

News Release

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Willis Report Examines How Global Warming is Changing Risk Management

New York, NY, December 21, 2007 – Climate change is one of the foremost concerns of our time. In a relatively short time, the focus has shifted from debate over the reality of global warming to a general consensus that it not only exists, but needs to be urgently addressed.

Recent U.S. federal court rulings on global warming have strengthened the growing demand from scientists and business leaders for action from the federal government. Further, the latest UN report on climate change emphasizes that global warming is "unequivocal", that humans are the main cause, and concludes that the greatest financial responsibility lies with the U.S. and other countries which are most responsible for the increase in greenhouse gas emissions.

Release of the UN report coincided with the latest crucial round of climate change talks at the UN Climate Change Conference in Bali earlier this month. The Bali talks will shape global climate policy for the foreseeable future. Inevitably therefore, they will heavily influence the long-term investment decisions made by both the public and private sectors. The meeting concluded with an agreement between nearly 190 countries to take "active" measures against global warming.

Willis, the global insurance broker (NYSE: WSH), is actively involved in monitoring various aspects of climate change, including developments in science, regulation, liability trends, business risk and insurance product development. **Willis' North American Environmental Practice** looks at this global topic from an insurance perspective in the new issue of their newsletter, **Environmental Risk**. In an article entitled "**Feeling the Heat: How Greenhouse Gas Emissions Standards and Trading Systems are Creating Risks and Opportunities Around the Globe,**" author **David Orleans** looks at litigation trends and the evolving response of the insurance industry to the emerging risk exposures and new marketplace demands. He also provides helpful advice to clients and risk managers on what steps they should be taking to prepare themselves for these new risks.

(more)

Some of the issues addressed in the latest newsletter include:

- Regulatory activity by the EU and US to help control emissions levels;
- The possibility of D&O claims or litigation for failure to disclose greenhouse gas emissions and potential future climate change related impacts on company financial performance;
- Critical insurance program considerations for risk managers when considering new risk exposures presented by climate change.

Willis also offers unique thought leadership on climate change through the **Willis Research Network** (WRN). WRN is a long-term, exclusive partnership between leading international scientific institutions and Willis to evaluate the frequency, severity and impact of catastrophic events. WRN has done extensive work in modeling how Climate Change will affect the frequency and severity of hurricane, flood, and other types of natural disasters. WRN held a conference in Brussels in October providing a comprehensive look at climate change science and insights into how new modeling outputs will affect the insurance markets.

Commenting on the issue, **Michael Balmer, Environmental Practice Leader at Willis** said, "It is challenging to keep up with the speed of change in relation to Climate Change developments and the associated new risk exposures and opportunities. Willis is helping clients to prepare for the challenges presented by a carbon constrained future and we are actively engaged in the development of market solutions for some of these new risks."

Rick Hawkinberry and **David Orleans** lead the **Emerging Risks Initiative** for the **Willis North American Environmental Practice**, which focuses on Climate Change and other new or growing risk issues. In addition, Willis recently formed the "Willis Climate Change Task Force" which is being lead by Rick Hawkinberry and includes participants from Willis offices and disciplines around the world including Willis Environmental Practice, Willis Re, Willis Research Network, Willis Utility Practice and Willis Commercial Markets.

To read the most recent **Environmental Risk** newsletter from Willis, please see this link:
http://www.willis.com/news/Publications/Environmental_Newsletter_November_2007.pdf

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