

FM Global Policy on Broker to Direct Conversions

FM Global maintains two viable, effective delivery channels. Converting existing business from brokered to direct is contrary to our objective of fostering strong and enduring relationships with the brokerage community and is not part of our strategy.

FM Global is fully committed to maintaining its obligation to clients and business partners. Because FM Global is recognized for its dual delivery, an incumbent broker must not be given any legitimate reason to doubt the depth of FM Global's commitment to the relationship with them on existing business. As in all of our business dealings brokers have a right to expect that we will:

- behave consistently and ethically;
- demonstrate our commitment to established relationships; and
- earn and maintain their trust and confidence.

FM Global's policy is that it does not support, promote, encourage, or condone, in any way, broker to direct conversions. FM Global operates on the principle that, once a client makes the choice to work with a broker, it enjoys a privileged relationship with that client and its chosen broker that will not be undermined or diminished. The fact that the client chose the broker delivery channel indicates that they saw a value in that choice. Direct conversions will not be agreed without express written agreement of the appropriate Executive Vice President, after consultation with both the client and the broker.

Occasionally, an existing brokered insured may approach us to write an account directly. We do not encourage or solicit such conversions since they undermine trust and impair our relationship with the broker across the portfolio, creating a lasting impact that extends far beyond the account in question. Client service and management team members should ensure brokers are informed on a timely basis whenever such overtures are made. To the extent possible and prudent, we will actively intervene with clients to discourage such conversions. If they cannot be dissuaded, we must honor the client's right to free choice in how they access us, which is the basis of our dual delivery system. Withholding capacity or service on the basis of client choice of access is not an option. We will allow a five working day waiting period for the original broker to change the client's mind.

