concerns.



Retentions/Deductibles/Coinsurance

While there was little insurer competition based upon retention levels in 2006 and early 2007, we are now achieving greater flexibility with reduced retentions for clients outside of financial services industries as competition heats up. Generally, no retention is required for non-indemnifiable loss (except where dictated by NY Regulation 110), but many policies remain insufficiently clear about the application of the retention in bankruptcy. Large, publicly traded corporations have retentions of $1 million to $10 million, or higher where elected; and the largest market cap firms typically have at least $5 million each loss, minimum retentions. The "slippage" we are seeing is that (non-financial services) firms with retentions in excess of $10 million are reducing these to $10 million (unless dictated by a broader risk management approach), $5 million retentions are frequently slipping to $1 - 2.5 million and $1 million retentions may slip to $500,000. Many clients, in line with broad risk retentions in their other insurance programs and/or a desire to reduce costs, investigated or implemented increased retentions in 2005 and/or 2006 and many of those will hold to their higher retentions, but we caution that premium discounting may be inadequate. Further, a reduced retention may be a lever to employ in a future hardening market – enabling a premium offset with a return to a retention with which you were already comfortable.

In sharp contrast, for financial services companies, retentions are increasing to $15 - 50 million and in some cases, for the largest financial services firms, insurers are declining to offer indemnifiable loss or entity securities claims coverage at all, providing only non-indemnifiable loss coverage.

Coinsurance and predetermined allocation of loss (where the allocation is less than 100 percent) relative to entity securities loss, have largely disappeared except where elected by clients for premium savings (albeit often very minor savings relative to the increased risk borne). However, where specific coverage for section 11 and 12 claims cannot be negotiated (increasingly available from AIG and other insurers at Aon's urging), Aon continues to recommend 100 percent predetermined allocation for securities claims rather than securities claim entity coverage because: (1) it represents less potential dilution of limits for the individual insureds (although this concern can be largely addressed, but for any bankruptcy scenario, with well drafted "Order of Payments" language), and (2) it avoids a risk that loss due to claims under Section 11 of the Securities Act of 1933 may be deemed "ill-gotten gains," and thus uninsurable.

Coverage Issues

D&O contracts are not standardized and vary significantly from insurer to insurer, and thus require significant tailoring. The most significant coverage issues under any D&O policy today are as follows:

- **Segregated Non-indemnifiable Loss Limits:** Due to (1) the risk of erosion or exhaustion of coverage limits under a traditional blended (A/B/C) program which is inclusive of corporate protection in the form of payment of the company's indemnification obligation to directors and officers and which, in many cases, is also inclusive of corporate liability protection in securities claims; (2) the relatively limited testing of "Order of Payments" provisions which attempt to prioritize coverage for non-indemnifiable loss; and (3) the risk of traditional blended policy proceeds being frozen under a stay of bankruptcy or deemed an asset of the bankruptcy estate unavailable to individual Insureds; **separate limits should be purchased for non-indemnifiable loss in a sufficient amount to at least cover probable defense costs in a mega-claim.** Aon also recommends investigating excess and difference-in-conditions ("DIC") products which can materially broaden the scope of protection available through these segregated limits – even in comparison to the broad primary policies prevalent in this marketplace. Aon also recommends placing such coverage with a highly rated insurer having the lowest possible risk of financial insolvency, due to the importance of this coverage to individual Insureds. Too often programs have a strong lead base program (A/B/C) insurer and a smaller Side A Excess and DIC coverage insurer.

  Increasingly the best excess and DIC contracts are available from the major primary insurers. It is important to recognize that where an insurer leads both the traditional A/B/C program as well as the Side A Excess and DIC program and provides different Limits under each, a conflict of interest exists beyond that already present due to the Side B&C retention in the primary policy. This issue of unintentional consequences should be considered relative to excess insurers as well.

- Definition of Application: In many current D&O policies and applications, "application" is broadly defined to include the corporation's public filings and all information submitted as part of the most policy renewal or any prior renewal. Thus a restatement of the financials may be deemed to be a misrepresentation in the application and the procurement process, and therefore serve as a basis for rescission. Insurers are generally granting significant reductions to the scope of this definition in 2008, including a limitation of included public filings to SEC filings within the 12 months prior to coverage inception **(however, be reminded that *most filings include two to three years of financials,* so a limitation in years may be deceiving).**

- **Non-Rescindability:** Every effort must be made to diminish the insurers' ability to rescind (void) the policy[7] - and particularly relative to any non-indemnifiable loss of individual

[7] Should the application for D&O liability insurance (or any insurance) contain a material misrepresentation on the part of an insured and/or person signing the application on behalf of the Insureds under the policy, insurers may seek rescission of the policy. If successful, rescission has the effect of voiding the coverage for all Insureds as of policy inception. Once it is determined that there has been a material misrepresentation in the application and/or policy, rescission is an equitable remedy available to the defrauded insurer for those material misrepresentations. The level of proof for rescission varies by state. For example, in Delaware it is stated that,

> "Misrepresentations, omissions, concealment of facts and incorrect statements shall not prevent a recovery under the policy or contract unless either: (1) fraudulent; or (2) material either to the acceptance of the risk or to the hazard assumed by the insurer; or (3) the insurer in good faith would either not have issued the policy or contract, or would not have issued it at the same premium rate or would not have issued a policy or contract in as large an amount or would not have provided coverage with respect to the hazard resulting in the loss if the true facts had been made known to the insurer as required either by the application for the policy or contract or otherwise."

For a misrepresentation to be deemed material, the misrepresentation must have affected: the decision of the insurer to underwrite the risk, the nature of the risk, or the insurer's determination of the premium for the policy.

Note: Many insurers attempt to specify materiality of the application in their policies. State courts are split on whether knowledge of the misrepresentation, or intent to misrepresent, on the part of an Insured ("scienter") is an element that must be proven. Some states (Colorado, Iowa, Louisiana, Massachusetts, Minnesota, Nebraska, Ohio, Pennsylvania, South Carolina, Texas, and Washington) have proof of intent as a requirement, an important protection against rescission. Case precedent or common law may effectively dictate proof of intent as a rescission requirement. The issue of reliance is determined by the state's statute and insurers go to great lengths in D&O policies and applications to state their reliance on the application and typically also state that the submitted and incorporated materials are part of their policy forms and applications.

Insureds. This coverage enhancement became more broadly available in 2005. In 2008 we see a greater willingness by a growing number of insurers to also apply contract non-rescindability to indemnifiable loss or entity securities claim loss; however, in many cases this coverage "grant" is bundled with unacceptable exclusionary language.

- **Severability:** Not to be confused with non-rescindability, severability of the application must be negotiated to the broadest degree possible to protect individual Insureds by ensuring that: (1) the contract is severable and thus available to them regardless of the knowledge or behavior of other individual Insureds (rarely specified today); and (2) to ensure that the knowledge of other Insureds may not be imputed to them to negate or reduce coverage. However, many insurers still attempt to impute the knowledge of the CEO and CFO (often not limited to such titles with the parent corporation) to all insureds. In 2007 and 2008, we have seen a greater willingness to also apply full severability to individual Insureds and improved severability to indemnifiable Loss or Entity Securities Claim Loss.

- **Conduct (or Scienter) Exclusions:** Due to their importance in any insurer's defense in a D&O claim, it is imperative that the fraud or dishonesty, criminal act or violation of statute, illegal profit, and illegal remuneration exclusions in a D&O policy be drafted as narrowly as possible, ideally with a "high bar" trigger of "final, unappealable adjudication." Insurers continue to stress the risk of limit erosion by "black hat" defendants under any policy having such broad language; however, generally insureds remain uncomfortable with reliance upon any *insurer's* determination of guilt, and instead prefer a final adjudication standard.

- **Order of Payments:** Several companies still purchase little or no coverage limited to non-indemnifiable Loss and rely instead upon this policy provision. However, bankruptcy counsel maintain that, where coverage includes protection for corporate liability in securities claims, *and even where corporate protection is limited to corporate indemnification of individual Insureds,* they can and do regularly succeed in obtaining policy proceeds for creditors rather than insureds. And, even in a non-bankruptcy loss, standard language can be problematic. Some insurers' policies do not address pending or future claims or address only a single loss (having a non-indemnifiable components) exceeding policy or program Limits. Further, many policies utilize the CEO as the decision-maker for the prioritization of limits. As CEOs are named in the majority of securities litigation, they may be too conflicted to serve in this trigger role. Aon recommends a quorum of independent directors as a trigger instead.

The quality of coverage available to clients relative to many of these issues has broadened from 2002 and considerably from 2006. It is important to take full advantage of this shaky, but still favorable, marketplace to achieve lasting contract improvements in these and many other areas.

THE KEYS TO SUCCESS

Aon offers several recommendations to achieve the best D&O coverage possible in 2008:

- Even in a soft marketplace and particularly in the now hard marketplace for financial services firms, risk differentiation is important to ensure that you achieve the *best* coverage and pricing available. The best step any client can take to aid in the battle for favorable terms and pricing is to continue to meet with insurers year after year, inclusive of senior management (inclusive of ideally at least a treasurer position). In view of the Bear Stearns collapse, many firms are presenting chief risk officers or others who can speak to enterprise risk management across the firm to quell insurer concerns. Relationships matter – both in renewal negotiations and, more importantly, *at the time of any claim*. Underwriters always remember the clients who took the time to meet with them in good and bad times.

- Place your emphasis firmly on coverage and contract performance over and above pricing and quantity of coverage. **At the time of a claim, it is far more preferable to have a lesser quantity of responsive coverage than a greater quantity of inapplicable coverage.** Utilization of corporate internal counsel in conjunction with a knowledgeable and effective D&O broker often yields the best result.
- Begin early, at least four months in advance. **Recognizing that the market may turn, it may be beneficial to lock up terms and pricing early and bind in advance of policy expiration, where negotiable.** Today lead insurers will quote 60 - 90 days in advance of renewal, although buttoning down enhancements may drag on for weeks.
- Add to or improve upon the non-indemnifiable loss coverage in your program – preferably securing all such coverage on an excess and D.I.C. basis;
- Consider separate excess, broad cover limits for parent company Insureds or independent directors as a supplementary feature - increasingly demanded by senior management and boards of directors;
- Investigate available international admitted insurance options, where applicable;
- Ensure "follow-form" excess policies are truly follow-form of the primary or other intended coverage (such as any DIC cover) – to the best degree negotiable;
- Ensure that excess policies recognize payment of any underlying loss by the insured;
- Review hypothetical claim scenarios to "stress-test" your program; and
- Meet with insurers' claims managers and monitoring counsel - ideally well in advance of the reporting of any claim.

A timely, organized renewal campaign focused on risk differentiation and the need for heavily manuscripted coverage will yield the best result from insurers.

During the last five years the Fiduciary Liability marketplace has changed significantly, moving from a coverage which was an afterthought to one which increasingly is at the forefront of many clients' minds. Although historical losses tended to be smaller, the increasing number of "follow-on" or "piggy back" securities suits are bringing these fiduciary cases into a severity realm traditionally reserved for D&O class actions. The increased frequency and severity of fiduciary claims resulted in a hardened market composed of: higher retention levels, coverage restrictions, limited capacity, significantly increased premiums and more stringent underwriting standards. In several cases, insurers adopted new pricing models and/or withdrew from the market, particularly for Fortune 500 clients. In the latter part of fall of 2006, the market faced several new issues, including: the changes imposed under the Pension Protection Act of 2006, the 7th Circuit Court of Appeal's ruling in the IBM cash balance case, and the onset of "excessive fee" cases filed against plans and their fiduciaries.

In August 2006, President Bush signed the Pension Protection Act into law. The Act, considered by many experts to be the most sweeping pension reform legislation since the enactment of the Employee Retirement Income Security Act of 1974 ("ERISA"), amends numerous provisions of both ERISA and the Internal Revenue Code ("IRC") with a focus on defined benefit plan funding, 401(k) structure and availability, and the legality of cash balance plans. According to President Bush at the time, "[t]his legislation strengthens the pension insurance system and ensures that workers will receive better information about their pension plans." The Act's ultimate effect on fiduciary liability continues to evolve. Almost a dozen putative class action "excessive fee" cases were filed against companies and their fiduciaries in September 2006 alleging a breach of fiduciary duty to plan participants in the management and disclosure of fees paid to 401(k) providers and allegedly passed on to plan participants. Since then, more than double that number are on file or under investigation by members of the plaintiffs' bar. Last summer, a federal judge dismissed on such lawsuit, and that decision was appealed to the U.S. Court of Appeals for the Seventh Circuit. Developments in that appeal and all of these ERISA class action "excessive fee" cases continue to be very closely monitored by both insurers and insureds.

Although the Pension Protection Act of 2006 gave prospective clearance to cash balance plans under certain circumstances, a number of historical suits remain with division among several courts about whether or not cash balance plans are age discriminatory *per se*. One of the most visible of these, the Cooper v. IBM Pension Plan case, was resolved last year after the U.S. Court of Appeals for the Seventh Circuit held IBM's Plan was not age discriminatory on its face. Absent a definitive ruling by the United States Supreme Court on the issue, the differing views in various appeals court assures the case law surrounding this issue will likely be unsettled for the immediate future.

There have been an increasing number of cases litigated in various federal courts, including the Seventh Circuit, focusing on the rights of current or form plan participants to bring class action claims against plan sponsors and their fiduciaries. In a closely followed case, the United States Supreme Court has ruled in *LaRue v. DeWolff*, that individual participants in defined contribution retirement accounts may sue their plan operators under ERISA §502(a)(2) for their individual losses in certain instances. In *LaRue*, the plaintiff requested certain investment changes, and he sought to recover losses resulting from his employer's failure to follow his directions. The ultimate impact of the Supreme Court's decision on frequency of claims for fiduciary breach in this area is difficult to predict at this stage. For large employers, such claims will fall within retentions; however, this may result in impactful frequency for smaller employers and cause insurers to raise retentions.

The end result has been a stable marketplace with high but decreasing or stable premiums, high retentions and limited capacity, but showing ongoing signs of softening for commercial (non-financial institution) companies due to a general drop-off in class action securities claims. However, a continuation of the "follow on" or "piggy back" ERISA securities claims, together with the recent volatility in the equity markets and a number of class action suits arising out of the subprime crisis are concerning fiduciary liability insurers. Increasingly, these insurers will be asking questions of clients about their plans' investments in mortgages and real estate and other higher-risk, higher yield investments and financial services firms' premiums and retentions are rising with coverage limited to non-indemnifiable loss for the largest firms.

2008 MARKET TRENDS

The fiduciary liability marketplace has imposed pricing increases and coverage restrictions over the last several years, with premiums for "large employers" (roughly defined as those companies with total plan assets of $750 million or higher) approaching 50 percent - 100 percent of D&O premiums in many cases. During the second and third quarters of 2004, these dramatic pricing increases softened in concert with (although not to the same degree as) the softening of the D&O market. However, this "relative softening" of fiduciary pricing was short-lived for a number of large employers.

The current fiduciary liability market can be characterized generally as those insurers who are willing to insure "large employers," roughly defined as those companies with total plan assets of $750 million or higher, and all of the others. Historically, the leading primary fiduciary liability insurers for large employers have been National Union and Chubb, which collectively underwrote about 75 percent of such primary coverage. After Chubb began to apply its revised pricing approach for Fortune 1000 companies, however, its position within this market segment diminished rapidly. More recently, a number of other insurers, including Arch USA, AXIS, RLI and XL U.S., continue to challenge AIG for the large employer market. Other potential primary markets for large employers include ACE, CNA, Hartford, HCC (provided that they also participate on the D&O), Travelers and Zurich.

The marketplace for all other employers can be characterized as much broader and thus more competitive. Travelers continues to remain a leading underwriter for middle-market employers, with separate departments dedicated to underwriting private and publicly traded companies. CNA generally focuses its fiduciary practice on small to mid-size employers and Chubb and Zurich have become more actively involved in this market segment. More recently, Beazley USA has entered the U.S. fiduciary liability marketplace, focusing primarily on middle-market employers.

PRICING AND RETENTIONS

The end result of the follow-on, cash balance and excessive fee suits, in addition to other fiduciary issues is a harder market for large employers where primary rates range from $12,000 to $40,000 (or higher) per million. A general rule seems to be 40 to 60 percent of comparative larger D&O rates per million in the lowest layers. However, those employers who experienced dramatic premium or retention increases during 2004–2006 can expect small decreases in renewal premiums in 2008, barring the last few years can expect small decreases in renewal premiums in 2007, barring any deterioration of their risk profile. Similarly, excess rates have been flattening and are now averaging approximately 65 to 80 percent of the underlying insurer's rate per million.

Retentions have generally been a non-issue for many insureds. Generally, insurers' interest in making sure the client also has "skin in the game" has been addressed via the higher retentions (often $1-2 million and higher) for securities or follow-on claims. However, as of late 2007 we began to see relief from the higher retentions imposed in 2004-2005.

INSURER CAPACITY

The hardening of the market resulted in severely reduced, standalone, capacity for large employers. Although 2006 and 2007 presented a much more stable and available market, capacity for stand alone programs remained at approximately $200 million. While many insurers have the ability to offer up to $20 million or $25 million in capacity, most continue to restrict their offering to $10 million to $15 million. The restricted capacity is most often applied to those employers with a significant amount of company stock in their plans or those clients with cash balance plans.

COVERAGE ISSUES

Clients who experienced coverage restrictions during recent renewal cycles likely saw some positive change in 2007, and the broadening of the contracts generally continued in 2008. Many insurers are willing to consider select coverage enhancements for their "best" clients including, but not limited to: Side A non-rescindability, final adjudication for fraud and personal profit exclusions, and an amended definition of Claim to include formal investigations by the Department of Labor (not routine audits). And for commercial clients without losses, coverage terms are better approximating D&O terms.

In response to the plethora of the "follow on" or "piggy-back" lawsuits, AIG and AXIS and Chubb recently have begun to issue clarifying endorsements indicating that relief sought in such cases will not be viewed by the insurers as "benefits,' for purposes of the benefits-due limitations typically found in Fiduciary Liability insurance policies.

THE KEYS TO SUCCESS

Fiduciary Liability insurance renewals for large employers continue to require a great deal of attention from senior management, often including the need for a meeting or conference call with underwriters – often appended onto the D&O presentation and meetings. In order to ensure a smooth and successful renewal, Aon encourages the following "renewal practices":

- Begin early. Start the renewal process 60 to 90 days in advance and even further for large employers or employers with adverse significant employer stock in plans, deteriorating stock price, or claims.
- Provide insurers with a complete underwriting submission, including a completed application with attachments such as Form 5500s and audited plan financials for the largest funded plans.
- If underwriting meetings or conference calls are necessary or appropriate, make sure you engage those individuals within your firm who are most knowledgeable about the plans and who can best respond to the following underwriting issues, such as benefits counsel or ERISA counsel.
- For defined contribution plans: What percent of the plan assets are invested in company stock? Does the company provide a matching contribution in stock? Is there a required minimum holding period for vested company stock? Has the company engaged in automatic enrollment for its employees? How has this been communicated to plan participants?

- For defined benefit plans: How, if at all, has the implementation of the 2006 Pension Protection Act funding requirements affected the company and its plans? What is the current funding status? What assumptions does the company use in reaching those determinations?
- Have there been any recent or proposed plan amendments that reduced benefits or related to a cash balance plan conversion? If so, how have those changes been communicated to the plan participants?
- To what extent do the plan investments involve subprime instruments or other high-yield, higher risk (e.g., hedge funds) options? What is the company's current view or anticipated actions with respect to any such investments?
- To what extent does the company engage the services of outside service providers and benefits experts (e.g., consultants, attorneys, outside investment advisors)? How often are these providers and experts, and their compensation arrangements, evaluated by the fiduciaries and appropriate advisors?

The key to a successful renewal continues to be differentiating your company from its peers by emphasizing the proactive steps taken to improve your fiduciary liability risk profile.

EPLI MARKET AT A GLANCE

- More than 70 companies underwrite EPLI coverage
- Of these 70 companies, only 30 are traditional providers of management liability coverage
- Of these 30 insurers, 13 underwrite only very small companies; two underwrite only very large companies; four underwrite only excess EPLI coverage; and one underwrites EPLI when it also provides other financial products coverage for the client

This leaves 10 consistent primary EPLI insurers for other than middle market accounts:

Axis	Hartford	National Union	Zurich
Chubb	Lexington	Travelers	
CNA	Max Re	XL	

EXECUTIVE SUMMARY

Overall, the EPLI market continues to soften particularly on primary for more modest size employers and on excess for larger employers. The latest decreases have been driven largely by the sharp decreases in the Directors and Officers liability product line which has caused underwriters to be more aggressive in retaining or obtaining EPLI programs. XL continued to implement their new more conservative pricing model in the face of this continued softening market. Primary competition continues to evolve rapidly due to these underwriting changes at XL with Max Re, Zurich and Lexington/National Union all picking up pieces of XL's primary book. Meanwhile, other markets continued to be very interested in expanding their EPLI books particularly on excess. Therefore, the reduction of the XL capacity has been a relative non-event. Retentions remain relatively stable with some signs of downward pressure. The breadth of coverage also remains relatively stable though there is a renewed willingness on the part of several primary carriers to reassess their Aon Amendatory endorsements for possible enhancements.

EARLY-2008 MARKET TRENDS

Surprisingly, the market continues to focus more on maintaining and expanding market share rather than reflecting any concern over the large losses impacting XL's book in 2007. Over the last year, XL has had at least two Financial Service industry claims and a package delivery service claim that have or are expected to top $50 milllion. XL viewed this as a negative claim trend for all industries and as a result significantly modified its underwriting model. The rest of the market treated this as a relative non-event for several reasons. First, most or all of these large claims are anticipated to impact only XL because they provide $75 million to $100 million in limits on the affected programs. Second, the expectation by most markets is that these large losses are primarily focused on the Financial Service industry and do not reflect a broad deteriorization in claim severity across all industries. Finally, as mentioned above, price softening by other markets is being driven by pressures on budgets caused by even more rapidly dropping pricing on D&O coverage which is usually underwritten by the same insurance company units that underwrites EPLI. Declining pricing on D&O is making the EPLI underwriters even more desperate to retain their existing EPLI book and/or obtain new business to avoid further damage to their overall premium budgets.

As the downward pressure continues on premium, retentions appear to finally be buckling under the pressure of underwriters looking for ways to avoid more significant premium reductions. Therefore, for early 2008, look for retentions to start falling in some cases as underwriters try to maintain pricing by offering lower retention options. Meanwhile, coverage will also likely remain fairly consistent with previous years, but several carriers have expressed willingness to renegotiate their Aon Amendatories with some modest improvements. In early 2008, Evanston has finally broken the barrier of offering true defense and settlement coverage for wage and hour claims, but unfortunately, only for employers with 500 or fewer employers. Beazley U.S. has been offering defense cost-only coverage for wage and hour claims to small clients sparking other insurers to offer similar coverage for smaller risks particularly outside of California, but so far, none of these carriers have followed Evanston's lead on settlement value coverage. Insurers such as Zurich, Lexington, National Union and Max Re will likely continue to try to expand their books on large programs. A wide array of insurers will continue to seek to expand their small employer books of business, with carriers such as Liberty, Chubb, Axis U.S. and The Hartford, in particular looking to expand their books. New entrants on the primary and excess front include AIG Cat Excess, Liberty and Ironshore.

PRICING

For all the reasons reflected above, pricing across the EPLI book appear headed for additional decreases of between 5% and 15% for the first half of 2008. Savings for large employer programs will largely continue to come from the excess layers and are likely to be closer to between 5% and 10% reductions due to the small number of carriers interested in writing primary on these accounts. Mid-size to small employers below 4,000 employees may see these types of reductions in the primary programs due to the wealth of competition for these smaller risks. The markets' previous attempts to maintain minimum pricing above $10,000 per million has long since given way to stiff competition making it now more common for pricing on excess programs to go below this level.

For smaller and mid-sized employers, the list of carriers interested in writing accounts of their class of business only continues to grow. For instance, Axis agreed to a new Aon Amendatory in an attempt to expand their primary book focusing on smaller to middle-market accounts. Liberty has also recently hired underwriters from Zurich and drafted a new primary policy form as part of a push for small to middle-market primary business. These developments, along with the fact that this field was already crowded with interested participants, only seems to ensure competitive pricing for the foreseeable future for employers with 4,000 or fewer employees.

From an industry standpoint, the most difficult sector appears to be the financial services industry, where concern over the concentration of highly-compensated individuals will likely drive pricing up over the next six months. Programs with capacity greater than $200 million regardless of industry could also experience pricing increases simply due to the lack capacity in the marketplace especially where XL has priced itself out of the program. Broadly marketing those programs in high risk industries and on those programs with large of capacity, therefore, is critical to achieving a successful renewal.

CAPACITY

XL's reduction of capacity from $100 million to $25 million became even more of a non-event in late 2007 with the increase in capacity from both existing and new carriers. Sufficient capacity exists to create excess competition on most accounts except those with limits in excess of $200 million. This capacity may erode rapidly should another major carrier experience a limits loss in the next 12 months. We could also see a reduction in capacity, should we have another event(s) such as Hurricane Katrina or a significant increase in D&O premiums outside of EPLI coverage that could draw capacity away from EPLI to lines of business where rates for capacity would be viewed as being more attractive.

Meanwhile, carriers such as National Union, Lexington, Zurich, Max Re and AIG Cat Excess continue to offer at least $25 million in capacity on primary and excess EPLI. AIG Cat Excess still regularly offers $50 million in excess capacity and has been refining its ability to offer its capacity in tandem with Lexington and National Union to provide a $50 million to $100 million block of capacity. Several other insurers have recently been increasingly interested in providing even lower level excess further softening the blow of the departing XL capacity. These newer excess carriers include Axis U.S., Liberty, Ironshore. Certain other carriers are more selective in offering excess EPLI capacity but are still good potential sources of capacity. These more selective carriers include Chubb, AWAC, Arch, Swiss Re, Endurance and Axis Bermuda. Finally, the London market has increased its interesting EPLI offer limits of $10 million.

DEDUCTIBLES/RETENTIONS/COINSURANCE

Retentions remained relatively flat in 2007 except for those accounts who did not find they had alternatives on primary from XL. Recently, however, the increased pressure on pricing has begun to cause markets to offer lower retention or split retention options as an alternative to reductions in premium. So, look for this trend to continue in early 2008. Clients in the financial services industry may, however, face significant pressure to increase their retentions given both the recent loss experience and general turmoil in that industry. It continues to be the case, however, that insureds tend to find that they are forced to higher retentions because the market will not support a lower retention rather than finding that taking a higher retention will significantly improve their premium savings. Coinsurance continues to be virtually non-existent in the EPLI arena.

COVERAGE ISSUES

Coverage in the EPLI space remains fairly stable, largely because coverage remained broad even during the former hardening market. However, insurers have been more willing to provide greater flexibility in the key areas of choice of counsel; authority to incur defense costs and make settlement offers without insurer consent; and the timing of notice of claims during the policy period. Reflective of the fact that the breadth of coverage offered by the marketplace has not been the source the losses that have recently occurred, many carriers including XL have agreed to actually broaden their Aon Amendatory endorsement to further enhance coverage in various more minor ways. Other carriers with new Aon Amendatories or enhanced policy forms completed or in the works include: Axis, Hartford, Lexington, Chubb, Zurich, Liberty and National Union.

In early 2008, Evanston Insurance began offering real wage and hour coverage including Fair Labor Standards Acts coverage expressly in the definition of wrongful employment practices. Like previous carriers who provided only defense costs for wage and hour claims, however, Evanston's target market is 500 employees and below. Meanwhile, Beazley and other markets focused on small employers continue to offer sub-limited, defense cost-only coverage for wage and hour claims under their stand-alone and private company D&O forms. There is no evidence as yet that carriers will be willing to offer wage and hour coverage to employers large enough to actually be exposed to a class action wage and hour claim. Such class exposure to wage and hour claims has proven virtually impossible to underwrite, and the damages on these claims remain extremely volatile. While many purchasers and potential purchasers continue to seek the coverage, it remains unavailable outside of the small employer market.

There has also been little movement on the part of insurers to provide multi-year programs. Multi-year policy periods beyond 18 months have remained unavailable, largely because reinsurance programs prohibit multi-year deals.

LEGAL & REGULATORY ENVIRONMENT

The most significant areas of concern from the perspective of changes to the legal and regulatory environment surrounding EPLI relate to two main issues. One involves changes to the courts' interpretation of what constitutes retaliation and the other involves changes in approach by the EEOC. The U.S. Supreme Court decision in *Burlington Northern* significantly reduced the threshold for determining what constitutes potential retaliation for the purpose of reaching a jury on such allegations. For an activity to be deemed retaliation under Title VII, it need only "dissuade a reasonable worker from making or supporting a charge of discrimination." It does not have to involve a demotion, termination, permanently docked pay or even take place at the workplace to constitute retaliation under Title VII. This ruling significantly increased the number of retaliation allegations included in discrimination complaints submitted to insurers in 2007.

Meanwhile, the EEOC announced in late 2006 and began implementing in 2007 that they were changing their focus to bringing more systemic/class action claims in the future. They also announced that they were hiring an additional 60 investigators in the field to assist them in this new initiative with many of the hires focused on beefing up the EEOC's statistical expertise. In mid-2007, the EEOC also announced a new initiative called E-RACE ("Eradicating Racism And Colorism from Employment"). The E-RACE Initiative is designed to improve the EEOC's efforts to ensure workplaces are free of race and color discrimination. Specifically, the EEOC will identify issues, criteria and barriers that contribute to race and color discrimination, explore strategies to improve the administrative processing and the litigation of race and color discrimination claims, and enhance public awareness of race and color discrimination in employment. As a framework for implementing the E-RACE Initiative, EEOC has developed a set of detailed E-RACE goals and objectives to be achieved within a 5-year timeframe from 2008 to 2013.

THE KEY TO SUCCESS

Aon strongly recommends preparing a detailed submission and risk presentation, both to remind incumbent insurers of why the insured is a superior risk and to explain to new insurers why they should consider competing for the insured's program. Insureds should be prepared to discuss or provide markets their policies and procedures prohibiting harassment and discrimination, their internal infrastructure for investigating and resolving employment claims early and effectively, training for employees on anti-harassment and diversity/inclusiveness, and any diversity initiatives underway at the company. Given the changes in available capacity and potential that insureds may need to consider alternative primary options, preparing a robust submission and actively marketing that submission to multiple insurers is critical to a successful renewal. Face-to-face meetings are also particularly critical for insureds seeking primary coverage from the Bermuda marketplace, and are beneficial even with U.S. insurers for large employers.

MARKETPLACE OVERVIEW

The Surety Association of America recently released its annual "Top 100 Writers of Fidelity Bonds" for 2006, which ranks insurers by written premium. This report includes total written and earned premiums and loss data for U.S. and Canadian insurers of financial institution and commercial crime policies. For the year 2006 total written premium for insurers was $1,332,361,604, which remained virtually static to written premium in 2005 ($1,333,411,081). These results do not reflect the premium reductions witnessed during the latter part of 2006 and 2007. The Surety Association, the industry group which monitors the fidelity results, does not publish its reports immediately. We do not anticipate that the 2007 results will be issued until June 2008.

The average industry loss ratio for 2006 was 38.2 percent, a slight decrease from the 41.7 percent loss ratio for 2005. As a result of these favorable results, we have seen renewed interest in the product from insurers who previously stood on the sidelines relative to this product. The underwriting initiatives taken by the market leaders recently, such as increasing deductible levels, and increasing rates have improved underwriting experience and the general market environment and this should result in additional capacity available to Insureds at more competitive premiums.

RATES

While insurers continue to focus on individual clients' ratable exposures (e.g., employee count, revenues and locations) and loss experience, we are in a market environment where premium reductions are reasonably anticipated. In general, we are achieving premium reductions averaging 5 to 7.5 percent for most clients. As noted, the primary driver behind this favorable environment is that fidelity underwriters continue to achieve considerable profitability. The excess market is extremely aggressive, and we are able to achieve more competitive pricing in this arena.

MARKETPLACE CONDITIONS

Although there are over 100 insurers who write fidelity coverage, the marketplace is dominated by a handful of insurers. The top ten insurers control 87.95% of the marketplace, but only AIG and Chubb compete consistently on primary business for complex or large multinational risks. AIG and Chubb continue to dominate the fidelity market, and 2006 results indicate that on a combined basis they control 42.12 percent of written premium. Despite the very narrow marketplace, the underwriting environment is very favorable for Insureds. As a result of positive loss experience and competition, insurers are offering broad policies and favorable rates. However, it remains difficult to attain manuscript forms, and few insurers are willing to re-think older policy forms to offer more innovative coverage. A glaring example of this is the need for Insurers to address theft of client information or data, which is a type of loss generally considered consequential or not tangible in nature and thus excluded from policies.

EMERGING TRENDS

Clients Seeking Locally Admitted Foreign Policies: There has been an increase in client requests for local admitted policies for international subsidiaries. These requests usually stem from a contractual requirement in the foreign country to evidence an admitted policy that will pay loss directly to the foreign subsidiary (rather than the domestic parent company). Local admitted policies often are purchased as an infill to a master global program deductible, as this usually satisfies such local contractual agreements.

The first insurer to respond to this emerging trend was AIG with the 2007 release of their "Passport" program for fidelity, which offers clients the opportunity to purchase a global master policy subject to a tie-in with local admitted policies. While AIG was among a small group of Insurers with the ability to write admitted local foreign policies, they have taken the initiative and formalized their process. ACE, Chubb, London/Lloyd's and Zurich are other insurers who have the ability to write both a master global program and local admitted policies in many countries. However, due to varying global footprints, even among these insurers it may not be possible to purchase a local admitted policy in every country in which the Insured operates.

Traditionally, crime policies are written on an unrestricted worldwide basis. This traditional structure benefits insureds because of the often collusive nature of crime losses and the likelihood that the favorable rating structure and broad terms of the negotiated master/global policy will not be matched by local admitted policies. Therefore, when requesting local admitted policies, it is important to request an excess difference-in-conditions/difference-in-limits ("DIC/DIL") endorsement to the master program where available. However, it can be difficult to attain this endorsement if the global insurer does not provide the local admitted foreign policy(ies). Further, a request for locally-admitted foreign policies complicates a renewal because of the widely-held belief by underwriters and brokers that the rationale behind the purchase of local admitted policies for other lines of business do not apply to crime insurance. Crime policies are first party contracts that pay losses sustained by the insured company to the first named insured. Therefore, there is no need for a mechanism to provide defense costs or indemnification to individual Insureds in a foreign country, as may be needed in a non-indemnifiable directors' and officers' liability or fiduciary liability insurance program. Similarly, there is no need to provide coverage for a third party interest, such as a financial institution, as may be needed in a property program. Clients opting to purchase local admitted policies typically do so to satisfy contractual obligations, and also there is a focus on adherence to payment of local premium taxes.

Agent Exposures: The coverage provided by a fidelity bond for employee theft is as broad as the definition of employee. The standard crime policy provides coverage for employees who are compensated, who are regular employees and who an Insured has the right to govern and direct. Policies exclude losses caused by agents and other non-employees. Due to recent large losses involving agents, there is a renewed focus by Aon and others on extending fidelity bonds to include third party agents.

Third-Party Coverage: As more and more corporations engage in service operations, there is a need to evidence employee theft coverage to prospective customers/clients. That being said, Fidelity policies are first party contracts and do not extend liability to third parties unless such parties are specifically endorsed onto the policy. If an Insured performs services to others it is imperative that exposures are reported to underwriters and coverage attained.

Discovery Form: The trend of converting standard commercial crime loss sustained policy forms to a discovery form of coverage, which is the traditional type of form used by FI Bond underwriters. The difference between a loss sustained policy versus a discovery policy is that a loss sustained policy applies the lesser of the terms and conditions of the current or prior policy. As a result, if there was no coverage in force when the loss occurred, the current policy will not pay the claim. Similarly, if a prior policy provided less coverage than the current policy, the insurer will only pay the lower limit of liability. A discovery form, however, applies the terms and conditions of the policy in effect when the loss is discovered, regardless of when the actual loss occurred and what coverage was in place at the time of loss. For corporations that are in an acquisition mode, a discovery form can represent a significant coverage improvement.

Capacity: Market capacity remains in the range of $350 to $400 million, and this capacity is used judiciously by underwriters. In many large programs, underwriters "ventilate" or split up their participation with intervening layers and insurers in an effort to spread their risk of loss.

Loss Trends: As noted, the average 2006 fidelity loss ratio for insurers was 38.2 percent. This loss ratio does not include expenses associated with underwriting the coverage, however, the combined loss and expense ratio is still highly profitable. Notable is AIG's 2006 loss ratio which increased dramatically from 41.6 percent in 2005 to 89.4 percent in 2006 an indication of their involvement on many large FI and Fortune 500 clients' fidelity programs.

There are many different claim scenarios covered by fidelity policies, but underwriters continue to cite vendor fraud as one of the most serious types of fraud that occurs across Insureds in all industries.

E-commerce–Client Data Exposures: Fidelity underwriters continue to be challenged by indirect losses such as theft of confidential client data, e.g., theft of customer credit card numbers, since fidelity policies cover direct losses not indirect losses. The losses are viewed by underwriters as indirect theft or theft of intangible property. There are standalone products available for this exposure, but the market leaders have not extended traditional crime policies to cover these exposures.

Unauthorized Trading: Since 1995 and the well-publicized Nicholas Leeson/Barings Bank trading loss, we have seen a number of financial institutions suffer significant losses due to unauthorized trading activities. These instances have become more frequent and increasingly financially and reputationally damaging. Despite the most rigorous controls, the potential for an unauthorized event is still increasing due to increased reliance on technology and the size of the financial transactions and a major loss can materially affect the financial results of a company as proved with the Barings Bank incident. Fidelity policies offer protection for fraudulent or dishonest acts perpetrated by employees, which acts are intended to cause the insured to sustain a loss and are committed by the employee with the manifest intent to obtain financial benefit for themselves or another person. Alternatively, some some commercial crime policies cover acts of theft perpetrated by an employee, defined "as the taking of insured property to the deprivation of the insured," but such policies often contain a specific exclusion for trading activities. Although some instances of "unauthorized trading" have met the requirements of, and been settled under, traditional employee fidelity policies, most would not be covered because of the intent issue. Contrary to acts committed to bring harm to the company, most of the rogue traders have acted with the intent to increase revenues and profits. Any financial benefit is usually in the form of higher bonuses or commission, which is excluded from the trigger of loss under fidelity policies. An unauthorized trading policy does not require such a trigger but provides coverage for the direct financial loss sustained by the insured as the result of unauthorized trading by its traders while trading for the Insured's own account. The unauthorized trading policy is triggered upon the discovery by the insured that unauthorized trading has occurred. For the trade to be "unauthorized," it must either: exceed the permitted financial parameters; be outside of permitted product lines; or not be with a designed counter-party. The trader engaging in such activities must either conceal or falsely record his trades for coverage to apply. There is a standalone unauthorized trading product available for Insureds and capacity ranging from $100,000,000–$500,000,000. A client's limit is determined by their exposure and risk management controls.

LEGAL AND REGULATORY ENVIRONMENT

Department of Labor-Required ERISA Fidelity Coverage. This coverage is mandatory for all benefit plans and is not elective. Coverage is readily included within commercial crime policies, or if the broader fidelity exposure is self-insured, this may be addressed separately by an ERISA (Employee

Retirement Fund Security Act) bond. The Pension Protection Act of 2006 (H.R. 4), includes "Sec. 622. Increase in Maximum Bond Amount," a provision which increases the maximum bond amount required for plans that hold employer securities from $500,000 to $1 million. Therefore, plans that hold employer securities are required to purchase a bond with a limit not less than 10 percent of the amount of funds handled, with a minimum limit of $1,000 and a maximum limit of $1 million. Pursuant to Section 407(d) (1), ERISA defines "employer security" as a "security issued by an employer or employees covered by the plan, or by an affiliate of such employer." The increase in maximum bond amount applies to plan years beginning after December 31, 2007. There is no change to plans that do not hold employer securities – employers must continue to purchase a bond with a limit not less than 10 percent of the amount of funds handled, with a minimum limit of $1,000 and a maximum limit of $500,000.

KEYS TO SUCCESS

Even in this positive underwriting environment, underwriters are still carefully underwriting business given the potential for catastrophic losses (witness AIG's 2006 loss ratio). The key to a successful crime insurance placement is to differentiate exposures and provide underwriters with detailed submissions, which include a completed application and which demonstrate positive internal controls. There is particular underwriting emphasis on demonstrated controls surrounding vendor relationships and oversight of foreign operations and audit practices. Underwriters are increasingly concerned about the Insured's assessment and monitoring of the overall internal audit control environment within the organization.

YEAR END PROJECTION

We forecast that the favorable underwriting environment will continue, but that market leaders may exercise greater constraint on rate reductions in 2008. A polling of market leaders indicates that they have budgeted more conservative rate reductions for 2008.

Despite escalating numbers of incidents affecting U.S. multinationals, we are still operating in a favorable market environment highlighted by the following:

CLIENT PURCHASING TRENDS/OPPORTUNITY SCENARIOS

Kidnap and ransom coverage should form a key element to a corporation's crisis management. An insurance policy may only be a small part of the solution. What to do in the event of a crisis can be much more significant. Choice of insurer may be important, but the right response consultant with the right experience and geographic spread can be critical when help is required. We believe that every corporation with employees living in or traveling to sensitive or dangerous parts of the world should have plans supported by the benefits of a policy. We think this is part of corporate responsibility. The cost of coverage is small comparable to the self-insured risk and inability to provide support when required. This applies to all corporations both large and small.

MARKET TRENDS

Kidnap and ransom policies are readily available and competition among brokers and insurers has driven prices down in a market where capacity is at an all-time high. The market remains competitive despite an escalating trend in incidents. As a result, underwriters continue to offer comprehensive coverage terms and multi-year policies. However, underwriters are imposing narrower terms for some coverages, and some may impose an aggregate limit of liability for an insured event.

CAPACITY

KRE capacity is approximately $150 million, although we have been able to design programs up to $175 million. Creating programs in excess of $50,000,000 requires an experienced broker, as some underwriters are reluctant to provide excess coverage, with some lead underwriters declining to follow some competitors. Because of overlap in the London reinsurance market, it is sometimes difficult to fill out programs in excess of $150 million.

LOSS TRENDS

Due to the confidential nature of this coverage, underwriters do not provide the statistical data that is available to other lines of business; however, we are certain that this coverage remains profitable for all insurers. Losses are more prevalent in Mexico, Colombia, the Middle East and events have recently escalated in Nigeria.

Rates

For clients coming off three-year prepaid terms, there may be a slight escalation in premium if exposures exist in high risk countries or if there is considerable increase in personnel. Generally, this market remains well priced and we do not witness dramatic increases in premium, unless there has been an incident or threat during the prior policy period. For certain industry groups such as media, we may see premium increases as there has been a trend for increased kidnappings for this industry group particularly affecting the Middle East.

Insurers

All roads lead to London for this product and Lloyd's of London continues to dominate the field with Hiscox Syndicate and Cassidy Davis Syndicate writing primary business or offering reinsurance support to domestic U.S. insurers. There is also significant U.S. capacity through AIG, Chubb, ACE USA, PIA, Travelers and Great American. More often, Travelers and Great American assume a small proportion of risk while offering fronting support to Lloyd's of London syndicates. Domestic insurers rely heavily on London for reinsurance.

EMERGING TRENDS

Crisis Management: Aon-approved insurers are vetted on three criteria, which are financial stability of insurer, coverage and retained crisis management capabilities. Our marketing model is unique in the industry and we place emphasis on an insured's compatibility with the insurer's retained crisis management firm. In addition, this coverage is frequently under the combined direction of the risk management as well as the insured's security group, who view crisis management as the most important criteria in the selection of an insurer.

There is a trend by insureds to apply a greater level of analysis to the selection of a crisis management firm, which Aon highly advocates, and this is due in large part to the escalation of worldwide terrorism incidents and notably the Iraq War. The selection of a crisis management firm is equally, if not more important, than the transfer of financial risk.

Capping of Limits: There has been a recent trend for domestic insurers to impose aggregate limits for an incident and in some circumstances to cap the limit of liability for crisis management fees and expenses. AIG is imposing aggregate limits per incident and Chubb has historically capped crisis management fees at the policy limit. Some insurers are also deleting coverage for Products Extortion exposures.

KEYS TO SUCCESS

Preparation is key to a successful placement. Underwriters review exposures such as the countries in which the company operates, the frequency and destination of travel, particularly to high risk countries, visibility/global profile of a corporation, senior executive renown, extent to which the company or industry has been threatened, nature of operations, number of employees, number of employees outside the U.S., number of employees with frequent travel outside the U.S. In addition, risks with hazardous operations such as defense contractors, energy and gas, oil field operations and media are considerably more at risk than other businesses. Further, underwriters review an insured's crisis management readiness. An insured is viewed favorably by underwriters if they can demonstrate a proactive crisis management plan, security director initiatives and an ongoing relationship with the retained crisis management firm.

Aon has a dynamic crisis management practice engaged in providing clients with pre-incident consulting advice. We offer loss control services which are dedicated to KRE, and prevention of incidents is our highest priority. Our global crisis management practice includes personnel formerly employed by some of the world's leading crisis management firms, and many of our personnel have extensive military and counter-terrorism backgrounds. We aim to build risk transfer programs supported by consulting services.

EXECUTIVE SUMMARY

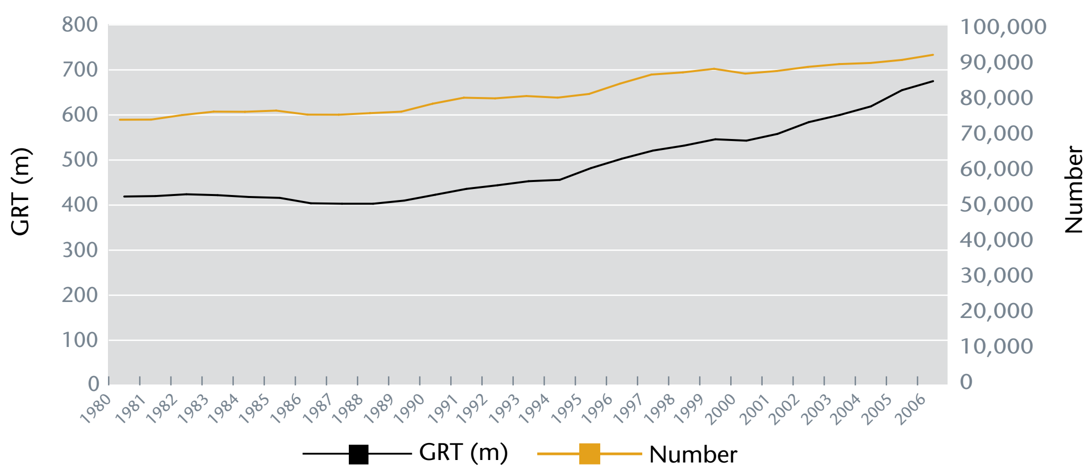
Compared to other Property and Casualty markets, marine insurance capacity and pricing is generally less cyclical. For 2007 and early 2008, Marine Cargo and Liability insurers are generally enjoying underwriting profits despite continued competitive pricing. This continues to fuel new capacity in these areas. Blue water hull and P&I underwriting results are unfavorable. Nevertheless hull capacity remains adequate and pricing stable, with some reductions still possible for clients with good records who have not previously enjoyed lower rates. On the other hand, blue water P&I, which usually involves coverage by mutual P&I Clubs which traditionally renew with their members in February, with few exceptions is experiencing strong increases in pricing, even for accounts with favorable loss records. These P&I increases, which are a continuation of a similar but somewhat less volatile cycle over the last several years, are causing concerns among vessel owners and operators. While P&I Clubs cite severity of losses, increased values of cargo, new regulations that increase potential claims awards, and other factors as the underlying reasons for these premium increases, they also conclude that vessel owners can afford these increases at a time when the owners are enjoying strong freight rates. This is not universally the case, and is a cause for concern in some regions if this cycle does not level off soon.

Underwriting results, while far from stellar, have been acceptable enough to maintain and even increase capacity depending on the line of coverage. By far the most aggressive pricing is in the class of marine cargo insurance.

MARINE PREMIUM VOLUMES

While strong trade increases continue to drive growth in freight rates and the world fleet as shown below, growth in global marine premiums converted to US dollar currency are partially caused by the weak USD currency against European and Asian currencies.

World Fleet by Tonnage and Number **(Vessels >100gt)**



AON

The world fleet continues to grow – 2006 saw real increases (net of scrapping) of 1,000 vessels to the combined tanker, bulker and container fleet. In the first two quarters of 2007 the tanker fleet growth is 10 percent up on the same period in 2006 although the same measure for bulkers is down 8 percent.

Strong freight rates continue with bulkers at a new high (in 2007, 85 percent up on 2006) but tankers are off the top by some margin and 7 percent down in 2007. The Clarksea Index has risen by 20 percent in 2007 but still some 5 percent off its 2004 high.

Shipyards remain at capacity with order books increasing in both the tanker and bulker sectors – by 46 percent and 32 percent respectively.

Some classes of insurance business such as cargo and marine liability continue to provide good underwriting results as shown in the chart below for the American Institute of Marine Underwriters. However, as also shown, some classes of Hull and Commercial P&I have presented long term underwriting challenges.

AIMU

Combined Ratios, Ocean Marine Underwriters

	2007	2006	2005	2004	2003	2002
Overall	85.91%	86.03%	99.23%	91.68%	89.85%	92.23%
Cargo incl. War SR&CC	78.90%	77.22%	74.81%	64.69%	80.36%	75.40%
Ocean Hull	109.86%	98.42%	92.50%	108.55%	116.18%	132.07%
Other Hull	69.69%	84.38%	104.72%	94.13%	101.83%	94.53%
Commercial Primary P&I	118.14%	112.63%	97.01%	145.05%	97.02%	156.45%
Yacht incl. P&I	89.20%	95.89%	111.23%	120.98%	98.81%	97.64%
Excess Liabilities	120.77%	102.16%	88.14%	86.08%	92.05%	63.54%
Primary Liabilities	87.96%	77.96%	78.78%	81.19%	88.28%	85.77%

Source: AIMU

2008 MARKET TRENDS AS OF 1Q

We have analyzed the premium trends and capacity changes across the various marine products and provide our "Market at a Glance" below:

MARINE MARKET AT-A-GLANCE

	RATE TREND	RATE RANGE %	CAPACITY TREND				
			USA	LONDON	NORWAY	CONTINENT EUROPE	ASIA
Cargo	↓	-20% to 0%	↑	↑	N/A	↑	↑
Stockthroughput**	↓	-15% to 0%	→	→	N/A	→	→
Blue water hull	→	-5% to +7.5%*	→	↑	↑	→	↑
Blue water P&I	↑	+10% to +25%*	→	→	→	N/A	→
Brown Water hull	↓	-10% to 0%	↑	→	N/A	→	N/A
Brown Water P&I, Liability	↓	-7.5% to 0%	↑	→	N/A	→	N/A
Other marine liability – Primary	↓	-5%	↑	→	N/A	→	→
Other marine liability – Excess	↓	-5%	↑	→	N/A	→	→
Ports & Terminals – Property**	→	-5% to +10%*	↑	→	N/A		
Ports & Terminals – Liability	↓	5% to +5%*	↑	→	N/A		
Logistics – Cargo	↓	-10%	↑	↑	N/A	↑	N/A
Logistics – Property	→	0%	↑	↑	N/A	↑	N/A
Logistics – Liability	↓	-5%	↑	↑	N/A	↑	N/A
Legend							
Increases	↑						
Stable	→						
Decreases	↓						

*If Record poor, increase will be considerably more.
**Except CAT Zone property.

The above are general trends. A few additional comments:

- Blue Water Hull – Although the first six months of 2007 produced extremely poor claim results, it did not appear to have a discernible effect on rating levels. Perhaps one of the reasons being that not all underwriters were affected by the negative results. Furthermore, overall results improved in the latter part of 2007.

  Accounts with poor loss records are experiencing some increases, but less than what would be normally expected for the record. Exceptions are highly valued vessels where alternative capacity is less available.

  Accounts with good hull records have been experiencing some improvements in pricing and/or profit commissions in the last year or two, so 2008 renewals will see some possible but more modest reductions. The exception is large and growing fleets with modest per vessel values, which are still enjoying aggressive renewals.

- Cargo – US Cargo insurers have not experienced an underwriting loss for more than five years, with 2006 coming in with an industry Combined Ratio of less than 80% at year-end (these are, of course, accounting year results and therefore not fully matured). 2007 had similar results. These ongoing profits continue to bring new capacity into the marketplace. This over-capacity is expected to contribute to continuing availability of a very soft market as the US Cargo underwriters continue to vie for market position share. In recent months there has been stronger interest in establishing firms or departments at financial institutions for the purpose of trading commodities, including oil and other energy related products, agricultural products and other commodities. Cargo insurers have responded with favorable terms. While traditionally the London insurers best responded to the challenge of insuring commodity business, we now find many more European and US market alternatives for such cargo business.
- Brown Water business continues to be competitive due to increased capacity introduced in 2006. Accounts with diligent loss control and/or significant retentions are continuing to experience slight rate reductions or coverage enhancements. Taken in isolation, Commercial Primary P&I results are below acceptable combined ratios, and continued to deteriorate in 2007. However, Traditional package programs combining hull, P&I, comprehensive marine and general liability, and other brown water exposures continue to deliver overall acceptable results and are sought after among US markets.
- Blue Water P&I – The P&I Mutuals are commanding general increases ranging from 10 percent to 15 percent. There are some renewals of 20 to 25 percent General Increases among some Clubs. This is principally driven by an increase in the number and size of large losses (P&I Group pool claims) in excess of $7,000,000 per occurrence. In fact two clubs (North of England and UK Club) have a mandatory Pool increase on top of the normal General Increase. In addition some clubs are requiring increases in deductibles. In some cases owners are electing higher deductibles or other coverage changes in order to mitigate premium increases.
- Results for Primary liability (other than P&I) continue to be favorable for underwriters. US markets are aggressive for traditional primary marine and general liability programs. But for more difficult, complex primary liability risks, London insurers are tending to be more flexible about policy wording and a willingness to underwrite the risk. Excess marine liability markets are stable after the last few years for rate reductions.
- The Global Yacht markets continue to be aggressive, led particularly by London and European based marine insurers. There is more underwriting capacity, and thus competition, for mega-yachts, and the range of products is increasing beyond Hull and P&I, to include crew welfare, professional liability coverage for masters, and coverage for additional equipment related to the yacht.
- Logistics – With regard to cargo/logistics, there have been more markets willing to write logistics than ever before. This is with respect to shipper's interest and cargo liability. Rates remain soft, but, unlike larger direct shipper cargo accounts, we do not usually see the drastic reduction in rates.

With regard to non-marine lines of logistics, we are seeing more markets interested also. Pricing is flat to slightly lower, but all depending on experience.

COVERAGE ISSUES

Marine markets are still offering coverage for inventory (Stock Throughput Policies). However, improved premium models in the property markets have narrowed some of the advantages of the STP concept. Generally speaking the STP continues to provide highly competitive transit and inventory deductibles and additional CAT inventory capacity.

Trade credit markets are offering new and more attractive products to protect vessel owners from credit and other financial loss arising from default of time charterers. These products not only cover default payments, but also loss of hire following a charter default, and the differential in freight rates should the re-charter be at lower than the original charter rates.

NEW CAPACITY

Marine insurance continues to attract new participants, and few if any markets are exiting this sector.

The latest new entrants to set up underwriting desks in the US are Max Specialty and Valiant Insurance. Both are still in the process of "staffing up" but have begun underwriting a book of cargo, liability, and small hull risks.

For Ports and Terminals, we have been successful developing an increased number of insurance market alternatives. These markets are combining underwriting in marine and non-marine departments to aggressively underwrite package approaches for Port property and liability risks. Traditional ports markets such as TT Club, Liberty International, Lexington and others continue to be creative and flexible in form and program structure.

In London, British Marine Mutual, now owned by QBE, has expanded their underwriting appetite to include some ancillary P&I business on a fixed entry basis, as well as Intermodal, logistics liability and cargo risks. St Paul/Travelers in London have expanded its product base to include professional marine liability business following its acquisition of specialist underwriters, Galatea. This has then led to formation of a new Lloyds consortium, Proteus, to write this class of business.

THE KEY TO SUCCESS

Keys to success for marine insurance buyers and their brokers:

1. Build client-market relationships
2. Focus on loss control/risk management, and be prepared to articulate.
3. Consider increased retentions where losses are frequent.
4. Compare markets' strengths, not just price: service, flexibility on form, financial security, claims responsiveness.
5. Timing is good to ask marine markets to expand their traditional insurance products. In a market where premiums are under downward pressure, a reasonable coverage extension may be more appealing to an underwriter than a premium reduction.

EXECUTIVE SUMMARY

The professional liability climate continues to soften for healthcare systems, hospitals and other miscellaneous medical entities. We have seen flat rates to slight decreases in difficult venues and mid to large premium decreases in other areas of the country. With many insurers writing hospital business, capacity is plentiful and competition is forcing insurers to decrease pricing in order to maintain the business. Also carriers are looking to make up the premium decreases by writing new business. This push for premium is further fueling the softening of the market.

Challenges remain especially for long-term care and physicians in certain venues. One of the continuing challenges is the limited availability and affordability of physician malpractice coverage in many “crisis” states, particularly for certain specialties such as obstetrics, radiology, neurosurgery and bariatric surgery. However, more and more physicians are starting to see rate relief.

2008 EXPECTATIONS

Continued stability and mild softening for hospitals and healthcare systems

The market continues to be highly competitive, with plenty of capacity, carriers and options for hospitals and healthcare systems. Carriers want to grow their books in 2008. Underwriters remain inundated with submissions, so the need for professional and complete submissions is more important than ever. Retention levels are stable, with more markets providing options for lower attachment points. By and large, most clients are renewing at their expiring attachment, choosing premium savings over buying down a lower retention. In addition, some carriers are offering inner aggregates as a way to help healthcare facilities with deteriorating loss experience lower their insurance pricing as well. Aggregate protection is now more available, but pricing still remains too high to generate the interest in purchasing the added protection. Many healthcare facilities have embraced self-insuring the working layer and insuring for catastrophic events, not only to save premium, but to maintain greater control over the claims-handling process.

Endurance, headquartered in Bermuda, recently announced pricing credits if a hospital facility incorporates certain specific medical risk management improvements, and other carriers are following their example. AWAC in Bermuda has also incorporated into their rating structure pricing credits for specific medical risk management improvements. Beazley Syndicate out of London has utilized an agreed upon patient safety benchmark that is measurable and may allow the client, if successful on the benchmark measurements, a reduction and return of premium.

Despite the good news of the improving insurance climate, hospitals and healthcare systems continue to be challenged beyond the pricing and structure of insurance programs. Hospitals struggle to maintain cash flow, expand, keep pace with technology, and incorporate additional medical and privacy safeguards. They are asked to do more, do it better and get paid less for it. They are charged with improving performance in the midst of everything from staffing shortages to decreased reimbursement levels. The year 2008 brings even more challenges to providers in the form of the new CMS regulations denying reimbursement for certain complications.

Challenges remain for long-term care and physician business

Availability for physicians continues to be an issue, especially for particular specialties in difficult venues. Lexington Insurance Company has introduced a physician group product with some coverage advantages over the standard physician medical malpractice coverage form. Despite some good news for physician insureds, major challenges remain for physicians with claims who continue to find it nearly impossible to purchase insurance from standard insurers and are forced to buy coverage from surplus lines insurers, often at exorbitant prices. One positive development for physician groups is the development of alternative risk transfer programs, such as Risk Retention Groups (RRGs), captives, physician-owned start-up markets and pooling arrangements.

States that have implemented meaningful tort reform are seeing premium decreases, greater availability of coverage limits, and more carriers interested in writing coverage in their state. This development requires watching captive and RRG programs very closely. As commercial markets become more competitive, there will be increased pressure on these companies to retain the physicians who may choose to leave these self-insured arrangements and go back to a market that provides them with protection under a state guarantee fund.

While the market for long-term care continues to be challenging, an infusion of new programs and RRGs have alleviated some difficulties. Nursing homes and other long-term care facilities (the elder services market) remains a major target of professional liability litigation. The frequency of claims filed against facilities in this sector doubled annually between 1996 and 2004, but frequency has stabilized in recent years. Premium levels followed this upward trend, increasing an average of 18 percent between 2003 and 2004 alone. We do see some improvement in states that have passed tort reform, notably Texas and Florida, where indications are that tort reform is driving down severity and generating more insurance availability and affordability in these venues. In addition, we are seeing renewed interest on the part of several carriers in this segment, with particular focus being given to not-for-profit individual homes and small chains.

Managed care market options remain limited

Managed care options are still limited but the market remains competitive. ACE Insurance is now willing to look at submissions for a lead position. Other than ACE Insurance, no new insurers have entered this class on a blanket basis, but we are seeing limited interest on an account-by-account basis from several excess insurers. The existing insurers who are active in this market are all looking to increase their market share.

Attachment points for larger managed care accounts are stable and even decreasing in some cases, especially for single plaintiff claims. We have seen improved terms and pricing for class actions, punitive damages and antitrust claims. This is true across managed care organizations of all types and sizes.

This relief can be attributed to several factors. First, the wave of class actions against managed care organizations appears to be waning and did not reach the level insurers expected. Second, the Class Action Fairness Act of 2005 and other tort reform measures seem to be gaining traction on both national and state levels. Finally, the Supreme Court opinion in *State Farm Mutual Automobile Ins. Co. v. Campbell* seems to be having an effect in curbing excessive punitive damage awards.

Favorable loss trends and increased risk assumption are moderating rates for managed care insureds. Loss ratios for insurers active in the class are at lower than expected levels. Nevertheless, the class continues to generate higher premium and rate levels than others in the healthcare sector, so insurers want to retain their current accounts.

The major challenge here is uncertainty over future loss trends. Plaintiffs continue to develop new and novel causes of action against managed care organizations. This uncertainty over the future loss picture is restricting the availability of risk transfer capacity for the managed care E&O sector.

COVERAGE ISSUES

The creativity that emerged during the hard market continues to benefit the healthcare sector. Below are some examples of creative approaches employed to improve a client's insurance program and manage difficult conditions.

- Inner aggregate corridor deductibles or self-insured buffer layers have helped soften the blow of extremely high retentions. This approach is especially valuable for a client who has experienced one or two large claims, but does not have frequent severe claims. This option is also a way to lower the pricing for insurance along with the total cost of risk.
- A stretched aggregate program is a sound option for clients in difficult venues with marginal loss histories, by providing an aggregate limit over a three-year period. While not offering substantial savings, it does enable clients to secure catastrophic protection and stabilize the self-insured retention (SIR) over multiple years. This option has become less viable, however, due to the improved marketplace, stable venues and tort reform.
- Many healthcare systems are investigating options to assist staff-attending physicians. Some healthcare facilities that had been considering including such physicians in their captive programs have tabled the idea since physicians' rates have stabilized or decreased in some venues. There is still interest in forming risk retention groups (RRGs) or captive insurance companies for physicians in more difficult venues.
- Swing plans and other creative options continue to provide tangible value to insureds in difficult venues or with negative loss development.
- Multi-year programs are starting to be offered by some carriers now.
- Occasionally in some venues, occurrence coverage is now at least being discussed as an option for lines that have been in the recent past always claims made. This is an exception and definitely not the rule.

KEYS TO SUCCESS: CHALLENGES AND OPPORTUNITIES

Challenges

According to A.M. Best, the combined ratio for medical malpractice business continues to improve. The chart below shows 2006's combined ratio was 91.2, compared to nearly 140 in 2003, evidvence of a significant improvement in this line of business. A.M. Best's estimate is 83 for 2007 and 94.5 for 2008. See the chart below for comparison to other lines of coverage.

Despite the good news, the crisis in physician medical malpractice will continue in certain venues and certain specialties, such as obstetrics, neurosurgery, radiology and bariatric surgery. Steps toward tort reform have helped in certain areas, but significant progress is still needed to make affordable coverage available to physicians nationally.

Recent tort reform developments, such as those in Georgia and Illinois, are unlikely to provide any relief in the near future. Parts of these reforms are already being challenged. The 2003 Texas tort reform, with its constitutional component, has made a significant difference, by increasing available markets and keeping pricing under control.

Even in this positive market, it remains important for healthcare organizations to evaluate numerous options rigorously to effectively position themselves for the year ahead and for the long term.

National Underwriting Trends by Line
Domestic Marketplace—Calendar Year
Combined Ratio

	Actual							Estimates	
	2000	2001	2002	2003	2004	2005	2006	2007E	2008P
Personal Auto	109.5	107.9	104.2	98.4	94.4	95.1	95.5	97.5	99.5
Homeowners	111.3	121.7	109.2	98.3	94.2	100.1	91.7	95.5	99.5
Workers' Compensation	120.7	120.7	112.6	108.5	105.2	102.7	95.0	98.5	101.5
General & Products Liability	112.0	130.6	137.4	115.9	117.4	113.1	95.4	99.0	104.5
Commercial Package	115.0	118.7	104.9	99.9	100.6	97.1	92.9	93.5	98.0
Commercial Auto	115.7	116.2	102.7	95.1	92.9	92.1	92.2	94.5	98.0
Fire & Allied Lines	108.4	123.8	89.2	79.5	86.8	104.1	80.8	83.0	84.5
Medical Malpractice	133.8	154.4	142.4	137.5	111.0	101.0	91.2	83.0	94.5
Inland Marine	92.9	100.2	83.8	80.8	82.5	89.8	75.7	76.0	81.0
All Other Lines	99.0	118.6	102.3	94.7	101.3	125.3	81.3	98.3	101.5
Total All Lines	**110.4**	**115.7**	**107.3**	**100.2**	**98.5**	**100.8**	**93.3**	**96.8**	**93.3**

(Source: A.M. Best: Special Report – Property Casualty Review/Preview – January 2008)

Opportunities

Aon Healthcare's focus on quality has been received positively by the market, which has resulted in increased underwriter interest and, at times, providing access to additional capacity. Understanding a client's approach to improving quality of care also makes it possible to offer stratified self-insured retentions (SIR). This approach recognizes the higher-risk exposures and venue challenges, while providing a means of reducing the overall cost of risk through lower retentions for lower-risk exposures.

All clients, regardless of venue, should allow ample time for a well-executed renewal strategy. Underwriters receive submissions on more accounts than they can accommodate. Therefore, all possible tools and strategies should be deployed to differentiate an account and to raise the visibility of a submission. The following steps, while basic, are extremely important:

- Begin the process early and clearly identify objectives. A renewal strategy meeting is crucial. This meeting should include an overview of current market conditions, an update on new developments (such as new services, facilities or changes to the insured's staff), and an overview of the venue. Viable markets and possible changes to program structure should also be discussed.
- Adhere to the most stringent transparency requirements. This keeps both brokers and insured's well aware of potential markets and expectations for the renewal.
- Attend face-to-face meetings with underwriters. Whenever possible, these meetings should include the insured's key decision makers, such as the CFO, General Counsel and Risk Manager. Bringing these parties together results in better outcomes. A presentation at the meeting should highlight the client organization, address problem areas in anticipation of underwriters' questions, and articulate renewal goals. Specify goals and expectations to markets with respect to pricing, attachment and coverage terms.

- Benchmarking and quality initiatives are widely recognized to improve care delivery and outcomes. Healthcare facilities are always interested in benchmarking data and seeing how they compare to other similar facilities.
- Detailed descriptions of quality control programs should be provided and emphasize the program's impact on loss frequency and severity.
- An actuarial analysis should determine retention funding and is a valuable tool in the negotiation process.
- Audited financial reports are required and can play a significant role in underwriters' decision-making.
- Information, including 10 years of loss and exposure history, should be cogently organized and comprehensive. Electronic format is preferred.

The following guidelines can assist clients facing renewals in all venues, including difficult ones.

- Advise the insurer that its program must continue to reflect the overall softening of the market in terms of both pricing and terms. Efforts should be made to lower retentions, both specific and, if applicable, the aggregate as well.
- Seek alternative markets and program structures and compare to the incumbent insurer's solution. Always look to the total cost of risk for the healthcare facility.
- Encourage carriers with substantial premium volume to pick up risks in difficult venues as well.
- Be prepared to approach the market with current and positive information. If there are particular problems, review them and make plans to tackle them. Be proactive in sharing these plans with markets.

AIRLINE MARKET

The airline insurance market was unprofitable in 2007 as a result of the total lead hull and liability premium being outweighed by the amount of claims. There are a number of factors that complicate this simple fact, however, and they may mean that capacity providers will take longer to pull back from the market than might otherwise be expected.

Primarily, the process of ascertaining where an airline claim belongs can be a drawn out process, and while an initial claim generally falls under airline hull and liability policies, it may ultimately be recovered by, for example, a manufacturer's policy, subjugated against other aviation classes.

The main reason for this is the complexity of the claims involved and the long process of apportioning legal responsibility for an incident. As a result, while the airline insurance market appears to have been unprofitable at this stage in 2007, this may change as the claims evolve.

Equally, the calendar year does not always coincide neatly with the 12 months that a standard airline insurance program runs, which also complicates the picture of how profitable or otherwise the airline insurance market will be in the long term. Because of the differing renewal dates that airline organizations have, it may mean that some of the losses that occurred in 2007 will actually have been covered under 2006 policies depending on when in the year they occurred.

A strong consideration for participants is that while premium income has fallen to a level equal to claims, the insurers own trading costs have also begun to fall. Equally important in assessing longer-term profitability is the reinsurance costs, which we understand to have remained more stable since their post-9/11 highs.

	Total Renewals			Fleet Value	Passenger Movement	Premium Hull/Liability		
	2006	2007	Year on Year Change	Year on Year Change	Year on Year Change	2006 (US$m)	2007 (US$m)	Year on Year Change
1st QTR	16	12	-25%	-10%	-14%	49.40	37.60	-24%
2nd QTR	46	50	+9%	+13%	+15%	222.72	187.21	-16%
2nd QTR	45	49	+9%	+14%	+10%	273.69	245.03	-10%
4th QTR	103	99	-4%	+8%	+13%	1151.85	1036.27	-10%
Average/ Total	210	210	0%	+9%	+8%	1697.67	1506.10	-11%

Compared to Full Calendar Year 2006:

- Premium in 2007 fell by -11 percent
- Fleet values grew by +9 percent
- Passenger numbers rose by +8 percent
    - Total recorded lead hull and liability premium for 2007 was US$1.51 billion, a reduction of -11 percent on 2006
    - Total incurred claims, including hull, liability and an estimate for attritional losses, amounted to US$1.69 billion
    - As a result, the airline insurance market is likely to have made a loss in 2007 for the first time since 2000
    - After an initial burst of reductions in the first quarter (-24 percent average hull and

liability premium reduction) that mirrored the final quarter of 2006, the airline insurance market became less soft as 2007 progressed

- July has now overtaken November as the second most active month in the airline insurance market calendar, although it still delivers around US$13 million less lead hull and liability premium
- Despite a general trend away from the October to December renewal season over the last few years, the last month of 2007 actually witnessed an increase in the number of programs renewing
- The largest fleets by average fleet value (AFV), the average value of the fleet during the life of the insurance program rather than at a specific date in the year, continue to attract significant economies of scale and their insurance cost per passenger is the lowest in the industry as a result
- North American fleet value has become smaller than both Europe and Asia, which have virtually identical AFVs according to our criteria. Europe and Asia still have significantly lower passenger numbers than North American
- Cargo was the only sector to see its lead hull and liability premium increase significantly. This was the result of a variety of factors including the highest level of fleet investments in the industry and the continuing perceptions of poor loss histories in the sector
- The proportion of passengers traveling with flag carriers has fallen from 66 percent in 2005 to 48 percent in 2007
- The top 20 largest hull and liability premium payers represent over 40 percent of the total annual amount

AEROSPACE

The average aerospace liability premium renewal change for 2007 was -6 percent, compared to +3 percent in 2006 in reporting currency. This reflects the high level of capacity in the aerospace insurance markets that has developed over the last couple of years, attracted by the relatively low level of aviation losses over the last five years.

The market began 2007 by getting gradually softer, reaching its nadir in the third quarter before becoming gradually less soft in the final three months as the relatively high level of losses in the airline market began to influence market sentiment.

That said, capacity continues to be very high, according to rough estimates. The five key types of aerospace risk, namely critical products, non-critical non-U.S. products, critical U.S. products, non-U.S. service providers and U.S. service providers, all have capacity of over 200 percent based on a US$1 billion limit.

As a result, it may be that the final quarter was influenced by the renewal of three major global operations that suffered erosion of their premium bases as a result of claims history.

	Renewals			Premium			
	2006	2007	Year on Year Change	2006 (US$m)	2007 (US$m)	Percentage Change (US$)	Percentage Change (RC)
Quarter One	47	58	23%	84.29	92.31	+10%	0%
Quarter Two	49	57	16%	288.15	247.46	-14%	-5%
Quarter Three	71	70	-1%	383.07	338.36	-12%	-10%
Quarter Four	47	51	9%	168.66	159.28	-6%	-8%
Average/Total	214	236	10%	924.16	837.41	-9%	-6%

	Renewals			Premium (US$m)		Premium Movement	
	2006	2007	Year on Year Change	2006	2007	Percentage Change (US$)	Percentage Change (RC)
Airport	70	78	11%	129.18	126.98	-2%	-8%
Manufacturer	111	117	5%	725.76	649.66	-10%	-3%
Service Provider	33	41	24%	69.22	60.77	-12%	-11%
Total	214	236	10%	924.16	837.41	-9%	-6%

Compared to Full Calendar Year 2006 in reporting currency:

- Overall aerospace lead liability premium has fallen by -6 percent on average
- Airport lead premium has fallen by -8 percent on average
- Manufacturer lead premium has fallen by -3 percent on average
- Service provider lead premium has fallen by -11 percent on average
  - The capacity growth that took place in the aerospace insurance market during 2006 has had an impact in 2007, leading to the average lead liability premium reductions of -6 percent during 2007 compared to increases of +3 percent in 2006
  - Of the 236 renewals recorded in 2007, over 75 percent received reductions, 4 percent paid the same price as before and the remainder had increases in their lead liability premium. Of the 214 renewals that recorded in 2006, over half saw their lead liability premium increase, nearly a fifth saw it remain the same while only 30 percent saw their lead premium fall
  - Claims have been limited in the aviation sector generally for the last few years, although the high level of hull losses in 2007 may translate into an increased number of claims on the aerospace market as accident investigators apportion responsibility
  - In terms of premium contribution, manufacturers contributed just under 80 percent of the total lead liability premium, airports 15 percent and service providers a little over 5 percent. The proportion of premium contributed by the airport sector has risen slightly since last year at the expense of the manufacturing sector, reflecting a general growth in aviation infrastructure globally
  - In terms of regions, Asia received the best reduction in average lead liability premium in reporting currency with -8 percent, closely followed by Europe and the Americas on -7 percent and -6 percent respectively
  - There was a great deal of discussion about longer-term insurance programs as well as self-insured retentions as the benign market conditions led to developments

in the approach that some aerospace organizations were taking to the insurance markets

- The general trend is for a growing number of aerospace operations renewing, reflecting primarily a healthy industry that is increasing in size

GENERAL AVIATION

Overall, market conditions to end 2007 remained soft due to an abundance of market capacity with interest in writing general aviation in the U.S. This trend seems to be continuing into the first quarter of 2008. Competition remains strong. This has generated premium reductions along with enhancements in coverage for many insured's. Rate reductions vary by product line within general aviation, but in general the market has continued with a soft trend.

New market entrants are quoting aggressively for the opportunity to write and participate on all types of risks. Long-standing aviation markets with long-term client relationships are also quoting aggressively to maintain their current books of business. Due to increased capacity available, many risks that are placed on a quota-share basis can be completed within the U.S. marketplace without tapping into the international marketplace.

Corporate aviation continues to be the most desirable sector of general aviation for insurers. All of the major insurers as well as new insurers have interest in writing this class of business. The corporate aviation sector tends to have one of the best safety records overall, which makes it the most attractive to underwriters. Renewals in this class are receiving rate reductions. Increased insurance-market capacity has caused the aviation insurers to quote more aggressively and greater reductions are being achieved where there is fierce competition. Limits of liability are readily available at levels ranging from $100 million to $500 million. With respect to aircraft hulls, most of the major carriers can write hull values up to $65 million.

Commercial aircraft operator renewals will vary depending upon exposure base, aircraft type, training, loss experience and limits purchased. Competitive pressure and favorable loss experience has resulted in reductions for insureds with average-to-good risk profiles. Competition has resulted in greater overall reductions. Less favorable loss experience would result in less favorable reductions, flat renewals or potential increases depending upon the experience. Underwriters review their positions on an account-by-account basis.

New aviation markets as well as certain historical markets are focused on offering their client base selective non-aviation coverage to broaden their capabilities. The aviation workers compensation market has been expanded offering clients more options and generating competition for insureds.

We anticipate the general aviation market to continue with this soft trend through the first quarter of 2008. Reductions in general will depend upon current rating structure, good loss experience and potential competition.

The worldwide energy insurance markets had to contend with only minimal losses in 2006 and 2007 after the devastating Hurricanes Ivan, Katrina and Rita in 2004 and 2005. The lack of large losses in 2006 and 2007 and increased rates led to record profits for most carriers in both these years. Although some deterioration in the loss amounts from hurricanes Katrina and Rita did have an effect on the 2006 underwriting year. We saw the market start to soften in early 2007 with the Gulf of Mexico renewals. The softening picked up pace through the year and buyers that renewed in May, June and even later received better terms and conditions than those that renewed in January and February. In early 2008 that softening cycle has picked up further pace and buyers are making some significant premium savings as well as attracting additional amounts of aggregate windstorm coverage, and for many the removal of sub-limits for coverage items such as Making Wells Safe and Extended Redrill. It was widely anticipated that the dramatic price increases and the performance of the 2006 and 2007 underwriting year for underwriters would lead to the development of new capacity entering the marketplace. This has proven to be true as a number of Lloyd's entities have started up such as Omega, Ark, CV Starr, and Argenta, and in Houston with the Markel and Ascot syndicates' operations.

Oil Insurance Limited (OIL), a mutual insurance company that is dedicated to serving the needs of the energy industry, announced its worst loss in its 33-year history in 2005. Since then OIL has benefited greatly from the rating changes in the marketplace and the rating basis they assigned to assets exposed to "Atlantic Named Windstorms." OIL is now in a more robust financial condition, so much so that it is now talking about potential increases to the amount of aggregate limit it is willing to offer to Gulf exposed members.

Following the 2005 underwriting year, accounts were segregated into two distinct classes: wind, flood and earthquake catastrophe-driven accounts, and non-catastrophe driven accounts. This remained the case in 2007. While as expected softening has occurred for non-catastrophe accounts, the extent of the softening for the catastrophe accounts which began after the clean 2006 hurricane season has picked up significant momentum through 2007 and continues into 2008 as demonstrated by the early season renewals. Markets, having achieved adjustments in terms and conditions in 2006, sought to hold those changes in 2007. Ultimately some underwriters offered up some additional aggregate cover to maintain the premium levels, but most buyers purchased the same limits of cover in 2007 and accepted premium savings instead.

While there has been a significant reduction in the premiums for the offshore exposures, some of the other coverage terms have remained relatively stable. Deductibles for named windstorm exposures have remained intact and we expect them to remain at this level for the foreseeable future. It is also widely expected that the requirement for aggregated limits for windstorm cover will continue, at least for this year. Loss of production income or business interruption remains relatively expensive and with such limitations in recovery that few clients have purchased this coverage since the gulf storms. The number of buyers now purchasing loss of production/business interruption decreased dramatically in 2006 and 2007 and the contingent business interruption market has almost disappeared. This remains the status quo in the first part of 2008.

Reinsurance renewals for 2007 are now complete, and most insurance company buyers have stated that the price reductions expected were not achieved. While many expected a 20 percent savings, the average straight price reduction was in the 2-10 percent range. However more aggregate limit was offered and some have once again increased their retention levels to make savings. The net result is that underwriters have either reduced their reinsurance cost or they have achieved much better cover for a roughly similar price.

In summary we expect the softening of the market to continue throughout 2008, probably in a stair-step fashion as the pressure from new capacity competes against existing underwriters who would rather hold the line at current rating levels. Short of a capital/capacity withdrawal by some of the big players, there is only one thing that would stop the reduction in rating. One big storm in the wrong part of the Gulf will finally test the new product that underwriters have designed and also test the adequacy of the current rating, retention and coverage levels. While it is the market's expectation that it can sustain one big storm without a material underwriting loss, only a real storm or multiple storms will fully test all of the rating models and program structures.

The rates for non-catastrophe risks never went as high and therefore have not come back as far either. There has been a relatively soft market for this kind of risk for the last two years, but with less dramatic savings. As premiums generated by the Gulf of Mexico accounts start to drop in a meaningful way there will be pressure on underwriters to make up this lost premium in other areas. This will put some pressure on the non-catastrophe book. However, 2008 still looks to be a good market for these buyers.

LIABILITY

The casualty energy market has experienced generally soft conditions over the past few years. Underwriters have benefited from combined ratios of less than 100 percent in three of the last four years, and under 101 percent for five consecutive years. This trend is predicted to continue in 2008.

With good underwriting results, carriers are looking to maintain their market share. As such, clients are still benefiting from the soft market and renewing programs with some significant decreases. Ten percent decreases tend to be the norm these days for clients with good loss experience – and the definition on good loss experience tends to be broader these days. Clients who purchase limits that strain the capacity of the market are seeing smaller savings.

One area that remains more problematic in the energy field is the lead excess layer. There are very few markets that are willing to write lead excess layers. This lack of competition is keeping this line from providing the decreases we see in the middle and excess layers. In addition, lead excess carriers are looking to increase their attachment point for certain exposures such as pollution liability and trucking exposures.

Above the lead excess layers there is plenty of capacity available. While some companies have pulled back (OCIL reduced its capacity for any one client to $100 million, and the Catlin syndicate is pulling out of refining exposures altogether), other carriers are increasing their available lines or are newly entering into the energy field, with Arch London and the Ark Syndicate as examples. This new capacity is keeping the excess liability marketplace in a very competitive state.

The market for environmental insurance continues to grow at a strong pace with most insurers active in the market reporting 10 percent to 15 percent increases in premiums over the last twelve months. As a relatively young product line, environmental insurance is now accepted as a standard form of coverage for a number of property-related transactions and operational risks. Clients include contractors and consultants, small businesses, non-profit entities, property owners and developers and manufacturers from family-owned businesses through Fortune 500 corporations. There is still room for considerable future growth since the percentage of clients purchasing environmental insurance remains relatively low considering the ubiquity of pollution risks.

The continued interest in environmental insurance products is driven by many factors including the following:

- Regulatory requirements for insurance in specified classes of industrial and commercial operations
- Claims arising out of indoor environment and mold conditions caused by design or construction defects, improper maintenance and operation of buildings and selection of materials for construction and furnishings
- Greater concern over legacy liabilities from historic site operations and manufactured products
- Use of environmental insurance to address bio-hazard risks involving releases of hazardous materials in terrorist acts
- Greater awareness on the part of executives and directors of sustainability issues including environmental responsibility
- Continued activity in construction and real estate development
- Mergers and acquisitions where historic liability issues must be allocated between the parties and managed as a risk factors
- Transparency requirements including Sarbanes-Oxley Regulations that compel identification, quantification and disclosure of environmental liabilities
- Use of environmental insurance products in lieu of an indemnity in real estate transactions
- Global expansion of business with diverse requirements and uneven enforcement of environmental regulations
- European Union Directives (being implemented in the individual member nations) that require financial responsibility for certain classes of industry

These factors and others have resulted in a growing awareness on the part of executives and risk managers of the need to insure environmental risks. Underwriters have responded by providing a wide variety of insurance products that address the risks discussed above and others that are material to the financial results of insured entities. The market continues to be responsive to emerging risks and capable of developing products to meet new risk management requirements.

RATES & MARKETPLACE CONDITIONS

The market for environmental insurance has been stable over the past five years with modest rate changes that reflect loss ratios. For most lines of insurance, this means that rates have adjusted downward as the claims experience has been favorable. Remediation cost overrun (Cost Cap) insurance and secured creditor policies are the exception with both lines becoming more difficult to obtain and more expensive over the past two years. Additional underwriters have added capacity and made rates competitive for all other lines of environmental coverage.

EMERGING TRENDS

The environmental insurance market continues to evolve as new uses for standard coverages have been identified and new forms of insurance have been developed. Some of the trends that continue to drive the environmental market include the following:

- **Greater reliance on environmental insurance products in lieu of indemnities in real estate transactions** – In the past, property transactions addressed the risk of environmental liabilities by allocating them between the buyer and seller based with indemnity requirements to support the promises of the parties to pay. This has proved unworkable due to the uncertain financial fortunes of those offering indemnity and the difficulty of enforcing promises through litigation. Environmental insurance has been used to replace indemnity provisions or to provide financial support for promises to pay that have facilitated numerous real estate transactions where historic environmental conditions are a risk factor.
- **Use of environmental insurance to address legacy liabilities** – Manufacturers seeking to close the books on historic liabilities associated with industrial sites and manufacture products have struggled with environmental risks which are retroactive, joint & several and continue in spite of contractual efforts to shift it to others. In selling old sites, divesting entire divisions or resolving product liability issues, environmental insurance has been an effective means of ring-fencing liabilities and allowing businesses concentrate on core activities rather than continue to devote assets and resources to legacy issues.
- **Global expansion of business operations** – Business operations have become global with manufacturing operations seeking low costs of production and low cost products seeking wider markets. As industrialized nations have entered developing economies, they have encountered uncertainty in environmental laws and uneven enforcement, a lack of infrastructure including water treatment and disposal facilities for hazardous wastes and existing pollution conditions that would be intolerable in their home countries. Environmental insurance is now available on a world-wide basis with local coverage in a number of nations. The protection afforded by this coverage and the assistance of underwriters in developing standards for foreign operations have assisted in the global expansion of manufacturing operations.
- **Increased pressure for disclosure of environmental liabilities** – In 2005, the Government Accountability Office (GAO) issued a report urging the USEPA to do more regarding enforcement of the reporting of environmental liabilities on a firm's balance sheet. An interpretation by the Financial Accounting Standard Board (FASB) of the accounting rule number 47 (FIN 47) passed in late 2005 now for the first time more clearly stipulates how firms are to reserve for their expected current and future cleanup and liability obligations. FIN 47 supplements the reporting requirements dictated by the Sarbanes-Oxley Act of 2002. The pressure for disclosure of environmental liabilities is continuing with a petition to the SEC to require corporations to include liabilities for global warming in their financial reports. Even if this petition is not approved, it is indicative of the growing interest of investors and other stakeholders in broader disclosure of environmental costs.

- **Sustainability programs will require greater attention to environmental responsibility** – A growing interest and commitment of the world's corporations to sustainability has increased the investigation and assessment of environmental risks. While insurance is only one of number of risk management options for sustainable corporations, it may be the most cost-effective solution where continuing operations present ongoing environmental risks.

LIMITS AVAILABLE AND MARKET CAPACITY

The environmental market remains competitive with a stable base of insurers and reinsurers, with new companies offering additional capacity from time to time. A new underwriting facility is being developed by Great American Insurance Company and is expected to be offering coverage within the first quarter of 2008. Starr Underwriting has also hired environmental underwriters and is expected to be active in the market this year either as a direct writer or a reinsurer of other markets. The capacity (retained in-house or reinsured by treaties) of the existing markets entering 2008 is summarized below:

AIG	$50 million
Zurich	$50 million
Ace	$50 million
Liberty	$25 million
Arch	$25 million
XL	$50 million
Chubb	$50 million

Capacity of $150 million or more is available for larger projects using multiple markets in a layered structure. Terms of up to 10 years or more are available for most lines of environmental insurance.

KEYS TO SUCCESS

The key to developing an integrated environmental insurance program is to start with a risk analysis that identifies and quantifies exposures. This analysis should encompass a full range of potential exposures including regulatory, legal, technical, and risk management. Once risk have been identified, risk management solutions can be developed and proposed to meet the needs of the individual account. Insurance is typically a part of the response since it provides cost-effective protection against a variety of first-party and third-party exposures and can include both pre-existing and new conditions.

LAWYERS' PROFESSIONAL LIABILITY

The fourth quarter of 2007 signaled the first significant softening of the lawyers' professional liability insurance market since premiums peaked in 2006. Rate reductions of 5-10 percent were common in late 2007 (for firms without specific claim issues) and some firms achieved even greater reductions on certain layers of coverage. In light of expected continued profitability and increased competition among insurers writing this line of business, law firms are likely to see continued rate reductions in 2008, though the magnitude of such reductions will depend upon the unique characteristics of the law firm and its program.

As in past cycles, the lawyers' professional liability insurance market has lagged behind the D&O market, which softened several years ago. Law firm losses – and corresponding premium changes – tend to develop more slowly than D&O losses and premiums do, because a law firm frequently is not a party to initial litigation. Only after underlying litigation is resolved is it determined if the law firm will have any liability whatsoever.

Another factor in delaying the soft market for lawyers is the lag before new capital enters the market. The lawyers' liability market is substantially smaller than the D&O market and law firm losses are not reported publicly, as D&O losses are. The larger size and transparency of the D&O market makes it more attractive (than the lawyers' professional liability market) to opportunistic capital entering the insurance market. In addition, the perception of lawyers' professional liability loss experience by insurers outside of that market (including insurers that exited the market without waiting for premiums to recover) often tends to be worse than reality.

The 2007 year was notable for the increase in insurer capacity flowing to the lawyers' professional liability market. This created greater competition and accelerated the market softening in the fourth quarter.

MARKETPLACE CONDITIONS

Large law firm losses have been relatively benign for the last five years, after a four-year period from 1999 to 2002 characterized by a greater frequency of severe losses, arising from financial failures of law firms' clients due to corporate malfeasance and the economic downturn in the late 1990s, as well as from tax shelter work performed by a few firms. Yet, even during the high loss period, law firm claim frequency remained well below the frequency of D&O losses. For example, many of the financial scandals that generated D&O claims did not attach law firms (and in several cases where law firms were sued, they were later dismissed based on *Central Bank of Denver* protections). Laddering and options back-dating are examples of loss "categories" that have generated few, if any, law firm professional liability claims, to our knowledge.

The credit market crisis is the latest issue to worry lawyers' professional liability underwriters, triggered by indications that related suits have contributed to rising D&O notifications after a period of reduced frequency of securities filings. Law firms have not been targeted in any of these suits, to our knowledge. Meanwhile, the *Stoneridge Investment Partners LLC v Scientific-Atlanta Inc.* decision by the Supreme Court reaffirmed existing strong protections for professionals relative to federal aiding and abetting claims, making it even less likely than in the late 1990s that law firms will be drawn into federal fraud cases where they are not deemed a primary violator.

Large law firm loss experience is expected to remain favorable for the near term, recognizing that adverse changes to the global economy might ultimately affect the law firm claim environment.

Loss severity today generally remains below the $50 million ceiling established in the lawyers' professional liability cycle of the late 1980s to early 1990s, with a small number of claims approaching $100 million and one notable exception in which a law firm loss might potentially exceed $200 million.

RATES

Law firm liability rates peaked in 2005 and 2006, after a series of increases that began in late 2001. For large law firms, the dearth of primary layer capacity has allowed insurers to sustain primary layer rates for the last few years, despite the fact that several insurers writing this coverage entered the market after the adverse loss years and have therefore enjoyed very profitable underwriting results. In 2007, the number of credible lead underwriters on primary business remained fairly constant. However, available supporting capacity for primary layers increased, which allowed brokers to fill out placements led by alternative leaders without using the incumbent leader's capacity. This created real competitive pressure on incumbent primary layer leaders for the first time in many years and led to substantial rate reductions in the latter part of the year.

Excess layer rates started to become more competitive in 2005, but only for law firms that did not "buy the market" (i.e. they purchased less than $150-200 million in coverage). Excess layer rates declined for most firms by the fourth quarter of 2007, largely because of aggressive premium growth strategies of certain insurers who put up more/new capacity and priced their product competitively to deploy it.

Market rates are expected to continue to decline through 2008, for accounts without specific claim issues, because of a number of factors:

- law firm loss experience remains benign relative to current premium levels and to losses from the 1999-2002 years;
- insurers that participated in the adverse loss cycle appear to have recovered from years with poor results;
- insurers that did not participate in adverse historical losses have enjoyed steady profits;
- incumbent insurers have increased capacity and/or targeted premium growth in the class, which has led to greater competition for the finite pool of insured firms; and
- new insurers have recently entered/re-entered the class.
    - other lines of business are less attractive because rates have been softening for some time; and
    - long-tail business is attractive as a counter balance to short-tail catastrophe business.

ALAS RATES AS DIRECTIONAL BENCHMARKS

ALAS is a mutual insurer (and a direct writer) that was formed in the late 1970s by a group of law firms that were unable to obtain adequate insurance capacity in the hard commercial insurance market at that time. ALAS grew substantially in the mid-1980s and continues to play a significant role in the lawyers' professional liability marketplace today (supported by substantial amounts of reinsurance). ALAS charges unitary premium rates for firms at comparable limits and retentions. ALAS' rates are published annually and have become a directional benchmark for the commercial market that competes with ALAS.

The chart below illustrates the change in ALAS benchmark rate over the period 1999 to 2008. We note that ALAS has earned profits in the past few years, which has allowed the company to return profits in the form of premium credits to member firms and recently led to rate reductions effective January 1, 2008.

ALAS Rates

$20 million/$40 million limit, with $500,000 retention*

Policy Year	Rate per Attorney	Indexed rate	Year over year change
1999	$2,984	100	
2000	$2,984	100	0%
2001	$2,984	100	0%
2002	$4,028	135	35%
2003	$5,220	175	30%
2004	$6,786	227	30%
2005	$5,826	195	-14%
2006	$5,826	195	0%
2007	$5,826	195	0%
2008	$5,293	177	-9%

* Retention structure is $500,000 each claim up to an annual retention of $1,000,000 and $100,000 each claim thereafter.

A law firm with an excellent risk/loss profile can expect to pay substantially less than the ALAS rate for commercial insurance. This is because ALAS' rate is an average rate for the group, comprised of firms with excellent loss experience and firms with poor loss experience. Commercial rates are based on the individual firm's experience and risk profile. A reduction in the ALAS rate would presumably lead to reductions in commercial rates for "good" firms to allow insurers to maintain a competitive advantage over ALAS.

EMERGING TRENDS – WORDINGS AND SELF-INSURED RETENTION LEVELS

Large law firms maintain broad wordings that afford comprehensive coverage and allow buyers to retain control of the defense of claims, including choice of counsel.

Many large law firms increased their self-insured retention levels (by two to three times in some cases) and took on co-insurance during the early 2000s. Some firms might seek to lower those retention levels again as premium rates decline. Many law firms continue to prefer low retentions as a mechanism to protect partner earnings from volatile claim costs.

Certain insurers are now open to consideration of multi-year policies (for the first time since these were discontinued – for most firms – in 2002). Multi-year policies can provide a competitive edge to insurers that are willing to offer these policies, assuming they are also priced competitively. Buyers, of course, may be less interested in a multi-year form if it does not offer the flexibility to benefit from future softening in the marketplace.

LIMITS AND CAPACITY

For large U.S. law firms, the maximum capacity in the commercial lawyers' professional liability insurance market currently is approximately $350-400 million. ALAS' total capacity of $75 million (which includes some different insurers/reinsurers than commercial placements) functions effectively as parallel primary capacity and does not substantially increase the total limits available to ALAS member firms, many of whom purchase excess commercial limits above ALAS.

Coverage is typically placed on a subscription basis for large firms. Beazley and Brit at Lloyd's, and CNA in the U.S. lead a substantial portion of the large firm primary placements. Swiss Re and Fireman's Fund are substantial supporting insurers. Axis, Arch (US), Lexington UK, Travelers (St. Paul), Hartford, W.R. Berkeley, Hiscox (Lloyd's) and Chubb are also involved on a more limited basis. Law firms between 50 and 200 attorneys have primary layer capacity options that are not presently available to larger firms, including One Beacon, Navigators, Liberty International and Catlin (U.S.).

Excess capacity migrated from London and the U.S. to Bermuda after 2002. In addition to long-time players XL and ACE, eight additional Bermuda insurers now provide capacity. Lexington and Liberty International have been consistent providers of excess capacity as well. New players who joined the excess layer marketplace for law firms in 2007 include Scor Re and National Union.

SUCCESS STRATEGIES

Law firms that are most successful in the professional liability marketplace provide insurers with a comprehensive picture of the firm's risk profile and loss history in their written submissions and in underwriting meetings with key underwriters. Insurers expect law firms to acknowledge the importance of risk management and to have state-of-the art programs in place. Insurers want a chance to meet senior partners and managers in the firm to understand how the firm manages risk on a day-to-day basis, particularly the key risks associated with client intake and conflicts.

CONCLUSION

Premium rates for lawyers' professional liability are moving downward toward what will hopefully be a more realistic pricing level relative to insurers' actual recent loss experience. As competition increases, buyers should find that incumbent insurers are more willing to enhance program pricing and structure to maintain client relationships.

According to a January report released by the Surety Association of America, through the first nine months of 2007, the surety industry produced earned revenues of approximately $3.89 billion and losses of $784.2 million, compared to revenues of $3.55 billion and losses of $631.4 million for the same period in 2006. Year-over-year revenues increased by almost $335.1 million or 9.4 percent, while losses increased by $152.9 million or 24.2 percent, with year-to-date losses in 2007 already exceeding the total losses of $774.2 million for all of 2006.

In review of the favorable results demonstrated through the first nine months of 2007, the surety industry has continued to sustain the profitable results evidenced over the trailing 33 months. The material increase in losses is likely attributable to rumored reserve strengthening at Arch, loss activity for surety bonds associated with the sub prime credit issue and the resulting impact on developers, mortgage lenders and other businesses associated with this space.

We note S&P recently revised the credit ratings of Bond Safeguard Insurance Co. and Lexon Insurance Co. to negative from stable based on their "view that the companies face a heightened threat of earnings and revenue disruptions because of their significant exposures related to the housing market, as about half of the companies' combined surety book is for subdivision projects." We would suspect the up tick in the loss development trends will continue through the year-end 2007 results and carry into 2008.

Overall, the nine-month results continue to support the competitive trends demonstrated in the market and suggest high levels of profitability in the surety industry for most companies. For the fourth quarter of 2007, we project flat year-over-year earned premiums, based on the disruption in the credit markets as a result of the sub prime issue, the resulting impact on the private equity and the availability of bank debt to finance acquisitions, lower levels of home building starts, and partially offset by a healthy nonresidential construction market. We expect fourth quarter losses to increase year over year, based on reserve strengthening for commercial surety losses associated with mortgage broker bonds and subdivision bonds for certain homebuilders. Our projections suggest the industry may produce record year-end earned premiums of $5.12 billion with a loss ratio of between 18 percent and 20 percent.

With regard to construction surety programs, we expect that ample capacity will be available in 2008. Current program pricing may be subject to improvement for contractors with attractive credit profiles and a history of profitable operating performance. We would suggest the most competitive surety segment in 2008 will be for contractors with backlogs of up to $500 million. As a result of sustained surety industry profitability and the number of surety markets that can support this level of bonded backlog we expect competition in this space to offer enhanced program terms for well-qualified contractors.

SURETY RESULTS AS REPORTED BY THE SURETY ASSOCIATION OF AMERICA

Quarterly

	Results for 200X through	Direct Premiums Written	Direct Premiums Earned	Direct Losses Incurred	Loss Ratio
	03/31/07	$1,282,722,694	$1,234,372,274	$256,774,722	20.80%
	06/30/07	$2,745,934,180	$2,525,233,963	$610,693,820	24.18%
	09/30/07	$4,174,260,204	$3,886,173,912	$784,233,798	20.18%
Projected	**12/31/07**	**$5,307,712,827**	**$5,109,915,506**	**$962,807,502**	**18.84%**

Result by Quarter

	03/31/07	$1,282,722,694	$1,234,372,274	$256,774,722	20.80%
	06/30/07	$1,463,211,486	$1,290,861,689	$353,919,098	27.42%
	09/30/07	$1,428,326,024	$1,360,939,949	$173,539,969	12.75%
Projected	**12/31/07**	**$1,133,452,623**	**$1,223,741,594**	**$178,573,713**	**14.59%**

Detalles de Cobertura Qualitas Assitance

BENEFICIOS	PLANES EN EUROS						
	TITANIUM	PLATINUM	GOLD	SILVER	POPULAR	EUROPA	ECONO PLAN
Asistencia médica por accidente	300000	125000	40000	14000	3000	50000	14000
Asistencia médica por enfermedad	60000	30000	20000	7000	3000	30000	7000
Medicamentos	30000	30000	20000	7000	300	Si	7000
Emergencia Dental	1500	750	300	150	100	250	150
Traslado sanitario	60000	30000	20000	7000	3000	30000	7000
Traslado de familiar por hospitalizacion	Si	Si	Si	Si	Hasta 300	Si	Hasta 300
Hotel por convalecencia	2000	800	800	300	200	No	300
Acompañamiento de Menores	Si	Si	Si	Si	Hasta 300	No	Si
Repatriación funeraria	60000	30000	20000	7000	3000	30000	7000
Regreso por fallecimiento de familiar	Si	Si	Si	Si	200	Si	Si
Cancelación de viaje	1500	1000	700	No	No	No	No
Interrupción de viaje por catastrofe	Si	Si	No	No	No	Si	No
Indemnización de vuelo demorado o cancelado	150	150	No	No	No	---	No
Mensajes urgentes	Si	Si	Si	Si	Si	Si	Si
Ejecutivo en substitucion	Si	Si	No	No	No	No	No
Extravío de documentos, equipajes.	Si	Si	Si	Si	Si	Si	Si
Línea de consultas	Si	Si	Si	Si	Si	Si	Si
Indemnización por pérdida de equipaje	3000	1200	1200	600	600	1200	600
Demora de equipaje	2000	800	No	No	No	No	No
Transferencia de fondos	15000	5000	4000	3000	No	No	5000
Transferencia de fondos para fianza legal	15000	15000	15000	5000	10000	10000	5000
Asistencia legal por accidente de tránsito	15000	3000	2000	1000	1000	1000	1000
Seguro por muerte accidental	300000	300000	150000	100000	50000	100000	50000
Condición médica preexistente	2000	700	500	300	No	500	300
Límite de edad	75	75-80	75-80	85	85	85	85
Cobertura geográfica	Mundial	Mundial	Mundial	Mundial	Mundial	Europa*	Mundial
Deducible	0	0	0	0	0	---	50
Máxima estadia por viaje	90 Dias	90 Dias	90 Dias	90 Dias	90 Dias	90 Dias	90 Dias

Detalles de Cobertura Travel ACE

EXCLUSIVE PLUS

COBERTURA	**HASTA**
Asistencia Médica en caso de accidente	US$ 100.000
Asistencia Médica en caso de enfermedad	US$ 30.000
A. Médica en caso de pre-existencia ("VOUCHER" Anual)	US$ 5.000
A. Médica en caso de pre-existencia ("VOUCHER" por días)	US$ 3.000
Medicamentos ambulatorios	US$ 2.500
Medicamentos por internación	US$ 2.500
Odontología	US$ 800
Días complementarios por internacion para VO	5 días
Para VOUCHER de mayor vigencia	10 días
Seguro de Accidentes Personales (*)	US$ 250.000
Compensación por pérdida de equipaje	US$ 4.500 (suplementaria)
Gastos por demora de equipaje	US$ 800
Gastos por vuelo demorado (más de 6 hs)	US$ 200
Gastos de hotel por convalecencia	US$ 2.000
Gastos de hotel familiar acompañante	US$ 1.000
Traslado de ejecutivo por emergencia	SI
Regreso anticipado por siniestro en domicilio	SI
Traslado de un familiar en caso de hospitalizac	SI
Anticipo de fondos para fianza	US$ 15.000
Transferencia de fondos	US$ 5.000
Asistencia Legal en caso de accidente	US$ 4.000
Límite de edad	70 años
Días corridos por viaje ("VOUCHER" Anual)	90 días
Ambito de cobertura	Internacional

TURISTA

COBERTURA	**HASTA**
Asistencia Médica en caso de accidente	US$ 8.000
Asistencia Médica en caso de enfermedad	
A. Médica en caso de pre-existencia ("VOUCHER" Anual)	-
A. Médica en caso de pre-existencia ("VOUCHER" por días)	-
Medicamentos ambulatorios	US$ 300
Medicamentos por internación	
Odontología	US$ 200
Días complementarios por internacion para VOUCH	-
Para VOUCHER de mayor vigencia	-
Seguro de Accidentes Personales (*)	-
Compensación por pérdida de equipaje	US$ 400 (complementaria)
Gastos por demora de equipaje	-
Gastos por vuelo demorado (más de 6 hs)	-
Gastos de hotel por convalecencia	-
Gastos de hotel familiar acompañante	-
Traslado de ejecutivo por emergencia	SI
Regreso anticipado por siniestro en domicilio	SI
Traslado de un familiar en caso de hospitalizacion	SI
Anticipo de fondos para fianza	US$ 10.000
Transferencia de fondos	US$ 3.000
Asistencia Legal en caso de accidente	US$ 1.000
Garantía de gastos de cancelación	-
Límite de edad	70 años
Días corridos por viaje ("VOUCHER" Anual)	90 días
Ambito de cobertura	Internacional

Los servicios brindados por Travel Ace tienen limitaciones y exclusiones según el tipo de Pasaporte de Seguridad contratado. Las condiciones Generales están incluidas en cada Pasaporte de Seguridad y se encuentran a disposición del público. Las enfermedades preexistentes están excluidas de los beneficios.

Detalles de Cobertura Europe Assistance

Plan Vacaciones Plus. Incluye:

-Gastos médicos en el extranjero y en España
-Prolongación de estancia
-Regreso anticipado, vuelta y desplazamiento de acompañantes
-Asistencia por fallecimiento
-Envío de medicamentos, documentos y objetos personales
-Asistencia por pérdida, daño, robo y demora de equipaje
-Reembolso de gastos de anulación de viaje no iniciado
-Responsabilidad civil
-Servicio de información
-Con opción vehículo / Asistencia a vehículos:
-Reparación de urgencia, recuperación y traslado de los - asegurados y del vehículo

Tarifas:

Vacaciones Plus	**Europa**	**Mundo**
Duración en días	**Euros**	**Euros**
1 a 5	40,00	80,00
6 a 10	56,00	113,00
11 a 16	65,00	156,00
17 a 24	70,00	176,00
25 a 32	78,00	194,00
Mes adic.	68,00	149,00

Plan Receptivo.

Este contrato está especialmente diseñado para personas no residentes en España, que deseen estar bien protegidos en sus visitas de hasta un mes de duración.

Incluye:

-Gastos médicos en el
-Traslado sanitario
-Transporte de restos
-Asistencia por pérdida,
-Transmisión de

Tarifas:

Receptivo	**España**
Duración en días	**Euros**
1 a 5	13,00
6 a 10	14,00
11 a 16	16,00
33 a 92	21,00
17 a 24	23,00
25 a 32	26,00