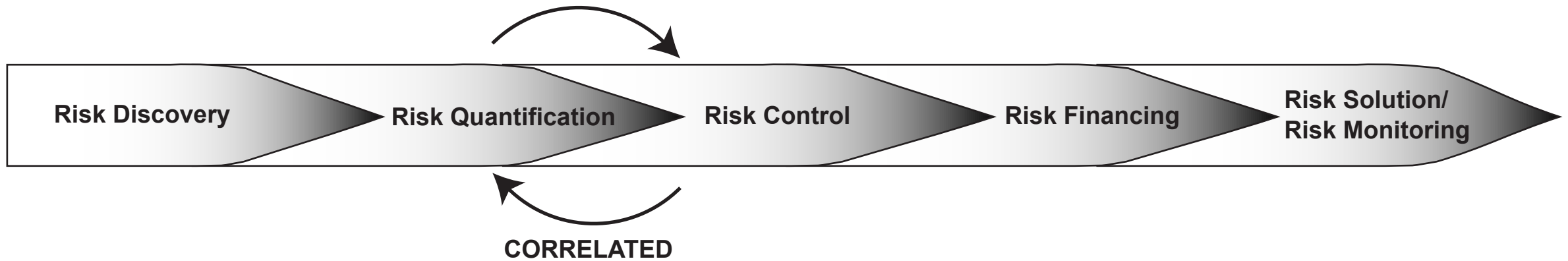


RISK INDUSTRY VALUE CHAIN



RISK INDUSTRY COMMERCE CHAIN

RETAIL CLIENTS	DISTRIBUTION/ INTERMEDIATION	PRIMARY INS. COMPANIES	REINSURANCE BROKERS	REINSURANCE COMPANIES	CAPITAL MARKETS
<ul style="list-style-type: none"> ■ Commercial ■ "Jumbo" ■ Fortune 2000 ■ Middle Market ■ "Main Street" ■ Personal Lines ■ High Net Worth (HNW) ■ Mass Affluent ■ Everybody Else 	<ul style="list-style-type: none"> ■ Brokers ■ Independent Agents ■ Tied Agents ■ Direct Writers ■ Managing General Agents ■ E-Biz 	<ul style="list-style-type: none"> ■ Stock & Mutual ■ Multi-line & Specialty ■ Paper/admin and Regulatory Load Concentrates Here 	<ul style="list-style-type: none"> ■ "Investment Bankers of the Industry" ■ Significant Influence ■ Low Regulatory Load ■ Clients are Called Cedents 	<ul style="list-style-type: none"> ■ Direct & Broker ■ Treaty & Facultative ■ Risk Concentrates Here ■ Credit Quality a Major Issue ■ Big "Net" Reinsurers ■ Most Captives Organized as Reinsurance Companies 	<ul style="list-style-type: none"> ■ Risk in Publicly Traded Ins. & Reinsurance Companies Ultimately "Securitized" ■ Direct Securitizations Generally Limited to: <ul style="list-style-type: none"> - "Jumbos" - Cedents ■ For the Publicly Traded Retail Client, Capital Markets also a Risk Finance Mechanism