

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

In re: INSURANCE BROKERAGE)	Civil Action No. 2:04-cv-5184 and
ANTITRUST LITIGATION)	2:05-CV-1079 (GEB)
)	
APPLIES TO ALL ACTIONS)	MDL No. 1663
)	
_____)	Hon. Garrett E. Brown, Jr.
)	
In re EMPLOYEE BENEFIT)	
INSURANCE BROKERAGE)	
ANTITRUST LITIGATION)	
)	
APPLIES TO ALL ACTIONS)	
)	

PLAN OF ALLOCATION AS AMENDED

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

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 Stipulation of Settlement between Class Plaintiffs and Arthur J. Gallagher & Co., as amended (the “Gallagher Settlement Agreement”); (b) such individuals or entities who settled an actual or threatened lawsuit or other proceeding with the Gallagher 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 Gallagher Settlement

Gallagher Entities.³

Agreement) *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 the Illinois Regulatory Settlements to the extent such individual or entities seeks relief from the Gallagher Defendants outside of the Gallagher Settlement Agreement 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 employers, 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 Holding (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

Pursuant to the Stipulation, \$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”);

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.

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”);
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:

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.

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

DATED: May 11, 2007