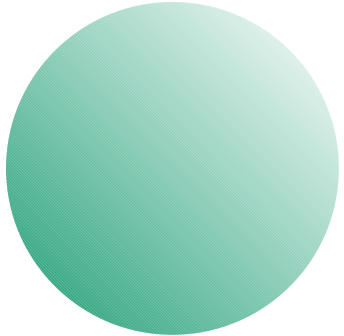


Zurich Mergers & Acquisitions Group

Helping find peace of mind in a time of change





Revealing hidden risks,
finding creative solutions

What if you missed...

- the fact the CFO was misrepresenting liabilities?
- the undetected landfill, lagoon or other solid waste disposal facility on a property you are acquiring?
- the change to currency conversion laws in your new locations?
- that the company was manipulating its pension plan assumptions to mask the true amount by which the plans were underfunded?
- the fact that the one age discrimination lawsuit filed is just the tip of the iceberg?
- the foreign compliance issues associated with your insurance program?
- the fact that the sole supplier of a key component is a single-location, unprotected business in a Third World country?
- that leaking underground storage tank contaminating your public water source?
- the fact that not all of the warehouses are protected properly based on the latest NFPA guidelines?
- that the company you are acquiring used offshore entities to mask liabilities that should have been recorded on the financial statements?
- an ongoing employee theft or fraud issue, which could expose the company's balance sheet to unknown, additional liabilities?
- the previously unreported or sudden increase in environmental liabilities based on new acquisitions?

M&A

The way business is done today!

Mergers and acquisitions (M&A) make headlines virtually every day. In 2006, the total value of all M&A transactions topped \$4 trillion, and the trend continues. At midyear 2007, global M&A transactions had already amounted to \$2.8 trillion, according to Dealogic, an investment banking research group*. For a growing number of companies, divestitures, restructuring and M&A transactions have become critical components of a successful business strategy.

All of these types of transactions bring change – and with change comes risk. Even a relatively straightforward transaction between two similar organizations will expose the participants to new, unanticipated and sometimes hidden risks. When transactions occur between organizations facing complex problems such as the blending of disparate corporate cultures and strategies, the addition of new business processes and locations, and potential complications of new environmental, tax, regulatory and compliance issues, risks quickly magnify.

With so much to think about, preparing for a transaction can seem a daunting task. However, the Zurich Mergers & Acquisitions Group can provide you with the insight you need to bring the task into focus.

* Financial News Online US. "M&A volume on pace for record high," July 20, 2007.
<http://www.financialnews-us.com/?page=ushome&contentid=2348356931>

Helping find peace of mind during a time of change

To deal effectively with the risks inherent in M&A transactions you need someone at the table – from the beginning – who understands the nature and scope of the changing risks you will face. The Zurich Mergers & Acquisitions Group is with you from the due diligence stage through the completion of the transaction and beyond. We provide you with a single point of contact with Zurich transactional consultants and product specialists who work directly with the resources you need such as attorneys and investment bankers, to deliver the right insurance and risk management advice.

The risks associated with large transactions do not intimidate our experienced group of professionals. We have been there before, working with companies like yours on the full spectrum of risk management issues that can arise during the negotiations that surround large transactions. We know what risks to look for and how to develop the insurance solutions and risk management strategies needed to engineer successful mergers, acquisitions, divestitures or restructuring efforts.

We have one overriding goal – to help you achieve some peace of mind and the knowledge that someone is managing your insurance-related risks effectively so you can concentrate on the other aspects of a successful transaction.



Defining risk tolerance and finding solutions

Helping you to achieve some peace of mind is more than just helping you identify risk. It's also working with you to develop an appropriate, holistic insurance and risk management strategy to help you:

- Determine the full character and scope of the risks you face
- Develop a multifaceted risk management strategy that encompasses those risks
- Mitigate or eliminate the risks you can
- Understand the implications of the risks you retain
- Find the best product solutions to transfer the risks you can insure

Zurich's team of M&A professionals will address all of these critical areas, accessing a full range of product solutions – on a global basis – to assume the insurable risks on your behalf and help give you the peace of mind you desire.



Talent, products
and global
capabilities . . .

Ensuring a smoother, more successful transition

The members of the Zurich Mergers & Acquisitions Group have assisted companies across a broad range of industries with risk management needs of all degrees of complexity. Having appropriate underwriting authority allows the group to act quickly and decisively to provide the rapid decisions you need.

Our group of product specialists has access to an expanding portfolio of property, casualty and specialty products delivered through a global network, including offices in the financial hubs of New York and London, where a large percentage of M&A transactions are executed.

Zurich respects and understands change and we realize that it is happening constantly. This understanding allows us to offer the insight, experience, products and strategies that can help you to achieve some peace of mind knowing that you have proven risk management professionals helping you meet your goal of a smooth, successful transaction.

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Casualty liabilities

As the promise and challenges of globalization have reshaped the world of business, so too have they dramatically altered the ways that multinational corporations must think about risk.

Mergers, acquisitions, divestitures and restructuring transactions are regular occurrences in today's global business market. Risk managers in many large organizations must adopt a global perspective, seeking enterprise risk management solutions that respond effectively both worldwide and locally in every country where a customer's risks must be addressed.

The Zurich Mergers & Acquisitions Group offers a wide variety of innovative coverage including global general liability, global automobile, workers' compensation and other coverage created to meet customers' specific needs. We design and execute risk management programs using a portfolio of products and services geared to help customers answer the complicated risks they face in today's world.

Because customers' needs and risks vary, we offer many types of programs and features, including:

- International/controlled master programs that provide consistency and dependability on a global basis
- Aggregate stop loss, "clash" deductibles and "corridor" deductibles
- Coordination with single-parent captives and "rent-a-captives"
- Guaranteed cost programs as an accommodation and in support of a master program
- Integrated multiyear solutions and rating programs
- Excess workers' compensation programs in support of primary casualty programs

For more
information on Zurich's
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For excess casualty solutions email
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Directors & Officers (D&O) liability

There are numerous pressures from shareholders, regulators, stakeholders, vendors and customers to ensure a merger, acquisition, divestiture or restructuring transaction goes smoothly. At such a time, management is often the target of litigation, including costly class-action suits.

A changing national and international regulatory and legal landscape, as well as the impact of heightened scrutiny by the public and the media, has created unprecedented management exposures. Regardless of industry, type or size of the business, the threat of litigation is very real and may arise from a number of sources. Zurich provides directors & officers liability insurance solutions to help meet the specific needs of our customers' businesses and keep them secure.

Directors & officers liability insurance provides insurance protection for directors and officers when a claim is brought against them alleging negligent acts, omissions, mismanagement and/or misleading statements. Zurich can provide coverage specifically tailored to the needs of organizations, whether it is a small business, general partnership, any type of financial institution or a large publicly held company.

Our highly trained and experienced underwriting and claims staff understand the unique risk characteristics that can arise in a transaction and we will be there at the beginning of the due diligence process to identify potential risks early and build solutions to help manage them effectively.

For more
information on
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Employment practices liability (EPL)

Protecting against employment-related claims is an escalating concern for employers of all sizes in all industries. As the frequency and severity of losses continue to rise, companies cannot afford to overlook this area. During a merger or acquisition, time may uncover the effects of adverse employment practices that had remained in obscurity for years. In an acquired company, one or two age-discrimination lawsuits may reveal only the tip of the iceberg. A class action may lie beneath the surface, waiting to emerge at the least opportune time. In addition, layoffs, which are an unfortunate outcome of many mergers or acquisitions, can lead to employment practices lawsuits and could trigger the discovery of other issues hidden below the surface, such as ongoing or systemic age, gender and/or race discrimination issues. Zurich's Mergers & Acquisitions Group provides employment practices liability insurance for organizations to help manage their employment-related exposures.

Employment practices liability insurance is an essential component of a well-constructed insurance portfolio. As the impact of employee litigation grows, corporations large and small are recognizing that even one claim could have catastrophic impact on an organization's bottom line and reputation. Claims of wrongful termination, sexual harassment and discrimination continue to escalate in both frequency and severity, and even if a claim is ultimately deemed groundless, the damage it may leave on a company's reputation can be substantial.

Zurich offers custom solutions for employment practices liability exposures, complemented by risk management tools that may help customers better manage their exposures. Zurich's suite of value-added risk management services includes:

- Hotline services: access to senior-level attorneys at a leading employment law firm
- HRCare®: offers the core resources needed to remain current with employment law issues
- Employment issues training programs
- HRClassroom.com: compliance training for employees
- Paid membership in the Society for Human Resource Professionals

For more
information on
Zurich's EPL solutions call:
Alex Maza at
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Environmental liability

The worst environmental damage occurs slowly, seeping into the ground or water over time. It may go undetected for decades.

This type of unseen environmental exposure can significantly deteriorate an organization's bottom line. In fact, many businesses that handle seemingly harmless materials have the potential for an environmental loss and may not realize it. In high concentrations, even the most benign substances can do harm.

Environmental liability is usually not in the forefront of any M&A due diligence discussion, but if not addressed early enough, these types of environmental issues may bring a transaction to a screeching halt later in the process.

The Zurich Mergers & Acquisitions Group has a dedicated team of experienced risk managers trained to analyze, identify, select, implement and monitor solutions associated with environmental liabilities that may exist with any spin-off, restructuring, acquisition, divestiture or merger. Bringing in our team during the due diligence stages of any transaction positions us to assess where risk transfer is an option and respond with our best risk transfer solutions. Where risk transfer is not an option, customers receive the benefit of a complete environmental analysis of the risks that need to be managed and advice from Zurich and our deal consultants on the best way to manage them.

Zurich's environmental liability coverages provide protection against potentially devastating losses from environmental exposures. Because each risk is unique, our underwriters create coverage to meet specific needs. Our arsenal of risk transfer products includes but is not limited to:

- Environmental cleanup and impairment liability policies
- Cleanup cost cap / remediation stop loss policies
- Real estate environmental liability policies
- Storage tank policies
- Other insurance solutions available on a case-by-case basis

For more information
on Zurich's environmental
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Errors & omissions (E&O) liability

As the worldwide economy becomes more service driven, companies that provide services need to ensure that they have the proper risk management products in place to protect themselves. Many potential risks exist that can put a service provider's viability in jeopardy. For example, if clients believe a service provider's negligent act, error or omission has harmed them, that service provider may find itself in a costly professional liability lawsuit. Perhaps an acquiring company does not know the full extent of the liabilities of the company being acquired until after the transaction is completed. This can necessitate additional charges being taken against the income statement and balance sheet that were not initially planned. If these types of liabilities arise, a large transaction such as a merger, acquisition or restructuring effort can be postponed or even terminated.

The Zurich Mergers & Acquisitions Group offers a broad suite of professional liability insurance products to meet risk management needs, including claims resulting from actual or alleged acts, errors or omissions, misstatements or breaches of duty emanating from professional services. We offer products designed to protect professional services firms, information technology professionals, management consultants, current and former employees as well as independent contractors.

In addition, we have a product designed specifically to cover third-party administrators, which extends to include personal injury related claims stemming from professional services as well as breach of confidentiality, libel, slander, invasion of privacy and claims alleging discrimination.

We are here to protect our customers by helping them manage their risks.

For more
information on
Zurich's E&O solutions call:
Alex Maza at
212-871-1564
or e-mail
alex.maza@zurichna.com.

Fiduciary liability

Not long ago, employees were confident that the companies they worked for were safely watching over their pension and 401(k) benefit plans, but recent events at well-known companies have shaken that confidence. In a merger, acquisition, divestiture or reorganization, a number of benefit plan transition issues can threaten the best-planned transaction. The practice of liquidating a target company's pension plan and investing the proceeds in the acquiring company's plan could prove disastrous. A downturn in the stock market or poor performance of the new plan could bring on potential litigation from employees and retirees. In addition, with the evolution of cash balance pension plans, companies that acquire others with more traditional plans confront risks when plans are converted to cash balance or diverted for other corporate uses.

The Zurich Mergers & Acquisitions Group can provide coverage for many types of potential claims such as:

- Lack of plan oversight
- Reduction in benefits
- Lack of diversification of investment choices
- Failure to monitor the plan
- Incorrect benefit calculation
- Failure to fund a benefit plan properly

Our highly trained and experienced underwriting and claims employees understand the unique risk characteristics that can arise in a large transaction such as a merger or acquisition. We are there with the customer at the beginning of the due diligence process in order to identify potential risks early and build solutions to help manage them and we will remain by the customer's side throughout the transaction.

For more
information on
Zurich's fiduciary solutions call:
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Property liability

The Zurich Mergers & Acquisitions Group offers a wide range of resourceful and vital property coverages through an extensive international network. We provide solutions for midsized, large and multinational customers participating in transactions such as a merger or acquisition.

Zurich designs property programs to help customers avoid the uncertainty of coverage gaps, inconsistencies and overlaps sometimes found in multiple policies. We work with local, national and global brokers and the customers' risk management representatives to obtain a clear vision of their needs and requirements. Zurich has a reputation for providing flexible and innovative underwriting insurance solutions that are backed by our financial strength.

We have an international network of underwriting and risk engineering capabilities, which allows us to provide a wide range of property risk solutions on both a global and national basis, including:

- Highly protected risks (HPR)
- Healthcare property
- Layered programs
- Boiler & machinery
- Ocean marine

Customized programs are available, including controlled master and captive programs. Our programs and products feature tailored coverage, catastrophe peril capacity and primary and excess layer participation on larger programs. Zurich also has the capability to offer property coverage for energy and construction risks.

Long-term commitment

Zurich has been providing solutions to customers in the U.S. since 1912. We are third-largest commercial property-casualty insurance company in the United States.* At Zurich, our objective is to help lower our customers' risk and the costs associated with it.

For more information
on Zurich's property solutions
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*Highline Data LLC, (NAIC 2005)

Why Zurich?

- Dedicated Mergers & Acquisitions underwriting professionals in the U.S. and abroad who possess the industry experience and understanding to provide secure and resourceful solutions to meet customers' global and national insurance needs
- A single point of contact to a team, which includes a dedicated financial manager, underwriter, claims service manager, risk engineer and field actuary
- High level of authority where it belongs – close to the customer – including extensive local authority and self-contained operations to provide rapid decisions and better communication
- Sophisticated local and global relationship management model designed to enhance communication and facilitate stronger relationships
- Risk management solutions designed to combine extensive insurance experience with the consulting and risk engineering capabilities necessary to help customers better manage their specific cost of risk
- Risk engineering consultants* who understand the customers' businesses and will work with them to create innovative solutions and service plans to suit their specific needs
- Zurich's Multinational Insurance Proposition (MIP), which aims to help resolve the uncertainty around the application of licensing laws and premium tax requirements applicable in countries where cross-border risk is written
- Catastrophe response units that are quickly deployed to affected areas to help protect customers' interests and begin the claims process
- Customer service delivered with a sense of urgency via carefully documented account service plans
- State-of-the-art, Web-enabled loss information tools, such as Zurich RiskIntelligence®, that can aid customers in reducing and better controlling their cost of risk

In addition to our traditional portfolio of casualty, property and specialties products, we encourage you to reach out to our Mergers & Acquisitions Group to learn more about our developing suite of transactional insurance products to serve the very special risk management needs of companies going through mergers and acquisitions.

Zurich

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This is intended as a general description of certain types of insurance and services available to qualified customers through the companies of Zurich in North America. Your policy is the contract that specifically and fully describes your coverage. The description of the policy provisions gives a broad overview of coverages and does not revise or amend the policy.

Insurance coverages underwritten by member companies of Zurich in North America, including Zurich American Insurance Company. Certain coverages not available in all states. Some coverages may be written on a nonadmitted basis through surplus lines brokers.

* Risk engineering services provided by Zurich Services Corporation.

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Because change happenzSM



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