

Construction Risks

US Construction Practice

Willis' US Construction Practice provides innovative products and delivers risk management services through its specialist building services teams, addressing the unique needs of each of our construction industry clients.

The Practice has over 500 dedicated construction personnel, located across 49 offices coast to coast and organised on a strategic basis into smaller teams concentrating on different areas of construction business. This ensures that our clients, whether they are Owners, Contractors, Project Managers or Lenders, receive cutting edge ideas, products and services.

Each specialist team is based on our clients' needs and the changing nature of their industry. As an example, a Design & Build Team was established five years ago as some of our clients procured delivery systems in this field. Similar teams have been set up to provide Wrap-Up, Surety, Minority Support and Risk Management solutions.

The US Construction Practice also prides itself on innovation. It pioneered the use of Environmental Insurance in the mid-1980s and was the first to provide an Umbrella Liability coverage which included occurrence professional liability on an integrated basis for contractors. The Practice's Builders' Risk Facility meets the necessary builders' risk requirements and has capacity in geographical areas where it is difficult to obtain coverage – the Gulf Coast and California.

Other highly sophisticated products and services that the US Construction Practice has developed include:

CapExCORE – A process evaluation and consulting resource for major time-sensitive projects.

Benchmarking – Comparing and contrasting clients with their industry counterparts in the areas of insurance costs, loss experience, Occupational Safety and Health Administration results, appetite for risk, insurance buying habits and risk management resources.

Peerzone – Many contractors have more equity in their business than necessary to support their surety needs. The US Construction Practice can provide a sophisticated financial and risk analysis to determine the proper net worth required.

Structured Risk – Products and services capable of responding to complex contractual requirements and designed to either enhance the credit worthiness of a project or unlock financial resources for use in project development.

Subguard – Insurance alternative to bonding. The plan offers protection against catastrophic losses and provides coverage to all subcontractors and suppliers as opposed to the selective approach common with surety.



"As the largest construction risks broker in the United States, Willis takes great pride in pioneering risk solutions for the construction industry."

Willis

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Willis International Holdings

Willis International Holdings (WIH) is one of the key business units of the Willis Group. It consists of the Group's retail operations worldwide, excluding the United Kingdom, Ireland and North America. WIH currently operates in 74 countries throughout the world and enjoys a leading market position servicing local, national and international clients as well as the subsidiaries of Willis Group multinational clients.

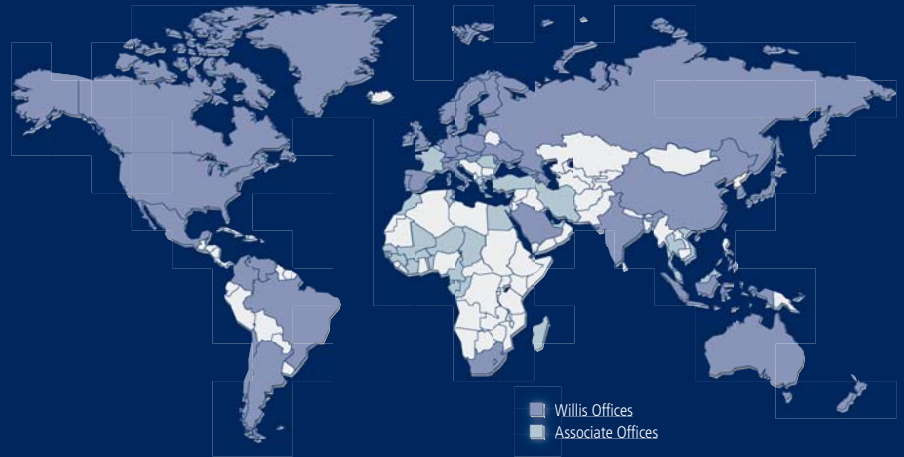
WIH's offices work closely with the other parts of the Willis Group to offer their clients specialist advice, services and access to international markets. WIH's aim is to maintain and grow its presence worldwide and to become an increasingly important part of the Willis Group.

WIH has grown rapidly since 1997, both organically and through acquisitions. It owns a 33% holding in Gras Savoye, the leading

French insurance broker, which itself operates in over 30 countries worldwide.

During the year, WIH increased its ownership in businesses in Argentina and Denmark. In China, WIH acquired a 50% share of Shanghai Pudong Insurance Brokers and obtained a broking licence. Willis now has 18 branches throughout China.

WIH's owned network covers the world. In addition, in some 30 smaller territories or where direct ownership is not permitted, it has established correspondent relationships with local brokers. In every case, they have a contractual agreement that these brokers will comply with Willis standard network rules and operating procedures. This approach ensures that WIH can control and manage the services provided by Willis' network brokers to its clients.



"Willis International Holding's network of subsidiaries and associates enables clients to access Willis' global resources, whilst benefiting from products and services tailored to their local market".

Willis

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Contractor Solutions

In an effort to remain competitive and to win business, contractors may sometimes not fully appreciate the financial implications of risk transfer obligations imposed upon them.

Contract conditions may be complex and the assumption by a contractor of risks such as liquidated damages following damage to the contract works, unforeseen ground conditions and onerous collateral warranties are not uncommon.

Even without such burdens, every contractor has a business to manage, and with it the inherent, financial exposures arising from loss of or damage to structures, stored materials, construction plant and equipment, motor vehicles and legal liability to employees and third parties etc.

Widely recognised as a market leader, Willis provide professional risk management consultancy and insurance broking services which include the design of innovative and bespoke insurance programmes for our client's protection by finding the optimum balance between risk retention and risk transfer.

The Willis Approach

The key to our approach is regular contact with our client to ensure that their risks are identified, quantified and adequately addressed. More specifically our services include:

- Assessment of the nature of the risk faced by the client;
- Converting raw risk information into a form that is acceptable to the underwriter;
- Recommending appropriate insurance markets;
- Producing policy documentation in a "timely and efficient" manner;
- Negotiating claims in a timely and efficient manner;
- Commenting on contract conditions and collateral warranties vis a vis the insurance programme;
- Managing any changes to the insurance profile following any material changes to our client's business;
- Negotiating special insurance requirements, such as JCT Contract 21.2.1.



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In July 2003 Willis were delighted to announce the formation of Willis Energy, a specialist division of Willis Global Markets. This new division brings together the Upstream, Downstream North America and Downstream International Energy teams into one unified energy team. Willis Energy now has representatives in all of the world's major energy hubs.

Willis Energy's traditionally strong representation in London, New York and Houston is now teamed with a significant presence in Calgary, and Miami, providing comprehensive coverage of the North American region. The South American region is served by energy specialists in Buenos Aires. The Middle East region by energy specialists in Dubai and the Far East by energy specialists in Singapore, Jakarta, Beijing and Perth.

Willis Energy now represents a large number of the world's leading energy companies. Our geographically diverse client base encompasses the following sectors:

- integrated oils;
- exploration and production;
- refining;
- petrochemical and chemical;
- gas processing;
- pipeline operation;
- distribution and transportation;
- contractors.

Through strategic partnerships with our clients, Willis Energy utilises a comprehensive range of risk assessment techniques to formulate optimum risk retention strategies and risk transfer solutions in the areas of onshore/offshore operating and onshore/offshore construction.

Willis Construction Risks provides dedicated resources and expertise as part of the Willis Energy Practice, for the design, placement and servicing of major onshore energy projects.

Our commitment to quality is demonstrated by our knowledge of the domestic and international markets. Willis Energy ensures that the markets selected offer the best security available at the most competitive terms achievable. Our post-placement servicing of the account maintains our commitment to quality.

For Willis Energy, the focus is firmly on striving for excellence. We pride ourselves on continually and consistently surpassing our clients expectations by delivering an unprecedented level of service. Much of Willis Energy's business is acquired through winning open commercial tenders, however, many clients have actively sought our services through recommendation.



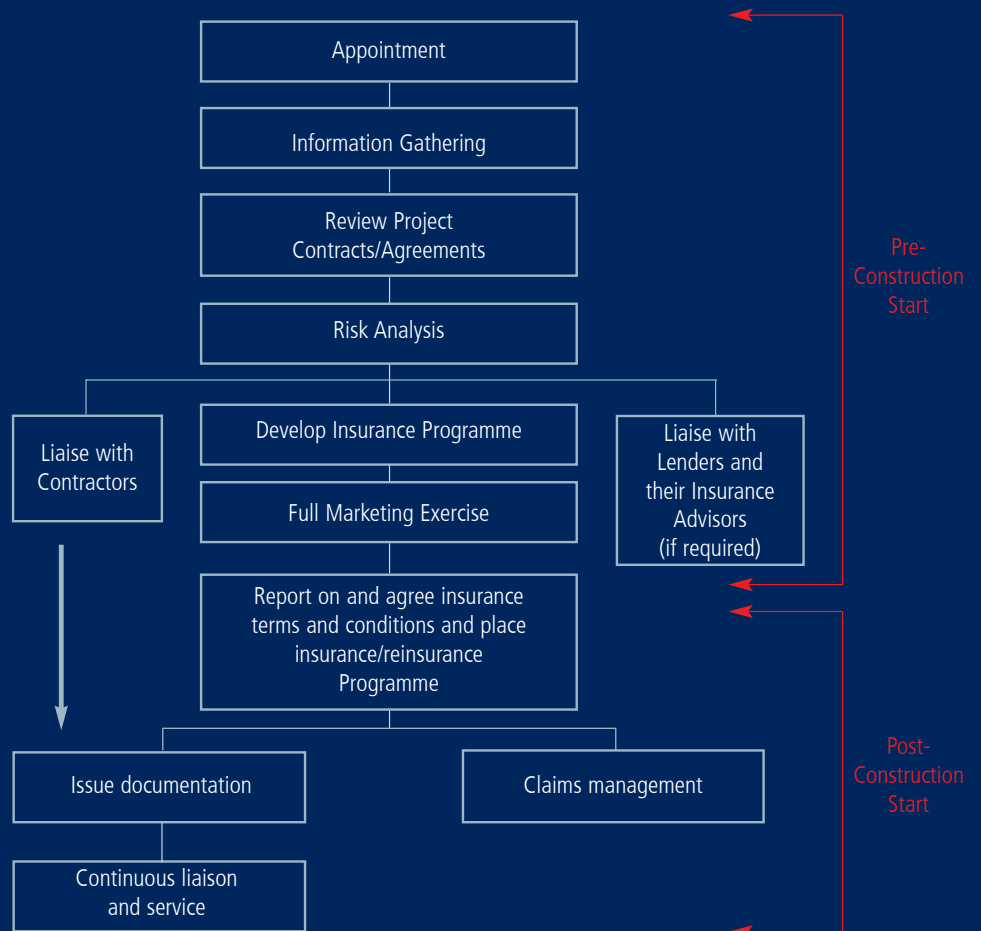
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Scope of Services

This diagram outlines the tasks that Willis Construction Risks would typically deliver as part of our service plan for a project. This is not an exhaustive list and is intended purely as a guide in order to highlight the major services we anticipate providing. There will be specific issues, whether of a coverage or strategic nature, that our client will want to consider at the outset.

We will work in partnership with our clients to develop a structured Service Agreement from the time of appointment until the Project is successfully delivered and becomes operational.



"Willis Construction Risks' aim wherever in the world we operate, is to provide a quality of service that exceeds our clients' expectations."

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