

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

IN RE: INSURANCE BROKERAGE ANTITRUST LITIGATION

APPLIES TO ALL ACTIONS

IN RE: EMPLOYEE BENEFIT INSURANCE BROKERAGE
ANTITRUST LITIGATION

APPLIES TO ALL ACTIONS

MDL No. 1663

Civil Action No. 04-cv-5184 (GEB)

Civil Action No. 05-cv-1079 (GEB)

Hon. Garrett E. Brown, Jr.

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT,
SETTLEMENT HEARING AND RIGHT TO APPEAR**

TO: All individuals or entities who, from August 26, 1994 through December 31, 2005, inclusive (the “Class Period”), engaged the services of the Arthur J. Gallagher Entities (“Gallagher”) or any other Broker Defendant (both identified below) in connection with the purchase or renewal of insurance or reinsurance from any insurer

PLEASE READ THIS NOTICE CAREFULLY. IT HAS BEEN SENT TO ADVISE YOU ABOUT THE PROPOSED SETTLEMENT OF THIS CLASS ACTION AS TO GALLAGHER (THE “GALLAGHER SETTLEMENT”), AND YOUR RIGHTS WITH RESPECT TO THE GALLAGHER SETTLEMENT.

IF YOU WANT TO RECEIVE A MONETARY SETTLEMENT BENEFIT, YOU MUST COMPLETE AND SUBMIT THE ATTACHED PROOF OF CLAIM FORM (DISCUSSED MORE FULLY BELOW).

IF YOU DETERMINE YOU DO NOT WANT TO PARTICIPATE IN THE GALLAGHER SETTLEMENT, YOU MUST REQUEST EXCLUSION FROM THE GALLAGHER SETTLEMENT POSTMARKED BY NO LATER THAN JUNE 29, 2007 (AS DISCUSSED MORE FULLY BELOW).

I. BASIC INFORMATION

1. Who are the Gallagher Entities?

The Gallagher Settlement involves the following Gallagher Entities:

AJG Canada ULC	Arthur J. Gallagher Risk Management Services, Inc.	Gallagher Lambert Group
AJG Capital, Inc.	Arthur J. Gallagher Service Co. (Delaware)	Gallagher Loss Control Services, Inc.
AJG Chem Mod Holdings LLC	Arthur J. Gallagher (UK) Limited	Gallagher Re, Inc.
AJG Coal, Inc.	Arthur J. Gallagher Middle East BSC(c)	Gallagher Re Limited
AJG Coal Indiana LLC	Arthur J. Gallagher Asia Pte Ltd.	GBS Administrators, Inc.
AJG Financial Services, Inc.	Arthur J. Gallagher Asia Limited	GBS Insurance and Financial Services, Inc.
AJG Investments, Inc.	Arthur J. Gallagher (L) BHD	GBS Retirement Services, Inc.
AJG North America ULC	Arthur J. Gallagher Australasia Holdings Pty. Ltd.	Interpacific Underwriting Agencies Pty Ltd.
AJG Two Pierce, Inc. (Delaware)	Arthur J. Gallagher Reinsurance Australasia Pty Ltd.	Lamberson Koster & Co.
Artex Insurance Company Ltd	Arthur J. Gallagher (Aus) Pty Ltd.	Manning & Smith Insurance, Inc.
Artex Risk Solutions, Inc.	Australis Group (Underwriting) Pty Ltd.	MRS Holdings Limited
Artex Underwriting Managers Ltd.	Aviarcargo Leasing Limited	Morgan Read & Sharman Limited
Arthur J. Gallagher	Charity First Insurance Services, Inc.	Protected Insurance Company
Arthur J. Gallagher & Co.	C.W. Excess, Inc.	Risk Management Partners Ltd.
Arthur J. Gallagher & Co. (Bermuda) Limited	Commonwealth Premium Finance Corporation	Risk Placement Services, Inc. (Illinois)
Arthur J. Gallagher & Co. (Canada) Ltd.	Connor Hale Kerslake Limited	Risk Placement Services of Arizona, Inc.
Arthur J. Gallagher & Co. (Florida)	Edwin M. Rollins Company	Risk Placement Services of Arkansas, Inc.
Arthur J. Gallagher & Co. (Illinois)	Gallagher Bassett Services, Inc. (Delaware)	Risk Placement Services of Louisiana, Inc.
Arthur J. Gallagher & Co. - Greenville	Gallagher Bassett of New York, Inc.	Risk Placement Services of Massachusetts, Inc.

***If you have any questions, please call 1-866-459-3650,
or e-mail gallagheradmin@completeclaimssolutions.com
or visit www.gallaghersettlement.com***

Arthur J. Gallagher & Co. - Little Rock
 Arthur J. Gallagher & Co. Insurance Brokers of California, Inc.
 Arthur J. Gallagher & Co. of Kentucky, Inc.
 Arthur J. Gallagher & Co. of Mississippi, Inc.
 Arthur J. Gallagher & Co. of New York, Inc.
 Arthur J. Gallagher & Co. of Tennessee, Inc.
 Arthur J. Gallagher Brokerage and Risk Management Services, LLC
 Arthur J. Gallagher Intermediaries (Bermuda) Limited
 Arthur J. Gallagher Management (Bermuda) Limited

Gallagher Bassett International Ltd. (UK)
 Gallagher Bassett Canada Inc.
 Gallagher Bassett Services Pty Ltd
 Gallagher Bassett International S.A.
 Gallagher Benefit Services, Inc.
 Gallagher Captive Services (Cayman) Limited
 Gallagher Healthcare Insurance Services, Inc.
 Gallagher Healthcare Insurance Services of Kansas City, LLC
 Gallagher Holdings Bermuda Company Limited
 Gallagher Holdings (UK) Limited

Risk Placement Services of Nevada, Inc.
 Risk Placement Services of New York, Inc.
 Risk Placement Services of Pennsylvania, Inc.
 Risk Placement Services of Texas, Inc.
 Scholastic Risk Services Limited
 Sobieski & Bradley of Nevada, Inc.
 Strand Underwriting Limited
 Western Litigation, Inc.
 Wyatt Gallagher Bassett Workers Compensation Victoria Pty Ltd.

2. Who are the Broker Defendants?

The “Broker Defendants” are insurance brokers (other than the Gallagher Entities) who are defendants in the above-caption lawsuits (the “Class Action”). The Broker Defendants are:

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

3. Who are the Insurer Defendants?

The “Insurer Defendants” are insurers who were defendants in the Class Action at the time the Gallagher Settlement was reached and are discussed in this Notice. The names of the Insurer Defendants are:

ACE American Insurance Co.	Executive Risk Indemnity Inc.	New Hampshire Insurance Co.
ACE INA Holdings, Inc.	Federal Insurance Co.	Nutmeg Insurance Co.
ACE Limited	Fidelity and Deposit Company of Maryland	Pacific Insurance Co., Ltd
ACE USA, Inc.	Fireman’s Fund Insurance Co.	Paragon Life Insurance Company
AIG Life Insurance Company	General Re Corporation	Prudential Financial, Inc.
AIU Insurance Co.	General Reinsurance Corp.	Prudential Insurance Company of America
American Alternative Insurance Corp.	Greenwich Insurance Co.	Provident Life and Accident Insurance Company
American Casualty Co. of Reading, PA	Gulf Insurance Co.	RLI Corporation
American Guarantee and Liability Insurance Co.	Hartford Financial Services Group, Inc.	RLI Insurance Co.
American Home Assurance Co.	Hartford Life & Accident Insurance Company	St. Paul Fire & Marine Insurance Co.
American International Group, Inc.	Hartford Life Group Insurance Company	St. Paul Mercury Insurance Co.
American International Insurance Co.	Hartford Life Insurance Company	St. Paul Travelers Companies, Inc.
American International Specialty Lines Insurance Co.	Hartford Steam Boiler Inspection and Insurance Co.	Steadfast Insurance Company
American Re Corporation	Hartford Fire Insurance Co.	The Chubb Corporation
American Re-Insurance Co.	Illinois Union Insurance Co.	The Continental Insurance Corp.
Athena Assurance Co.	Indemnity Insurance Co. of North America	The Hartford Fidelity & Bonding Co.
AXIS Reinsurance Company	Indian Harbor Insurance Co.	The Hartford Financial Services Group, Inc.
AXIS Specialty Insurance Company	Insurance Company of North America	The Insurance Company of the State of Pennsylvania
AXIS Surplus Insurance Company	Lexington Insurance Company	Travelers Casualty & Surety Co. of America
Berkshire Hathaway, Inc.	Liberty Mutual Fire Insurance Co.	Travelers Indemnity Company
Berkshire Hathaway Insurance Group	Liberty Mutual Holding Company, Inc.	Twin City Fire Insurance Co.
Birmingham Fire Insurance Co. of Pennsylvania	Liberty Mutual Insurance Co.	United States Fire Insurance Co.
Chicago Insurance Co.	Life Insurance Company of North America	Vigilant Insurance Co.
CNA Financial Corp.	Metropolitan Life Inc.	UnumProvident Corporation
Commerce and Industry Insurance Co.	Metropolitan Life Insurance Company	Unum Life Insurance Company of America
Connecticut General Life Insurance Company	Mt. Hawley Insurance Co.	Wausau Underwriters Insurance Co.
Continental Casualty Co.	Munich Reinsurance Co.	Westchester Surplus Lines Insurance Co.
Crum & Forster Holdings Corp.	Munich-American Risk Partners, Inc.	XL Capital Ltd.
Empire Fire and Marine Insurance Co.	National Surety Corp.	Zurich American Insurance Company
Empire Indemnity Insurance Company	National Union Fire Insurance Co. of Louisiana	Zurich Financial Services Group
	National Union Fire Insurance Co. of Pittsburgh, Pa.	

4. Why did you receive this Notice?

You have received this Notice because it appears that during the Class Period you engaged the services of Gallagher **and/or** any other Broker Defendant in connection with the purchase or renewal of insurance or reinsurance from any insurer. Thus, you might be a member of a group of individuals and entities (the “Settlement Class”) on whose behalf the Gallagher Settlement has been reached.

Under the Federal Rules of Civil Procedure and an Order entered on April 17, 2007 by the United States District Court for the District of New Jersey – the Court in which the Class Action is pending (the “Court”) – the parties to the Gallagher Settlement are required to send this Notice to you to (i) describe the claims against Gallagher, (ii) describe the Gallagher Settlement, (iii) describe the process by which the Court will consider whether to approve the Gallagher Settlement, (iv) tell you how your participation in the Gallagher Settlement will affect your legal rights, (v) tell you what you must do if you wish to object to any of the terms of the Gallagher Settlement, and (vi) tell you what you must do if you wish to exclude yourself from the Gallagher Settlement.

If the Gallagher Settlement is finally approved by the Court – and if you do not exclude yourself from it – you will be eligible to receive monetary relief if you are a member of the Settlement Class. As more fully explained below (at paragraph 20), if you wish to exclude yourself from the Gallagher Settlement you must follow the procedures set forth in paragraph 20.

5. What is a class action?

A class action is a lawsuit in which one or more persons and/or entities sue on behalf of other persons and/or entities that have similar claims. In this case, the Plaintiffs have decided to settle their claims against Gallagher and Gallagher has agreed to settle those claims. The persons and entities on whose behalf this settlement has been made are those within the Settlement Class that the Court has preliminarily certified in its April 17, 2007 Order. Those persons and entities – *i.e.*, the “Settlement Class Members” – are described above (at paragraph 4).

Because the settlement of a class action determines the rights of all members of the class, the court in which the class action is pending must approve the settlement.

6. What is this Class Action about?

Several class actions were filed against Gallagher, the Broker Defendants, and the Insurer Defendants. All of these actions were consolidated into this Class Action now under the caption *In re: Insurance Brokerage Antitrust Litigation*, MDL No. 1663, Civil Nos. 04-5184 and 05-1079 (GEB) and are before the Court.

Plaintiffs in the case allege that the Broker Defendants, Gallagher and the Insurer Defendants, violated federal and state antitrust laws, the Racketeer Influenced and Corrupt Organizations Act, and common law through (i) practices by which the Insurer Defendants provided quotations to policyholders and prospective policyholders through the Broker Defendants and Gallagher in connection with the placement and renewal of insurance contracts, and (ii) contracts, agreements, arrangements and understandings about the payment of commissions that are contingent upon, among other things, Gallagher and the Broker Defendants placing a particular number of policies or dollar value of premium with the Insurer Defendants.

Gallagher denies the allegations made against it.

7. What is the status of this Class Action?

Gallagher, the Broker Defendants and the Insurer Defendants have filed motions to dismiss Plaintiffs’ claims. Plaintiffs have filed motions to certify the Class Action. On April 5, 2007, the Court entered an Order dismissing Plaintiffs’ Federal law claims without prejudice and permitting Plaintiffs to file amended pleadings. On or before May 22, 2007, Plaintiff will file amended pleadings. Paragraph 25 below describes how you can view or obtain these amended pleadings. As of the date of this Notice, the Court has not yet decided the motions to certify.

Without regard to how the Court rules on any motions that may be made by the Defendants directed towards the amended pleadings, if the Gallagher Settlement is approved, the Court will not make any determination as to the merits of Plaintiffs’ claims against Gallagher or Gallagher’s defenses to those claims. This Notice does not imply that there has been or would be any finding of violation of the law, or that any relief or recovery would be awarded against Gallagher if the claims against it were not settled. Nor does this Notice imply that Gallagher could have successfully defended the claims. Both sides have agreed to the Gallagher Settlement to ensure a resolution and to provide benefits to Settlement Class Members.

If approved by the Court (and such approval becomes final), the Gallagher Settlement will resolve and dismiss with prejudice all claims that have been made or that could have been made in the Class Action as to Gallagher.

8. Will your participation in the Gallagher Settlement affect your ability to obtain relief from other Defendants in the Class Action?

Participation in the Gallagher Settlement will *not* affect your ability to obtain relief from any other Defendant in the Class Action. Thus, if a judgment is entered against one or more of the Broker Defendants and/or the Insurer Defendants resulting in a damages award, you will be able to participate in that award whether or not you participate in the Gallagher Settlement (as long as you are within any class the Court might certify in connection with that judgment). Similarly, if Plaintiffs reach a settlement with one or more of the Broker Defendants and/or the Insurer Defendants, you will be able to participate in that settlement whether or not you participate in the Gallagher Settlement (as long as you are within any settlement class certified in connection with that settlement).

For further information about monitoring the Class Action, refer to paragraph 25 below.

9. Will Settlement Class Members have to give up anything to participate in the Gallagher Settlement?

If the Gallagher Settlement is finally approved, Settlement Class Members will release all claims that have been raised or that could have been raised in the Class Action as set out in the release, contained in the agreement between the Plaintiffs and Gallagher setting out the terms of the Gallagher Settlement (the “Gallagher Settlement Agreement”), against all of the people and entities that are included in the definition of “Releasee” in the Gallagher Settlement Agreement (the “Release”). The Class Action will be dismissed with prejudice as to Gallagher. The effect of the Release is further discussed below (at paragraph 17). In addition, a summary of the Release is attached as Appendix A to this Notice. The complete text of the Release – including the relevant definitions – can be viewed at www.gallaghersettlement.com.

II. SETTLEMENT BENEFITS

10. What relief will be provided under the Gallagher Settlement Agreement?

A settlement fund of \$28,000,000 plus interest will be distributed in connection with the Gallagher Settlement.

Gallagher must also pay certain additional amounts – the amount awarded for attorneys’ fees and expenses for Class Counsel (as defined at paragraph 22 below), the amount awarded for incentive awards to the named Plaintiffs, and the amount required to pay all administrative costs associated with administering the Gallagher Settlement (including the costs of providing this Notice to you). *These amounts will not be paid out of the settlement fund.*

In addition to the monetary benefit discussed above, the Gallagher Settlement Agreement provides that Gallagher will implement certain business reforms. A summary of those reforms are described below. The Gallagher Settlement Agreement describes these reforms in greater detail. The Gallagher Settlement Agreement can be viewed or obtained as described below in paragraph 25.

Permissible Forms of Compensation--in connection with its retail insurance brokerage, agency, producing, consulting and other services in placing, renewing, consulting on or servicing any insurance policy, Gallagher shall accept only: (a) a specific fee to be paid by the client; (b) a specific fee or percentage commission on premium to be paid by the insurer set at the time of purchase, renewal, placement or servicing of the insurance policy; or (c) a combination of both. Moreover, Gallagher will not directly or indirectly accept or request anything with a material value (\$500 or more) from an insurance company.

Prohibition on Contingent Compensation--in placing, renewing, consulting on or servicing any retail insurance policy when one or more of the Gallagher Entities is serving as a broker for any insured, Gallagher shall not directly or indirectly accept from or request of any insurer any contingent compensation. Gallagher will also not accept contingent compensation relating to insurance placements on behalf of Gallagher's retail clients on an individual basis in the wholesale insurance market.

Prohibition of "Pay-to-Play" Arrangements--in placing, renewing, consulting on or servicing any retail insurance policy, Gallagher shall not directly or indirectly accept from or request of any insurer any compensation in connection with Gallagher's selection of insurance companies from which to solicit bids for its clients.

Prohibition of "Bid-Rigging" Arrangements--in placing, renewing, consulting on or servicing any retail insurance policy, Gallagher shall not directly or indirectly solicit or knowingly accept from or request of any insurer any fictitious quote or indication except for a quote or indication that represents the insurer's most appropriate evaluation at the time when the quote or indication is given of the minimum premium, as well as the ultimate premium the insurer would require to bind the insurance coverage desired by Gallagher's client.

Prohibition of Reinsurance "Leveraging"--in placing, renewing, consulting on or servicing any retail insurance policy, Gallagher shall not directly or indirectly accept from or request of any insurer any promise or commitment to use any of Gallagher's brokerage, agency, producing or consulting services, including reinsurance and/or wholesale insurance brokerage, agency or producing services.

Prohibition of Inappropriate Use of Wholesale Insurance Brokers--in placing, renewing, consulting on or servicing any insurance policy, Gallagher shall not directly or indirectly knowingly place, renew, consult on or service its clients' insurance business through a wholesale insurance broker unless Gallagher discloses to the client: (a) the compensation received or to be received by Gallagher; (b) any Gallagher ownership interest in or contractual agreement with the wholesale insurance broker; and (c) any alternatives to using a wholesale insurance broker.

Mandated Disclosures to Clients--in placing, renewing, consulting on or servicing any retail commercial insurance policy Gallagher shall: (a) prior to binding in all written proposals and otherwise whenever practical, disclose to each such client the line of business, insurer, premium, effective date, limits and deductibles relevant to all bindable quotes, or in the alternative, copies of all bindable quotes, received prior to binding by Gallagher in connection with the coverage of the client's risk, and all compensation excluding treaty reinsurance fees or commissions to be received by Gallagher for each quote, in dollars if known at that time, or as a percent of premium if the dollar amount is not known at that time, from any insurer or third party in connection with the placement, renewal, consultation on or servicing of insurance for that client; and (b) in addition to (a) above, disclose to each client once each year all compensation excluding treaty reinsurance fees or commissions received during the preceding year or contemplated to be received from any insurer or third party in connection with the placement, renewal, consultation on or servicing of that client's policy.

In addition to the monetary and non-monetary settlement relief discussed above, after all the settlement benefits had been agreed upon, Plaintiffs and Gallagher reached an agreement on attorneys' fees and expenses for Class Counsel (described below in paragraph 23) and incentive awards for the named Plaintiffs, all of which is discussed in paragraph 23 below.

11. What costs or expenses will be deducted from the settlement fund provided under the Gallagher Settlement Agreement?

There might be limited expenses deducted from the settlement fund to cover any taxes due on the monies and any fees or expenses incurred to maintain the settlement fund escrow account. The balance after deducting such expenses and calculating the interest due will be distributed to Settlement Class Members if the Court approves the Gallagher Settlement and that approval becomes final.

12. Who will pay the costs of implementing and administering the Gallagher Settlement?

Gallagher has agreed to pay all costs of implementing and administering the Gallagher Settlement, including the costs of printing and mailing the Notice, publishing a summary notice, and establishing and maintaining the toll-free telephone number, website and e-mail address that is identified in this Notice for Settlement Class Members' questions. Payment of these costs will be **in addition** to the amounts that Gallagher must pay as settlement relief.

13. What amount will you receive under the Gallagher Settlement Agreement?

Attached to this Notice as Appendix B is a proposed Plan of Allocation, as amended, that, if finally approved by the Court, will be used to allocate the settlement fund to Settlement Class Members. Neither the Plaintiffs nor Gallagher can tell you exactly what amount you will receive under the Plan of Allocation -- which amount may vary depending on, among other things, the number of Settlement Class Members who participate in the settlement and complete and file a Proof of Claim Form ("Claim Form").

If you wish to discuss how the Plan of Allocation will work, you may visit the website of the Court-approved Settlement Administrator at www.gallaghersettlement.com, call the Settlement Administrator at 1-866-459-3650 (Monday through Friday from 9:00 a.m. to 5:00 p.m. EDT) or e-mail the Settlement Administrator at gallagheradmin@completeclaimssolutions.com.

14. How and when will the settlement fund described above be distributed?

If the Court approves the Gallagher Settlement and that approval becomes final, the settlement fund will be allocated among all Settlement Class Members pursuant to the Court-approved Plan of Allocation.

A distribution under the Plan of Allocation will not occur until the Court approves both the Gallagher Settlement Agreement and the Plan of Allocation, and that approval becomes final and no longer subject to appeal and the deadline to file a Claim Form -- November 16, 2007 -- have occurred. Neither the Plaintiffs nor Gallagher can predict when (or whether) the Court will approve the Gallagher Settlement Agreement and the Plan of Allocation or when (or whether) such approval will become final.

15. Will the settlement have tax consequences for you?

Your receipt of monetary relief under the Gallagher Settlement Agreement might have tax consequences for you. Those tax consequences might vary, depending upon individual circumstances. Neither the Plaintiffs nor Gallagher can advise you about any tax consequences that might arise from your receipt of monetary settlement relief.

You might wish to consult a tax advisor to determine whether any potential federal, state, local, foreign or other tax consequences will arise from receipt of settlement relief in this Class Action.

III. RELATED SETTLEMENTS

16. Are there other settlements involving Gallagher that relate to the claims made in the Class Action?

In September 2000, a putative class action entitled *Village of Orland Hills v. Arthur J. Gallagher & Co.*, Case No. 00 CH 13855 was filed in the Circuit Court of Cook County, Illinois ("*Orland Hills*"). The Gallagher Settlement also resolves all claims arising out of *Orland Hills*. The complaint in *Orland Hills* (the "*Orland Hills Complaint*") alleged that Gallagher breached its fiduciary duty to its customers by Gallagher's receipt of contingent commissions from insurance carriers. The *Orland Hills Complaint* also alleged that Gallagher's receipt of contingent commissions constituted a violation of the Illinois Consumer Fraud and Deceptive Business Practices Act 815 ILCS 505/1 et seq. (the "*Act*"). The *Orland Hills Complaint* sought a disgorgement of the undisclosed contingent commissions, preliminary and permanent injunctions prohibiting the receipt of contingent commissions, punitive damages, prejudgment interest and an award of attorneys' fees and costs pursuant to the Act.

On May 18, 2005, Arthur J. Gallagher & Co., its subsidiaries and affiliates, except for Gallagher-Bassett Services, Inc., entered into an Assurance of Voluntary Compliance with the Attorney General of the State of Illinois and the Director of the Illinois Division of Insurance (collectively, the "Illinois State Agencies") and a Stipulation and Consent Order with the Director of the Illinois Division of Insurance (collectively, the "Illinois Regulatory Settlements") to resolve all of the issues related to investigations conducted by the Illinois State Agencies. As part of the Illinois Regulatory Settlements, Gallagher agreed to pay \$26.9 million into a fund to be distributed to certain eligible

policyholder clients, all of whom are members of the Settlement Class. Also as part of the Illinois Regulatory Settlements, Gallagher agreed to several business reforms relating to the manner in which it is compensated and the disclosure of such compensation to its clients.

If you participated in the Illinois Regulatory Settlements and received a payment from Gallagher, you might still be eligible to receive settlement relief under the Gallagher Settlement to the extent you purchased or renewed an insurance policy that is not covered by the Illinois Regulatory Settlements.

IV. LEGAL EFFECT OF THE SETTLEMENT

17. What will be the legal effect of the Gallagher Settlement if it is approved by the Court?

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

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

As noted, if the Court approves the Gallagher Settlement, the Release will be incorporated into the Court's Order Approving Settlement. The Release describes the claims that Settlement Class Members will give up, as well as the identity of the Releasees – *i.e.*, the people and entities that will be released. The full text of the Release is attached as Appendix A. ***YOU ARE ENCOURAGED TO CAREFULLY REVIEW THE TERMS OF THE RELEASE.***

V. LEGAL RIGHTS AND OPTIONS

18. What are your options as to the Gallagher Settlement?

If you are within the definition of Settlement Class Member (see paragraph 4 above), you may either (i) participate in the Gallagher Settlement or (ii) request exclusion from the Gallagher Settlement.

If you want to participate in the Gallagher Settlement, but you object to any term of the Gallagher Settlement, you may submit an objection to the Court. The procedures for requesting exclusion from the Gallagher Settlement or for objecting to it are described below at paragraph 20 (requesting exclusion) and at paragraph 19 (objecting).

If you want to participate in the Gallagher Settlement and have no objection to any of its terms, **you need to complete and submit the attached Claim Form on or before November 16, 2007.**

The attached Claim Form may also be downloaded at www.gallaghersettlement.com or obtained by calling 1-866-459-3650.

19. What if you want to object to the proposed settlement?

If you are a Gallagher Settlement Class Member (described above at paragraph 4) and do *not* exclude yourself from the Settlement Class, you may object to the Gallagher Settlement, any term of the Gallagher Settlement Agreement, the Plan of Allocation or Plaintiffs' application for attorneys' fees and expenses or Plaintiffs' application for incentive awards to the named Plaintiffs. Such objection must be in writing and must provide evidence of your membership in the Settlement Class. The written objection also should state the specific reason(s), if any, for the objection, including any legal support you wish to bring to the Court's attention and any evidence you wish to introduce in support of the objection. ***A written objection (and any support for it) must be received by the Court and the following Counsel by no later than June 29, 2007:***

For Gallagher:

Edwin Larkin, Esq.
Terry Grimm, Esq.
Winston & Strawn, LLP
200 Park Avenue
New York, NY 10106

For Plaintiffs and the Settlement Class:

Edith M. Kallas, Esq.
Whatley Drake & Kallas, LLC
1540 Broadway, 37th Floor
New York, NY 10036

Bryan L. Clobes, Esq.
Cafferty Faucher LLP
1717 Arch Street, 36th Floor
Philadelphia, PA 19103

On or before June 19, 2007, Plaintiffs and/or Gallagher shall file memoranda in support of the Gallagher Settlement. Within the same time frame, Plaintiffs shall file their application for an award of attorneys' fees and expenses and incentive awards. Responses to the objections, if any, shall be filed by Plaintiffs and/or Gallagher no later than July 10, 2007, and replies by any objectors shall be filed and received by the Court and the Counsel identified above no later than July 16, 2007.

If you hire an attorney in connection with making an objection, that attorney must file with the Court and serve on the Counsel identified above a notice of appearance. ***The notice of appearance must be received by the Court and the Counsel identified above by no later than June 29, 2007.*** If you hire an attorney in connection with making an objection (or for any other purpose relating to the Gallagher Settlement), you will be responsible for all fees and expenses that the attorney incurs on your behalf.

If you make a written objection to the Gallagher Settlement as set out above, you may choose to speak – either in person or through an attorney hired at your own expense – at the hearing (described below at paragraph 21) the Court has set to consider whether to approve the Gallagher Settlement. You are not required to attend the hearing. Failure to attend the hearing will not prevent the Court from considering your objection. If you (or your attorney) intend to speak at the hearing, you must file with the Court and serve on the Counsel identified above a notice of intention to appear. ***The notice of intention to appear must be received by the Court and by the identified Counsel by no later than June 29, 2007.***

20. What must you do if you wish to exclude yourself from the Settlement Class?

If you are included within the definition of Settlement Class Member, you may ask to be excluded from the Settlement Class. **A request for exclusion must be sent to the Clerk of the Court at the following address and must be postmarked by no later than June 29, 2007:**

The Clerk of the Court
Gallagher Insurance Brokerage Antitrust Settlement
c/o Complete Claim Solutions, LLC
P.O. Box 24749
West Palm Beach, FL 33416

The request for exclusion must include the following information: (i) the Settlement Class Member's name; (ii) the Settlement Class Member's address; (iii) the Settlement Class Member's telephone number; and (iv) information about each policy for which the Settlement Class Member seeks exclusion, including the following: (a) the insurer that issued each policy; (b) the policy number for each policy; (c) the broker used; (d) the face amount of each policy; (e) the annual premium associated with each policy; and (f) the effective date and expiration date for each policy.

If you are included within the definition of Settlement Class Member and do *not* file a timely written request for exclusion as provided by this paragraph 20, and the Gallagher Settlement is finally approved, you will be bound by the Release in the Gallagher Settlement Agreement and by all proceedings, orders and judgments relating to the Court's approval of the Gallagher Settlement, even if you now have pending, or later file, any litigation, arbitration or any other action regarding the claims that have been made or that could have been made in this Class Action. You will not be able to pursue such claims in any forum, and your only relief as to these claims will be the settlement relief provided by this Gallagher Settlement.

Your participation in this Gallagher Settlement will not affect your ability to pursue claims (either through this Class Action or through any other action) against any of the Broker Defendants or the Insurer Defendants.

VI. THE COURT'S FAIRNESS HEARING

21. Will there be a Court hearing about the Gallagher Settlement?

In its April 17, 2007 Order, the Court set a hearing for **July 24, 2007 at 1:00 p.m.**, when the Court will consider whether to approve the Gallagher Settlement. The hearing will take place in Courtroom 4E, in the United States Courthouse located at 402 East State Street, Trenton, New Jersey 08608. The Court may choose to change the date and/or time of the hearing without further notice of any kind. If you intend to attend the hearing, you should confirm the date and time by calling the toll-free number set out in this Notice.

In ruling on the Gallagher Settlement, the Court will consider, among other things, whether to approve the settlement as fair, reasonable and adequate, whether to approve the Plan of Allocation and whether (and in what amount) to grant Plaintiffs' request for attorneys' fees and expenses and incentive awards to the named Plaintiffs. The Court will consider any objections that have been made by Settlement Class Members. If the Court finds the settlement to be fair, reasonable and adequate, it will enter an Order Approving Settlement and accompanying Judgment.

VII. COUNSEL REPRESENTING SETTLEMENT CLASS MEMBERS

22. Who is the counsel representing Settlement Class Members?

The Court has appointed the law firms of Whatley Drake & Kallas, LLC and Cafferty Faucher LLP to represent Settlement Class Members, along with several other firms. None of these counsel (collectively, "Class Counsel") will charge any fees or expenses to Settlement Class Members. If you want to be represented by your own counsel, you may hire an attorney at your own expense.

23. How will counsel for Settlement Class Members be paid?

Class Counsel will file an application with the Court for attorneys' fees and expenses in connection with their representation of Settlement Class Members in this Class Action. The Court will consider this application at or after the hearing described above (at paragraph 21), and the Court will decide the amount of fees and expenses to be awarded to Class Counsel.

As discussed above in paragraph 10, after Plaintiffs and Gallagher agreed on all other terms of the Gallagher Settlement Agreement, Class Counsel and Gallagher negotiated the amount of attorneys' fees and expenses that Gallagher will, subject to Court approval, pay to Class Counsel.

Class Counsel have agreed that they will not apply for more than Eight Million Eight Hundred Eighty-Five Thousand (\$8,885,000) Dollars in fees and expenses. Gallagher has agreed that it will not object to paying fees and expenses up to that amount. Gallagher also agreed that it will pay an incentive award of up to Ten Thousand Dollars (\$10,000) to each named Plaintiff subject to Court approval and based upon the effort that each named Plaintiff has devoted to this Class Action.

As set out above (at paragraph 10), Gallagher will pay the attorneys' fees and expenses and incentive awards for the named Plaintiffs in addition to the settlement relief that Gallagher has agreed to pay. Thus, *the attorneys' fees and expenses awarded to Class Counsel and incentive awards to the named Plaintiffs will not reduce the settlement relief available to Settlement Class Members.*

24. Do you need to hire your own attorney in connection with the Gallagher Settlement?

A Settlement Class Member does *not* need to hire his, her or its own attorney, but may choose to do so. If you decide to hire your own attorney, you will be responsible for paying any fees and expenses that he or she incurs. If you do not hire your own attorney, you will be represented by Class Counsel. As described in paragraph 22 above, if you choose to be represented by Class Counsel, you will not incur any fees and expenses in connection with that representation.

VIII. GETTING MORE INFORMATION

25. Where can you get additional information?

You may obtain a copy of the Gallagher Settlement Agreement and amendments (including the complete text of the Release), and information about the Gallagher Settlement by visiting the website of the Court-approved Settlement Administrator at www.gallaghersettlement.com, by calling 1-866-459-3650, Monday through Friday from 9:00 a.m. to 5:00 p.m. EDT, by writing to Gallagher Insurance Brokerage Antitrust Settlement, c/o Complete Claim Solutions, LLC, P.O. Box 24749, West Palm Beach, FL 33416, or by sending an e-mail to gallagheradmin@completeclaimsolutions.com.

You may also visit the following websites of Class Counsel:

Cafferty Faucher LLP – www.caffertyfaucher.com;

Whatley Drake & Kallas, LLC – www.whatleydrake.com;

Foote, Meyers, Mielke & Flowers, LLC – www.foote-meyers.com;

Levin, Fishbein, Sedran & Berman – www.lfsblaw.com;

Furth Lehmann & Grant LLP – www.furth.com;

Lerach Coughlin Stoya Geller Rudman & Robbins LLP – www.lerachlaw.com;

Zwerling, Schachter & Zwerling, LLP – www.zsz.com.

You may also visit www.insurancebrokerageclasscounsel.com, and are encouraged to do so, to obtain the current status of the Class Action, including viewing on or after May 23, 2007, the amended pleadings Plaintiffs will file by May 22, 2007, obtaining information with respect to other settlements, and your potential eligibility to participate in those settlements.

A copy of the Gallagher Settlement Agreement and amendments, and information about the Gallagher Settlement can also be found on Gallagher's website www.ajg.com.

If you wish to communicate with or obtain information directly from Class Counsel, you may do so by contacting the attorneys listed below:

Edith M. Kallas, Esq.
Whatley Drake & Kallas, LLC
1540 Broadway, 37th Floor
New York, NY 10036

Bryan L. Clobes, Esq.
Cafferty Faucher LLP
1717 Arch Street, 36th Floor
Philadelphia, PA 19103

You may also examine the Gallagher Settlement Agreement and amendments, Court orders, and the other papers filed in the Class Action, including the amended pleadings, at the Office of the Clerk, United States District Court for the District of New Jersey, Martin Luther King Building and U.S. Courthouse, 50 Walnut Street, Room 4015, Newark, New Jersey 07101 from 9:00 a.m. to 4:00 p.m. EDT.

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

DATED: May 16, 2007

**BY ORDER OF THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

APPENDIX A – SUMMARY OF RELEASE

Definitions

All capitalized terms used in this Release shall have the same meaning as in the Gallagher Settlement Agreement and its subsequent Amendments.

Released Claims

Upon the Effective Date, all Releasees, Class Plaintiffs, Class Counsel, the Gallagher Defendants Counsel and each of them on behalf of themselves, their heirs, executors, administrators, beneficiaries, predecessors, successors, affiliates and assigns, for good and sufficient consideration receipt of which is acknowledged, shall be deemed to have, and by operation of law and of the Final Judgment and Order Approving Settlement, shall have fully, finally, and forever released, relinquished, settled, and discharged any and all Released Claims (including such Released Claims as have already have been, or could have been or could be asserted in any pending litigation, arbitration or other proceeding whether formal or informal). All Releasees covenant and agree that they shall not hereafter seek to establish liability against any Releasor based, in whole or in part, on any Released Claims.

Discharge of All Released Claims

Upon the Effective Date, all Settlement Class Members and each of them on behalf of themselves, their heirs, executors, administrators, beneficiaries, predecessors, successors, affiliates, and assigns shall hereby be deemed to have, and by operation of law and the Final Judgment and Order Approving Settlement shall have, fully, finally, and forever, remised, released, relinquished, compromised and discharged all Released Claims against each and every one of the Releasees, Plaintiffs, Class Counsel and the Gallagher Defendants' Counsel, including such Released Claims as already have been, could have been or could be asserted in any pending litigation, arbitration or other proceeding whether formal or informal and whether or not any such Settlement Class Member submits any Proof of Claim Form or otherwise seeks any payment under the terms of the Settlement Agreement. All Releasors covenant and agree that they shall not hereafter seek to establish liability against any Releasee based, in whole or in part, on any of the Released Claims.

Waiver of California Civil Code Section 1542

With respect to all Released Claims, the Settlement Class Members and each of them agree that they are expressly waiving and relinquishing to the fullest extent permitted by law:

(a) the provisions, rights, and benefits conferred by Section 1542 of the California Civil Code, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which if known by him must have materially affected his settlement with the debtor.

(b) any law of any state or territory of the United States, federal law or principle of common law, or of international or foreign law, which is similar, comparable or equivalent to Section 1542 of the California Civil Code. Each Settlement Class Member fully settles and releases, upon entry of the Final Judgment and Order Approving Settlement, any known or unknown, suspected or unsuspected, contingent or non contingent claim with respect to the subject matter of the Action or State Action, whether or not concealed or hidden, without regard to the discovery or existence of such different or additional facts. Each Settlement Class Member also hereby expressly waives and fully, finally, and forever settles and releases any and all Released Claims it may have against Releasees under § 17200 *et seq.*, of the California Business and Professions Code, which claims are expressly incorporated into this Paragraph.

The releases and waivers were separately bargained for and are essential elements of the Gallagher Settlement Agreement.

APPENDIX B - PLAN OF ALLOCATION

On December 29, 2006, the Gallagher Defendants,¹ and the Plaintiffs in the actions entitled *In re: Insurance Brokerage Antitrust Litigation*, MDL No. 1663, Civil Nos. 04-5184 and 05-1079 (GEB), pending in the United States District Court for the District of New Jersey (the "Action") entered into the Stipulation of Settlement between Class Plaintiffs and Arthur J. Gallagher & Co. Defendants (the "Stipulation"), subject to approval of the Court. The Stipulation proposes to settle the claims of Plaintiffs and the Settlement Class² against the Gallagher Entities.³

¹ The Gallagher Defendants are: Arthur J. Gallagher & Co., Arthur J. Gallagher Risk Management Services, Inc., and Gallagher Benefit Services, Inc.

² "Settlement Class" and "Settlement Class Members" are defined as all individuals or entities within the "Commercial Class" or the "EB Class". The "Commercial Class" is defined as all individuals or entities who, had a Commercial Settlement Class Policy Purchase (defined below in footnote 4), *provided further* that the Settlement Class does not include: (a) such individuals or entities who submit valid and timely requests for exclusion from the Settlement Class in accordance with the procedures set out in Section 8.1 of the Gallagher Settlement Agreement; (b) such individuals or entities who settled an actual or threatened lawsuit or other proceeding with the Gallagher

Pursuant to the Gallagher Settlement Agreement, \$28 million plus accrued interest (the “Fund”) will be distributed to Settlement Class Members in accordance with the Plan of Allocation (“Claimants”) summarized below.

SETTLEMENT CLASS CLAIMANTS

The Plan of Allocation provides for six separate claimant groups of Settlement Class Members as follows:

1. All Settlement Class Members that made a Commercial Settlement Class Policy Purchase⁴ during the period August 26, 1994 through December 31, 2005 engaging the services of a Gallagher Entity (the “Commercial Direct Claimants”);
2. All Employer Class Members that paid in full or in part for an EB Settlement Class Policy Purchase⁵ engaging the services of a Gallagher Entity (the “Employer Direct Claimants”);
3. All Employee Class Members that paid in full or in part for an EB Settlement Class Policy Purchase engaging the services of a Gallagher Entity (the “Employee Direct Claimants”);
4. All Settlement Class Members that made a Commercial Settlement Class Policy Purchase engaging the services of a Commercial Broker Defendant⁶ and not through a Gallagher Entity (the “Commercial Conspiracy Claimants”);

Defendants, or any of them, and released a Gallagher Defendant from any further claims concerning their Settlement Class Policy Purchase (defined below in footnote 5); (c) such individuals or entities who have elected to receive monetary payments pursuant to the Illinois Regulatory Settlements (as defined in the Stipulation) *provided however*, that such individuals or entities who have elected to receive monetary payments pursuant to the Illinois Regulatory Settlements shall be Settlement Class Members respecting their Settlement Class Policy Purchases that are not eligible to receive relief under the Illinois Regulatory Settlements, with respect to which the Gallagher Defendants shall waive enforcement of the release provided in the Illinois Regulatory Settlements (the “Regulatory Release”) to the extent that such individuals or entities participate in the Settlement Class with respect to such purchases, *provided further* that the Gallagher Defendants reserve the right to enforce the Regulatory Release in its entirety as to any individuals or entities who has elected to receive monetary payments pursuant to Illinois Regulatory Settlements to the extent such individual or entities seeks relief from the Gallagher Defendants outside of the Stipulation for Settlement Class Policy Purchases that are not eligible to receive relief under the Illinois Regulatory Settlements for Commercial Class Policy Purchases; (d) such individuals or entities who are named Defendants in the Action (including their officers and directors); (e) any individuals or entities in which the Gallagher Defendants, or any of them, has or had a controlling interest during the period August 26, 1994 through December 31, 2005 (the “Class Period”) and their legal representatives, heirs, executors, successors or assigns of any such excluded individuals or entities; and (f) any director or officer of the Gallagher Defendants, or any of them, during the Class Period (the “Excluded Persons”). The “EB Class” is defined as all individual or entities within the “Employer Class” or the “Employee Class”. The “Employer Class” is defined as all individuals or entities that: (a) were employers providing employee benefits insurance pursuant to a plan governed by ERISA, exclusive of Excluded Persons; or (b) were employers, including governmental or religious employees, or associations or groups of individual or entities providing employee benefits insurance, exclusive of Excluded Persons; and (c) have paid in full or in part for an EB Settlement Class Policy Purchase (defined below in footnote 5). The “Employee Class” is defined as all individual or entities that: (a) were employees in the United States receiving employee benefits insurance from a plan governed by ERISA, exclusive of Excluded Persons; and/or (b) were employees, including governmental or religious employees or members of associations or groups providing employee benefits insurance, exclusive of Excluded Persons; and (c) have paid in full or in part for an EB Settlement Class Policy Purchase.

³ The “Gallagher Entities” are: AJG Canada ULC; AJG Capital, Inc.; AJG Chem Mod Holdings LLC; AJG Coal, Inc.; AJG Coal Indiana LLC; AJG Financial Services, Inc.; AJG Investments, Inc.; AJG North America ULC; AJG Two Pierce, Inc. (Delaware); Artex Insurance Company Ltd; Artex Risk Solutions, Inc.; Artex Underwriting Managers Ltd.; Arthur J. Gallagher; Arthur J. Gallagher & Co.; Arthur J. Gallagher & Co. (Bermuda) Limited; Arthur J. Gallagher & Co. (Canada) Ltd.; Arthur J. Gallagher & Co. (Florida); Arthur J. Gallagher & Co. (Illinois); Arthur J. Gallagher & Co. – Greenville; Arthur J. Gallagher & Co. – Little Rock; Arthur J. Gallagher & Co. Insurance Brokers of California, Inc.; Arthur J. Gallagher & Co. of Kentucky, Inc.; Arthur J. Gallagher & Co. of Mississippi, Inc.; Arthur J. Gallagher & Co. of New York, Inc.; Arthur J. Gallagher & Co. of Tennessee, Inc.; Arthur J. Gallagher Brokerage and Risk Management Services, LLC; Arthur J. Gallagher Intermediaries (Bermuda) Limited; Arthur J. Gallagher Management (Bermuda) Limited; Arthur J. Gallagher Risk Management Services, Inc.; Arthur J. Gallagher Service Co. (Delaware); Arthur J. Gallagher (UK) Limited; Arthur J. Gallagher Middle East BSC(c); Arthur J. Gallagher Asia Pte Ltd.; Arthur J. Gallagher Asia Limited; Arthur J. Gallagher (L) BHD; Arthur J. Gallagher Australasia Holdings Pty. Ltd.; Arthur J. Gallagher Reinsurance Australasia Pty Ltd.; Arthur J. Gallagher (Aus) Pty Ltd.; Australis Group (Underwriting) Pty Ltd.; Aviacargo Leasing Limited; Charity First Insurance Services, Inc.; C.W. Excess, Inc.; Commonwealth Premium Finance Corporation; Connor Hale Kerlake Limited; Edwin M. Rollins Company; Gallagher Bassett Services, Inc. (Delaware); Gallagher Bassett of New York, Inc.; Gallagher Bassett International Ltd. (UK); Gallagher Bassett Canada Inc.; Gallagher Bassett Services Pty Ltd; Gallagher Bassett International S.A.; Gallagher Benefit Services, Inc.; Gallagher Captive Services (Cayman) Limited; Gallagher Healthcare Insurance Services, Inc.; Gallagher Healthcare Insurance Services of Kansas City, LLC; Gallagher Holdings Bermuda Company Limited; Gallagher Holdings (UK) Limited; Gallagher Lambert Group; Gallagher Loss Control Services, Inc.; Gallagher Re, Inc.; Gallagher Re Limited; GBS Administrators, Inc.; GBS Insurance and Financial Services, Inc.; GBS Retirement Services, Inc.; Interpacific Underwriting Agencies Pty Ltd.; Lamberson Koster & Co.; Manning & Smith Insurance, Inc.; MRS Holdings Limited; Morgan Read & Sharman Limited; Protected Insurance Company; Risk Management Partners Ltd.; Risk Placement Services, Inc. (Illinois); Risk Placement Services of Arizona, Inc.; Risk Placement Services of Arkansas, Inc.; Risk Placement Services of Louisiana, Inc.; Risk Placement Services of Massachusetts, Inc.; Risk Placement Services of Nevada, Inc.; Risk Placement Services of New York, Inc.; Risk Placement Services of Pennsylvania, Inc.; Risk Placement Services of Texas, Inc.; Scholastic Risk Services Limited; Sobieski & Bradley of Nevada, Inc.; Strand Underwriting Limited; Western Litigation, Inc.; and Wyatt Gallagher Bassett Workers Compensation Victoria Pty Ltd.

⁴ “Commercial Settlement Class Policy Purchase” means the purchase or renewal of commercial insurance, or reinsurance thereof; obtained through engaging the services of the Gallagher Defendants or any Commercial Broker Defendant (described below in footnote 6) where the coverage under such commercial insurance, or reinsurance thereof incepts or renews during the Class Period pursuant to a contract, policy, agreement, arrangement or understanding where the commercial insurance, or reinsurance thereof (a) involved an insured or policyholder thereof, any of which was either domiciled in or resident in, or had any other significant contact with, the United States, its territories or possessions; (b) involved a contract, policy, agreement, arrangement or understanding entered into in the United States, its territories or possessions; (c) involved a contract, policy, agreement, arrangement or understanding subject to federal law or to the law of any of the states of the United States, its territories or possessions; or (d) provide coverage for an insurable exposure in the United States, its territories or possessions.

⁵ “EB Settlement Class Policy Purchase” means the purchase or renewal of employee benefits insurance, or reinsurance thereof, obtained through engaging the services of the Gallagher Defendants or any EB Broker Defendant (defined below in footnote 7) where the coverage under such employee benefits insurance, or reinsurance thereof incepts or renews during the Class Period pursuant to a contract, policy, agreement, arrangement or understanding where the EB insurance, or reinsurance thereof (a) involved an insured or policyholder thereof, any of which was either domiciled in or resident in, or had any other significant contact with, the United States, its territories or possessions; (b) involved a contract, policy, agreement, arrangement or understanding entered into in the United States, its territories or possessions; (c) involved a contract, policy, agreement, arrangement or understanding subject to federal law or to the law of any of the states of the United States, its territories or possessions; or (d) provide coverage for an insurable exposure in the United States, its territories or possessions. “Settlement Class Policy Purchase” means a Commercial Settlement Class Policy Purchase and/or an EB Settlement Class Policy Purchase.

5. All Employer Class Members that paid in full or in part for an EB Settlement Class Policy Purchase engaging the services of an EB Broker Defendant⁷ and not through a Gallagher Entity (the “Employer Conspiracy Claimants”); and
6. All Employee Class Members that paid in full or in part for an EB Settlement Class Policy Purchase engaging the services of an EB Broker Defendant and not through a Gallagher Entity (the “Employee Conspiracy Claimants”).

ALLOCATION OF THE FUND

The Fund will be allocated as follows:

Claimant	Allocable Fund Percentage	Claimant	Allocable Fund Percentage
Commercial Direct Claimants	68.0%	Commercial Conspiracy Claimants	13.2%
Employer Direct Claimants	3.6%	Employer Conspiracy Claimants	0.5%
Employee Direct Claimants	13.3%	Employee Conspiracy Claimants	1.4%

To the extent that Claimants have Settlement Class Policy Purchases acquired through one of the Gallagher Entities and other Settlement Class Policy Purchases acquired through a Broker Defendant other than one of the Gallagher Entities, it may submit separate claims pertaining to these policies.

CALCULATIONS OF CLAIMANTS’ DISTRIBUTABLE AMOUNT

The Court has authorized the retention of Complete Claim Solutions, LLC (“CCS”) as the Settlement Administrator. CCS will calculate the distribution for each Settlement Class Member within each of the groups of Claimants described above.

For each group of Commercial Claimants, the distributable amount from the Allocable Fund will be calculated by dividing the premium paid by each Claimant for the applicable policies by the total of premiums paid by all Claimants for the applicable policies.

No Commercial Conspiracy Claimant can recover a higher percentage of the premium paid than the percentage amount recovered by any Commercial Direct Claimant. To the extent that any of the Fund allocable to the Commercial Conspiracy Claimants is not distributed, that remaining amount shall be reallocated to the Commercial Direct Claimants.

For each group of Employer or Employee Claimants, a Coverage Factor will be calculated for each Claimant for each year based upon the number and type of benefit policies acquired during that year. In calculating the Coverage Factor, the following Point Scales will be used (“Allocation Points”):

Type	Point Scale
Dental	4.0
Health	24.4
Life	1.0
Long-term Disability	1.3
Short-term Disability	1.3
Vision	1.1

Values for 1994 will be multiplied by 33% to reflect the fact that the Class Period covers only one-third of that year. For Employers, the Coverage Factor for each year will be multiplied by the number of covered employees in that year. The sum of each Claimant’s Coverage Factors for all years in the Class Period shall represent its Allocation Points for the purpose of determining distributions. For each of the four Claimant groups (Employer Direct Claimants, Employee Direct Claimants, Employer Conspiracy Claimants and Employee Conspiracy Claimants), a Claimant’s distributable amount from the Allocable Fund will be calculated by dividing its Allocation Points by the Allocation Points of all Claimants within that group.

No Employer Conspiracy Claimant can recover a higher percentage of its Allocation Points than the percentage amount recovered by any Employer Direct Claimant. To the extent that any of the Fund allocable to the Employer Conspiracy Claimants is not distributed, that remaining amount shall be reallocated to the Employer Direct Claimants. No Employee Conspiracy Claimant can recover a higher percentage of its Allocation Points than the percentage amount recovered by any Employee Direct Claimant. To the extent that any of the Funds allocable to the Employee Conspiracy Claimants is not distributed, that remaining amount will be reallocated to the Employee Direct Claimants.

⁶ “Commercial Broker Defendants” are: Marsh & McLennan Companies, Inc.; Marsh Inc.; Marsh USA, Inc.; Marsh USA Inc. (Connecticut); Seabury & Smith, Inc.; Aon Corporation; Aon Broker Services, Inc.; Aon Risk Services Companies, Inc.; Aon Risk Services, Inc. U.S.; Aon Risk Services of Maryland; Aon Risk Services, Inc. of Louisiana; Aon Risk Services of Texas, Inc.; Aon Risk Services, Inc. of Michigan; Aon Group Inc.; Aon Services Group, Inc.; Aon Re, Inc.; Affinity Insurance Services, Inc.; Aon Re Worldwide, Inc.; Willis Group Holdings Limited; Willis Group Limited; Willis North America, Inc.; Willis of New York, Inc.; Willis Re Inc.; Stewart Smith Group; Wells Fargo & Company; Acordia, Inc.; Brown & Brown, Inc.; Hilb Rogal & Hobbs Company; BB&T Corporation; Branch Banking and Trust Company; BB&T Insurance Services, Inc.; Hub International Limited; U.S.I. Holdings Corporation; USI Insurance Services of Florida, Inc. (d/b/a USI Florida); Summit Global Partners of Florida, Inc. and any other broker that is added as a defendant in the Action prior to the time that the Notice is mailed.

⁷ EB Broker Defendants are: Acordia, Inc.; Aon Corporation; Aon Consulting Inc.; Aon Broker Services, Inc.; Aon Risk Services Companies, Inc.; Aon Risk Services Inc. U.S.; Aon Group, Inc.; Aon Services Group, Inc.; Aon Re, Inc.; BB&T Corporation; BB&T Insurance Services, Inc.; Benefits Commerce; Brown & Brown, Inc.; Brown & Brown Insurance Benefits, Inc.; Frank F. Haack & Associates; Hilb Rogal & Hobbs Company; Hub International Limited; Marsh & McLennan Companies, Inc.; Marsh Inc.; Marsh USA, Inc.; Mercer, Inc.; Mercer Human Resource Consulting LLC; Mercer Human Resource Consulting of Texas, Inc.; O’Neill, Finnegan & Jordan Insurance Agency, Inc.; Seabury & Smith, Inc.; Talbot Financial Corporation; Universal Life Resources; ULR Insurance Services, Inc.; USI Holdings Corporation; USI Consulting Group; USI Insurance Services Corporation; Wells Fargo & Company; Willis Group Holdings Limited; and Willis North America, Inc.