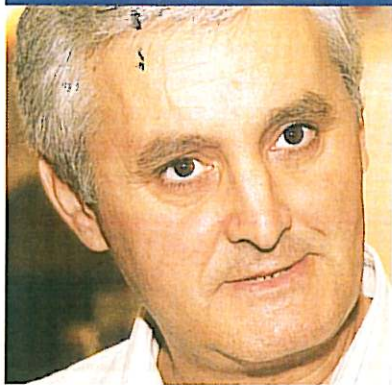


HEARD IN THE HALLS

THE EUROPEAN COMMISSION'S final report on its Sector Inquiry on business insurance raised serious concerns about potential conflicts of interest because of the way brokers are remunerated. *Business Insurance Europe* took to the exhibition floor at the FERMA Forum and asked risk managers whether they are bothered that brokers take fees from both insurers and customers at the same time.



» Rogelio Bautista, board member of Spanish risk management association AGERS and risk manager with Seville-based ABENGOA, S.A.:

|| IT THINK IT IS OK. BUT IN Spain the situation is currently being debated. Brokers in Spain are asking AGERS what is our position. In Spain we have a special regulation for this matter and I am not sure it is possible to arrange the same rules for the whole of Europe on this. ||



» Tomasz Miazek, Risk Insurance Manager at Telekomunikacja Polska based in Warsaw, Poland said:

|| If we split insurance and consulting fees it will be very difficult for big companies to buy consulting services. We have two different departments - one buys professional services and the other buys insurance services and it would be very difficult. Therefore I am asking brokers how much commission they get and negotiating a commission for us. ||

» Thierry van Santen, Director of Risk Management for Paris-based Groupe Danone and a Director of FERMA said:

|| AS LONG AS THE CUSTOMER knows how much is paid for the customer's business then it is fine with me. I do not care about fees. It is the transparency of what you get. Then it is up to the customer to adjust the income depending upon the services carried out. ||



» Rafal Rudnicki, Group Risk and Insurance Manager Raben Group B.V. and chairman of Polrisk, the Polish risk management association, said:

|| THE WAY WE APPROACH IT means that it does not make much difference if we pay direct to the broker or the cost is within the premium. So long as we know exactly what it is for and how much effort is required, what the broker is really doing, what is his part of the job and what is the responsibility of the insurers. ||

