

# Client Report

For:



Presented by:



July 23<sup>rd</sup>, 2013








*Powered By:*



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## Insured Program Scorecard

	Rate Metrics		Limit Metrics	
	Rate per Million	Premium Per Unit of Exposure	Limit Per Unit of Exposure	MSCAd claims above limit
General Liability			N/A	N/A
Umbrella/Excess				
Fiduciary Liability				
Crime				
Workers Compensation **	N/A		N/A	N/A

**Key:**

**Red Light Criteria:**

**Rate Per Million** – High compared to peer group  
**Premium as a % of Exposure** – High compared to peer group  
**Limit as a % of Exposure** – Limits are low  
**MSCAd above limit** – Limits are low relative to comparable losses

**Exposure:**

\* Market Capitalization for public companies.  
 \* Revenue for private companies.  
 \*\* Employee Count  
**All Others** – Revenue

# Program Benchmarking and Large Losses by LOB

## General Liability & Umbrella/Excess

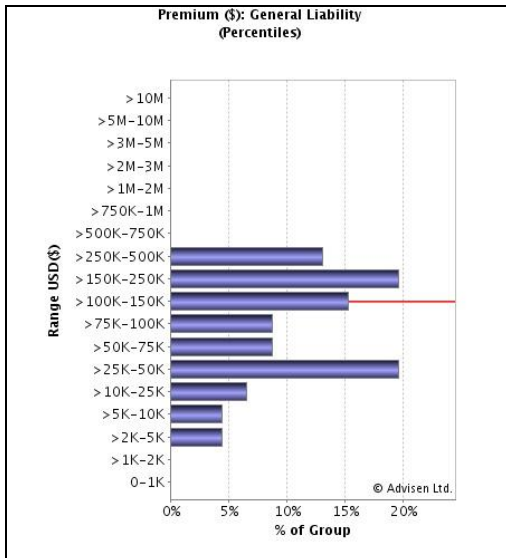
### Program Benchmarking

#### Selected Peer Group Filters

<b>Industries:</b>	Industrial Valves, Machinery
<b>Company Type:</b>	All Companies
<b>Company Exposure</b>	
<b>(Revenues):</b>	20,000,000-55,000,000
<b>Location:</b>	United States
<b>Time Periods:</b>	Last 12 Months, 12 to 24 Months
<b>Coverage:</b>	Liability
<b>LOBs:</b>	General Liability
<b>Filter Benchmarking Range:</b>	None

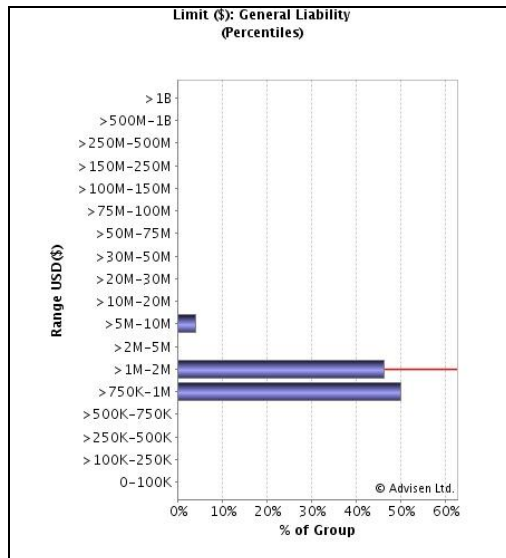
**Peer Group Size:** 52

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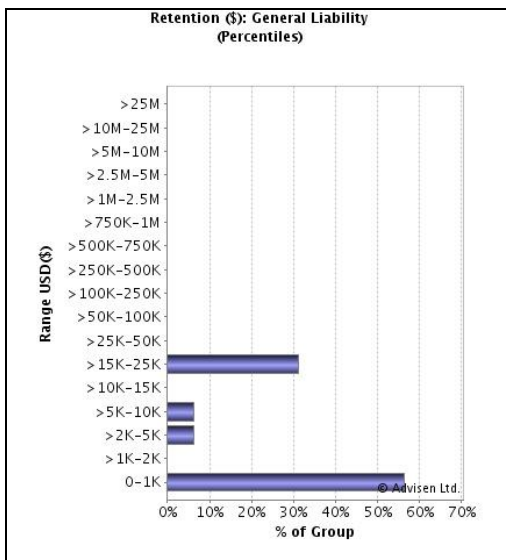
Range (\$)	% of Group
>10M	0.00
>5M-10M	0.00
>3M-5M	0.00
>2M-3M	0.00
>1M-2M	0.00
>750K-1M	0.00
>500K-750K	0.00
>250K-500K	13.04
>150K-250K	19.57
>100K-150K	15.22
>75K-100K	8.70
>50K-75K	8.70
>25K-50K	19.57
>10K-25K	6.52
>5K-10K	4.35
>2K-5K	4.35
>1K-2K	0.00
0-1K	0.00

**PGM Count:** 46  
**Benchmarked Company Value:** \$102,002



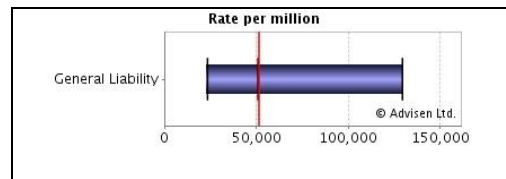
Range (\$)	% of Group
>1B	0.00
>500M-1B	0.00
>250M-500M	0.00
>150M-250M	0.00
>100M-150M	0.00
>75M-100M	0.00
>50M-75M	0.00
>30M-50M	0.00
>20M-30M	0.00
>10M-20M	0.00
>5M-10M	3.85
>2M-5M	0.00
>1M-2M	46.15
>750K-1M	50.00
>500K-750K	0.00
>250K-500K	0.00
>100K-250K	0.00
0-100K	0.00

**PGM Count:** 52  
**Benchmarked Company Value:** \$2,000,000



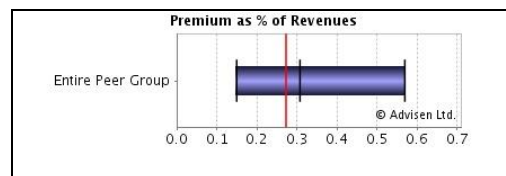
Range (\$)	% of Group
>25M	0.00
>10M-25M	0.00
>5M-10M	0.00
>2.5M-5M	0.00
>1M-2.5M	0.00
>750K-1M	0.00
>500K-750K	0.00
>250K-500K	0.00
>100K-250K	0.00
>50K-100K	0.00
>25K-50K	0.00
>15K-25K	31.25
>10K-15K	0.00
>5K-10K	6.25
>2K-5K	6.25
>1K-2K	0.00
0-1K	56.25

**PGM Count:** 16  
**Benchmarked Company Value:** N/A



Boundary	Value
25th Percentile	\$23.00K
Median	\$50.40K
75th Percentile	\$128.90K
Average	\$84.60K

**PGM Count:** 46  
**Benchmarked Company Value:** \$51,001.00



Boundary	Value
25th Percentile	0.148%
Median	0.305%
75th Percentile	0.568%
Average	0.382%

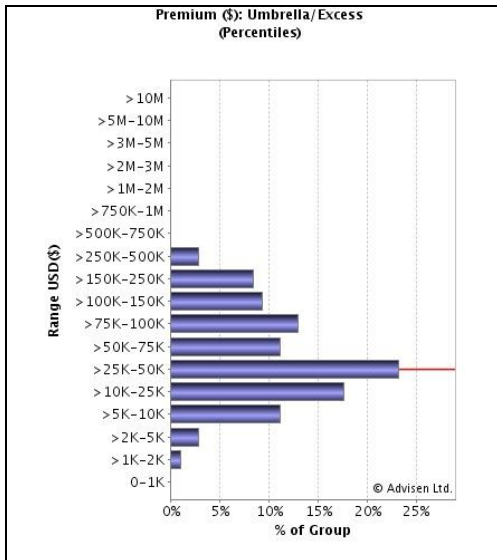
**PGM Count:** 46  
**Benchmarked Company Value:** 0.271%

\*For a detailed explanation of these results please see the Appendix

### Selected Peer Group Filters

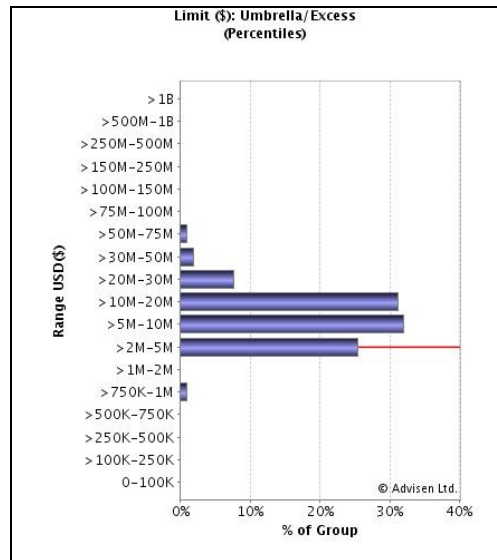
<b>Industries:</b>	Industrial Valves, Machinery
<b>Company Type:</b>	All Companies
<b>Company Exposure (Revenues):</b>	20,000,000-55,000,000
<b>Location:</b>	United States
<b>Time Periods:</b>	Last 12 Months, 12 to 24 Months
<b>Coverage:</b>	Liability
<b>LOBs:</b>	Umbrella/Excess
<b>Filter Benchmarking Range:</b>	None
<b>Peer Group Size:</b>	<b>134</b>

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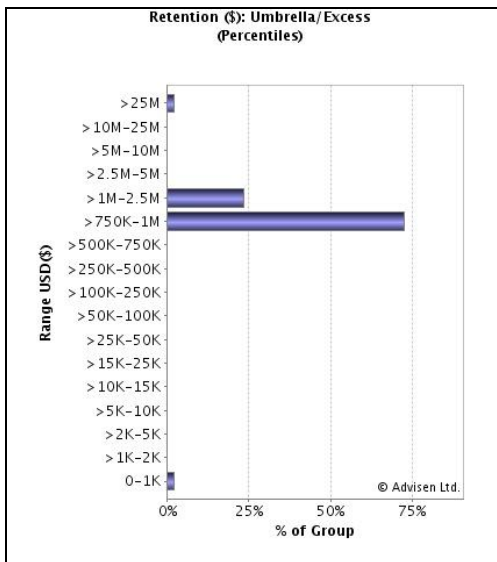
Range (\$)	% of Group
>10M	0.00
>5M-10M	0.00
>3M-5M	0.00
>2M-3M	0.00
>1M-2M	0.00
>750K-1M	0.00
>500K-750K	0.00
>250K-500K	2.78
>150K-250K	8.33
>100K-150K	9.26
>75K-100K	12.96
>50K-75K	11.11
>25K-50K	23.15
>10K-25K	17.59
>5K-10K	11.11
>2K-5K	2.78
>1K-2K	0.93
0-1K	0.00

**PGM Count:** 108  
**Benchmarked Company Value:** \$42,873 © Advisen Ltd.



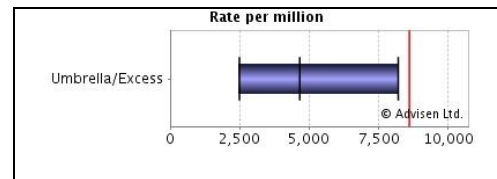
Range (\$)	% of Group
>1B	0.00
>500M-1B	0.00
>250M-500M	0.00
>150M-250M	0.00
>100M-150M	0.00
>75M-100M	0.00
>50M-75M	0.94
>30M-50M	1.89
>20M-30M	7.55
>10M-20M	31.13
>5M-10M	32.08
>2M-5M	25.47
>1M-2M	0.00
>750K-1M	0.94
>500K-750K	0.00
>250K-500K	0.00
>100K-250K	0.00
0-100K	0.00

**PGM Count:** 106  
**Benchmarked Company Value:** \$5,000,000 © Advisen Ltd.



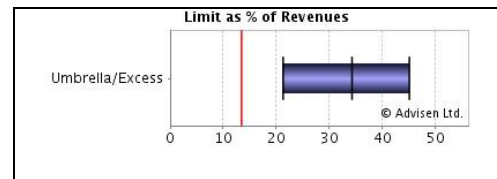
Range (\$)	% of Group
>25M	1.96
>10M-25M	0.00
>5M-10M	0.00
>2.5M-5M	0.00
>1M-2.5M	23.53
>750K-1M	72.55
>500K-750K	0.00
>250K-500K	0.00
>100K-250K	0.00
>50K-100K	0.00
>25K-50K	0.00
>15K-25K	0.00
>10K-15K	0.00
>5K-10K	0.00
>2K-5K	0.00
>1K-2K	0.00
0-1K	1.96

**PGM Count:** 51  
**Benchmarked Company Value:** N/A © Advisen Ltd.



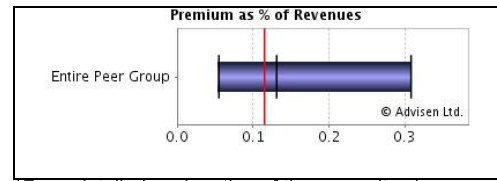
Rate per million (Boundary Values)
Group: Umbrella/Excess
Boundary
25th Percentile: \$2.46K
Median: \$4.63K
75th Percentile: \$8.18K
Average: \$7.42K
PGM Count: 88

**Benchmarked Company Value:** \$8,574.60 © Advisen Ltd.



Limit as % of Revenues (Boundary Values)
Group: Umbrella/Excess
Boundary
25th Percentile: 21.135%
Median: 34.096%
75th Percentile: 44.805%
Average: 36.951%
PGM Count: 106

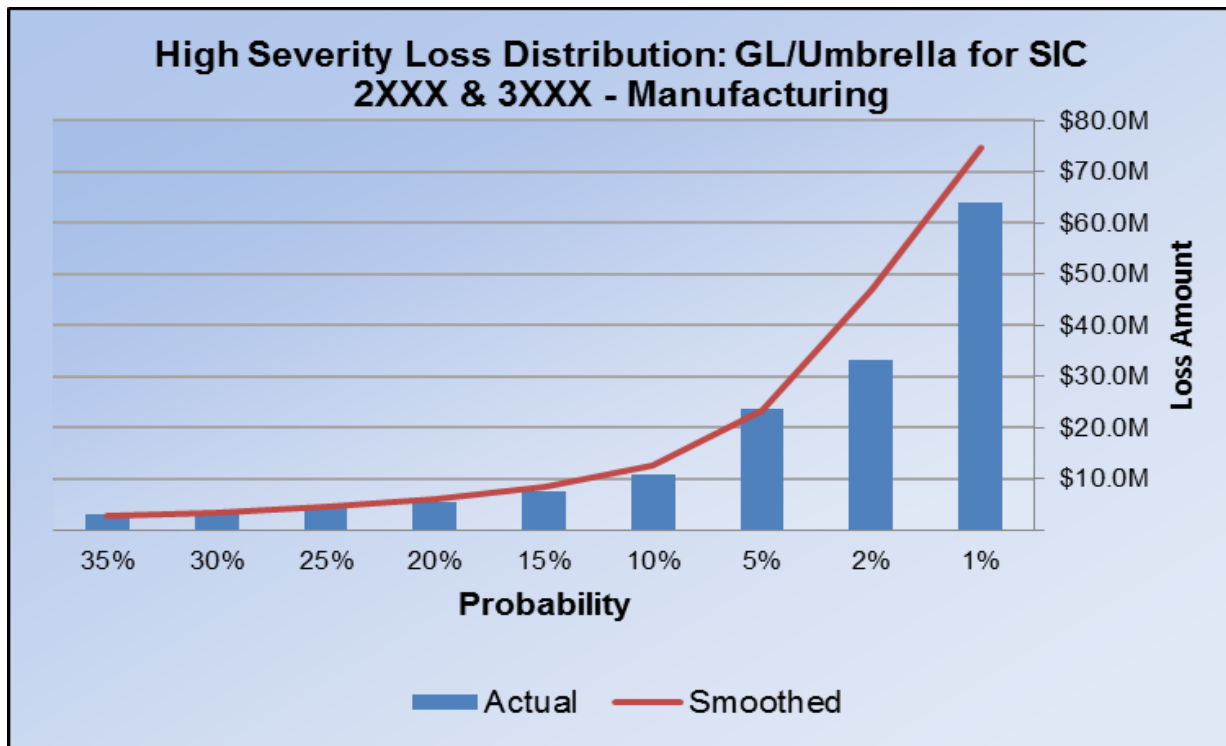
**Benchmarked Company Value:** 13.298% © Advisen Ltd.



Premium as % of Revenues (Boundary Values)
Group: Entire Peer Group
Boundary
25th Percentile: 0.054%
Median: 0.130%
75th Percentile: 0.307%
Average: 0.194%
PGM Count: 108

**Benchmarked Company Value:** 0.114% © Advisen Ltd.

\*For a detailed explanation of these results please see the Appendix



The chart displays the likelihood that a large loss (above \$100K) will be at least the amount shown. For example, if a company has a loss of more than \$100K, there is a 5% chance that this loss will be more than \$20M. Therefore clients regularly suffering large losses (1 per year) will have a loss greater than \$20M in 1 out of every 20 years (5% probability).

Combining a company's loss history, current limit and risk tolerance regarding the above chart will determine their indicated additional limit needs.

Note: The results above are most applicable to mid-to-large market companies, but not to the biggest companies within an industry. The peer group industry shown is based on companies whose 1-digit SIC code is the same as the client's

### Large Losses Impacting the General Liability & Umbrella/Excess Coverage of Similar Companies

Company Name	Category/Type	Accident Date	Filing Date	Status	Total Amount (\$)
FHP Manufacturing Company	Products/Product Usage	07/14/2008	01/01/2009	Award	\$9,970,000

**Case Description:**

Electric shock victim claimed heat pump's wiring lacked lid. On July 14, 2008, plaintiff Donald Chapman, 33, was working as an HVAC technician in Lee's Summit, Mo. While working on a ceiling-mounted EM060 heat pump manufactured by FHP Manufacturing, Chapman came in contact with live electrical wiring in the unit, sustained an electric shock, and fell from a 6-foot ladder to the floor. He sustained multiple injuries, including rib fractures and a ruptured spleen. Chapman and his wife, Tammy, 30, sued FHP, claiming product liability. Their counsel argued that the heat pump was defectively designed, contending that the wiring in a prior model of the pump was covered by a steel cover. They claimed that the cover was removed in the EM060 model as a cost-cutting measure and that this alteration made the product unreasonably dangerous. They claimed that no warning was given to users that the wiring was uncovered, and Chapman testified that he would not have opened the cover to the unit if he had known it contained uncovered live wires. FHP denied product liability. Defense's technical experts testified that the unit was reasonably safe, Underwriters Laboratory-certified, and consistent with industry standards and FHP's competitors' designs. The experts testified that the UL label on the unit provided adequate warning of the hazard. They testified that Chapman was at fault, arguing that both federal regulations and his employer's policies required he turn off the power before working on the unit. Defense counsel argued that Chapman failed to wear gloves or other protective gear, and that if he had used an available 8-foot ladder he would have been able to work on the unit from a safer angle. Chapman sustained a 360-volt electric shock and struck the corner of a desk before landing on the floor six feet below him. He sustained fractures of the third, fourth, fifth, sixth, seventh and eighth ribs, a Grade 4 ruptured spleen, a perisplenic hematoma, and pancreas and pulmonary contusions, resulting in acute respiratory failure. Chapman underwent an emergency laparotomy to remove his spleen, and was placed on life

support for several weeks. During his recovery he developed multiple infections, including MRSA, and required six additional surgeries between the fall of 2008 and May 2010. Chapman claimed that he continues to experience chronic neck pain. Plaintiff's medical experts testified that they were unable to identify the source of the pain and that it could not be resolved surgically. Chapman claimed to be treating the pain with high-dose opioid medications. He claimed that he is classified as totally disabled and that he has been unable to return to work. He and his wife sought an unspecified amount in damages. Nine jurors assigned 40 percent of the fault for the accident to Mr. Chapman and held FHP Manufacturing 60 percent at fault. In addition to the damages that the jury found that Mr. Chapman and his wife, Tammy, suffered, \$4.5 million in punitive damages were also awarded. This made for a total verdict of \$9.97 million in the case.

<b>Yarway Corporation</b>	Products/Exposure/Consumption		Award	<b>\$9,940,000</b>
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**Case Description:**

Mesothelioma due to bystander asbestos exposure, plaintiff said. In May 2007, plaintiff Eugene W. Rollin Jr., 74, was diagnosed with malignant pleural mesothelioma. From 1971 to 1996, Rollin worked as a stillman and rigger at Mobil Oil Company's Torrance [California] refinery. His work placed him near boilers, valves, pumps and turbines that contained asbestos-coated components. Rollin stated that he also worked at various construction jobs in the 1950s and 1960s, and that this exposed him briefly to asbestos dust during transite pipe cutting and, over a longer, 10-year period, to joint compound and dust. Rollin sued Foster Wheeler Energy Corporation, Yarway Corporation and Elliott Company for products liability (design defect and failure to warn), saying that their products exposed him to asbestos fibers which contributed to his development of mesothelioma. Foster Wheeler and Elliott argued that only one of their products was present where Rollin worked, and that the products did not contain asbestos insulation when shipped. Yarway argued that only two of its valves were present in Rollin's work area, and that they were not a substantial, contributing factor to his mesothelioma. The defense argued that Mobil Oil was responsible because it did not warn of asbestos dangers until the 1980s, although it was required to do so by U.S. Occupational Safety & Health Administration regulations since 1972. Foster Wheeler argued that Mobil Oil was a sophisticated user that was bound by OSHA beginning in 1970 to provide safe work practices with respect to asbestos. Counsel identified corporate documents showing considerable knowledge of the need to comply with OSHA and knowledge about the hazards of asbestos. Judge Richard L. Fruin rejected Foster Wheeler's request for a directed verdict prior to deliberations and refused a request to give the sophisticated user instruction. Due to the nature of Rollin's mesothelioma, his life expectancy is measured in months. His poor prognosis and rapidly declining health forced him to retire from his job as an airport van driver. Rollin's wife of 52 years, Elizabeth Rollin, made a claim for loss of consortium. The Rollins had two adult sons. Demands were unspecified. The jury assessed responsibility to all defendants for defective product design and failure to warn. The jury apportioned liability as follows: Foster Wheeler, 5 percent; Elliott, 2 percent; and Yarway, 2 percent. Judge Fruin disallowed consideration of punitive damages. The jury rejected the defense claim that Mobil Oil was responsible because of OSHA regulations that went into effect in 1972, despite the fact that evidence indicated that Mobil Oil did not warn of the dangers of asbestos until the mid-1980s. The jury awarded \$9,940,000. The defense's motions for new trial and JNOV on the basis of sophisticated user were granted. The plaintiffs appealed the rulings. Elizabeth Rollin \$3,500,000 Personal Injury: loss of consortium Eugene W. Rollin, Jr. \$440,000 Personal Injury: economic \$6,000,000 Personal Injury: pain and suffering

<b>Dezurik, Inc.</b>	Products/Exposure/Consumption	01/01/2003	Award	<b>\$6,000,000</b>
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**Case Description:**

Long-time steamfitter developed mesothelioma at 62: Plaintiff William Lisac, 62, had been employed as a steamfitter in the Pittsburgh area since the early 1960s. In January 2003, he was diagnosed with mesothelioma and was forced by the disease to retire in December 2003. During his employment, he worked with valves produced by DeZurik Inc. that contained asbestos in their gaskets and packing, and which required the use of other asbestos-containing gaskets. Lisac and his wife sued DeZurik Inc., Sartell, Minn., for product and strict liability. The couple claimed that the DeZurik products qualified under state law as defective because they could not be safely used without the asbestos-containing gaskets (not produced by DeZurik), and could not be used or maintained without exposure to the valves' interior gaskets and packing. The defense agreed that Lisac suffered from mesothelioma caused by asbestos, but contended that its products contained chrysotile asbestos which does not cause mesothelioma. The plaintiffs countered that federal health agencies, including OSHA and the EPA, do not agree that chrysotile asbestos does not cause mesothelioma. Lisac underwent a pleurectomy (the stripping of the inner lining of the lungs) in February 2003, and returned to light-duty work. The disease recurred in December 2003, when Lisac retired. Lisac had earned between \$55,000 and \$62,000 annually in his position. He was eligible for recovery of medical expenses covered by his insurance carrier, approximately \$45,000. The Lisacs have two grown daughters, and two grandchildren. William Lisac has a life expectancy of less than one year. Mrs. Lisac made a claim for her loss of consortium. All of the originally named defendants other than DeZurik, numbering more than 60, reached confidential settlements or were dismissed prior to trial. However, 20 of the defendant companies which had previously settled and which Lisac proved to have personal knowledge of remained on the verdict form and were eligible for liability apportionment. The jury found that all the remaining defendants manufactured, supplied or sold defective products that caused Lisac's injury. They attributed 6% liability to DeZurik, and awarded William Lisac \$3 million in compensatory damages, and \$3 million to his wife for her loss of consortium, making DeZurik liable for \$360,000. The defense has filed a motion for a new trial, which is pending. Lois Lisac \$3,000,000 Personal Injury: loss of consortium.

<b>Conbraco Industries, Inc.</b>	Products/Product Usage	03/10/2007	03/28/2011	Settled	<b>\$2,700,000</b>
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**Case Description:**

Pipe fitter killed in explosion that released water pressure. On March 10, 2007, plaintiff Earl Parsons II, 63, a pipe fitter, was working at a Coffeyville, Kan. refinery. He was involved in the testing of a replaced pipe. A valve, manufactured and sold new by Conbraco Industries Inc., had been used in the placement of the pipe. During the test, there was an explosion, causing 900 pounds of water pressure to be released. Parsons was blown 30 feet high over the platform he was standing on. He died at the scene. Phillis Parsons, individually and on behalf of the estate of her husband, and his adult children Traci R. Parsons, Lorrie Galliher, Peggy Taglienti and Earl Wayne Parsons III, sued Conbraco Industries for products liability. The plaintiffs claimed that the accident occurred because the Conbraco valve was defective. The valve was manufactured defectively because it was not annealed properly, and it had numerous voids and acicular structures seen on a scanning electron microscope exam. This caused it to fail in a brittle manner. If the valve had been manufactured properly, failure would not have occurred at 960 psi but at 9,200 psi. Even at that pressure, the failure would have been non-catastrophic and resulted in no injuries. The plaintiffs insisted Conbraco did not bench test its valves. A bench test is test carried out on a component, before it is released for use, to ensure that it works properly. The defense countered there were a number of reasons for the failure. Either the system was over pressured by a third party that ran the plant, or there were external forces. These included Parsons leaning on a tree. A tree is a 2-foot long section of pipe containing two valves and a pressure gauge. The tree was connected to the valve that failed. The defendant also added that the tree was not properly supported or tied off. Parsons, who was nearing retirement, died without conscious pain and suffering. He leaves a wife four adult children. A week into trial, both sides reached a \$2.7 million settlement. The settlement was not allocated, but the family signed an agreement that 75 percent should go to the widow, Phillis Parsons.

# Employment Practices

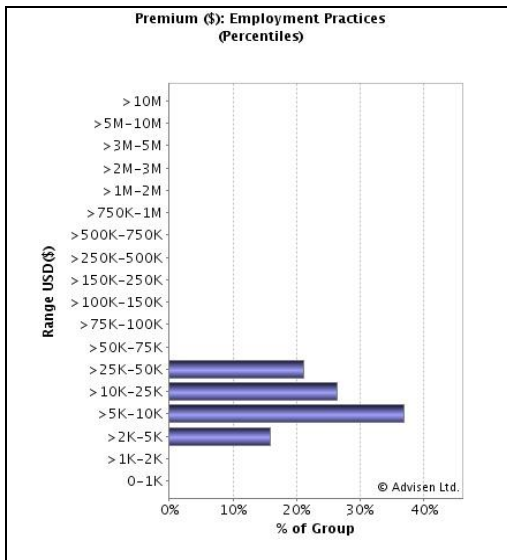
## Program Benchmarking

### Selected Peer Group Filters

**Industries:** Industrial Valves, Machinery  
**Company Type:** All Companies  
**Company Exposure (Number of Employees):** 165-1,000  
**Location:** United States  
**Time Periods:** Last 12 Months, 12 to 24 Months  
**Coverage:** Management Liability  
**LOBs:** Employment Practices  
**Filter Benchmarking Range:** None

**Peer Group Size:** 19

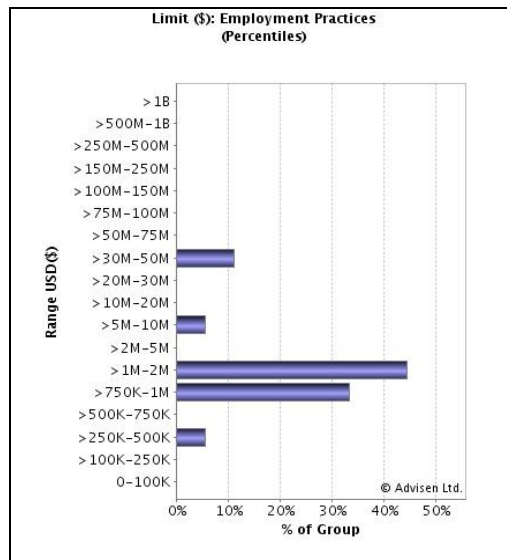
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#### Premium (\$): Employment Practices (Percentiles)

Range (\$)	% of Group
>10M	0.00
>5M-10M	0.00
>3M-5M	0.00
>2M-3M	0.00
>1M-2M	0.00
>750K-1M	0.00
>500K-750K	0.00
>250K-500K	0.00
>150K-250K	0.00
>100K-150K	0.00
>75K-100K	0.00
>50K-75K	0.00
>25K-50K	21.05
>10K-25K	26.32
>5K-10K	36.84
>2K-5K	15.79
>1K-2K	0.00
0-1K	0.00

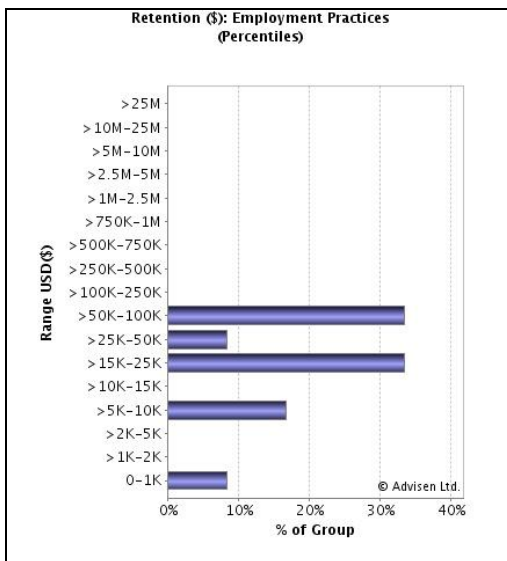
PGM Count: 19  
 Benchmarked Company Value: N/A



#### Limit (\$): Employment Practices (Percentiles)

Range (\$)	% of Group
>1B	0.00
>500M-1B	0.00
>250M-500M	0.00
>150M-250M	0.00
>100M-150M	0.00
>75M-100M	0.00
>50M-75M	0.00
>30M-50M	11.11
>20M-30M	0.00
>10M-20M	0.00
>5M-10M	5.56
>2M-5M	0.00
>1M-2M	44.44
>750K-1M	33.33
>500K-750K	0.00
>250K-500K	5.56
>100K-250K	0.00
0-100K	0.00

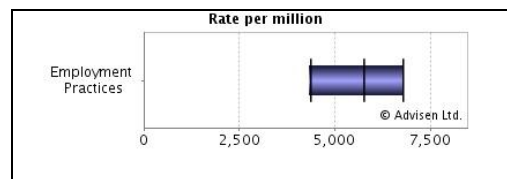
PGM Count: 18  
 Benchmarked Company Value: N/A



#### Retention (\$): Employment Practices (Percentiles)

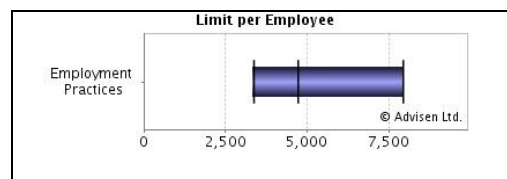
Range (\$)	% of Group
>25M	0.00
>10M-25M	0.00
>5M-10M	0.00
>2.5M-5M	0.00
>1M-2.5M	0.00
>750K-1M	0.00
>500K-750K	0.00
>250K-500K	0.00
>100K-250K	0.00
>50K-100K	33.33
>25K-50K	8.33
>15K-25K	33.33
>10K-15K	0.00
>5K-10K	16.67
>2K-5K	0.00
>1K-2K	0.00
0-1K	8.33

PGM Count: 12  
 Benchmarked Company Value: N/A



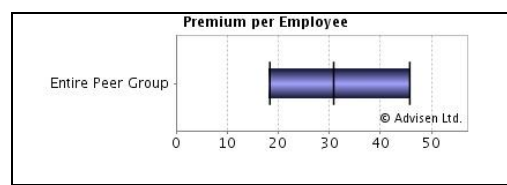
#### Rate per million (Boundary Values)

Group: Employment Practices
Boundary: [ ]
25th Percentile: \$4.35K
Median: \$5.74K
75th Percentile: \$6.77K
Average: \$6.01K
PGM Count: 18
Benchmarked Company Value: N/A



#### Limit per Employee (Boundary Values)

Group: Employment Practices
Boundary: [ ]
25th Percentile: \$3.35K
Median: \$4.71K
75th Percentile: \$7.92K
Average: \$10.00K
PGM Count: 18
Benchmarked Company Value: N/A



#### Premium per Employee (Boundary Values)

Group: Entire Peer Group
Boundary: [ ]
25th Percentile: \$18.20
Median: \$30.70
75th Percentile: \$45.60
Average: \$35.00
PGM Count: 19
Benchmarked Company Value: N/A

\*For a detailed explanation of these results please see the Appendix

## Large Losses Impacting the Employment Practices Coverage of Similar Companies

Company Name	Category/Type	Accident Date	Filing Date	Status	Total Amount (\$)
<b>Liebherr-America Inc.</b>	Employment/ Discrimination & Harassment: Racial	01/01/2004	01/01/2004	Settled	<b>\$4,000,000</b>
<b>Case Description:</b>					
Twenty-six black employees at a Newport News truck factory reached a \$4 million racial discrimination settlement with their employer, Liebherr America Inc. (Liebherr), one of the largest such settlements or jury verdicts in Virginia history. The employees had accused Liebherr of subjecting them to a hostile work environment on account of their race, including allowing workers and management to humiliate them with numerous taunts and racial epithets -- including the charge that a white employee brought in a noose and held it over several black employees' heads. It also accused Liebherr of paying them less than qualified white employees and treating them worse than white employees when it came to breaks, vacation and work conditions.					
<b>Culligan International Company</b>	Employment/Wage and Hour	05/16/2004	05/16/2008	Settled	<b>\$1,500,000</b>
<b>Case Description:</b>					
On May 16, 2008, Walter Herrador (plaintiff) filed a class action complaint against Culligan International Company (defendant) in the Superior Court of the State of California alleging failure to pay wages. Specifically, the complaint alleged that defendant: (1) failed to pay wages; (2) failed to provide rest periods and meal periods for compensation; (3) failed to timely pay wages; (4) failed to comply with employee itemized wage statements; and (5) violated the unfair competition law. The plaintiff sought for recovery of compensatory damages, costs, fees, expenses and other relief. On June 18, 2008, the case was transferred to the US District Court for the Central District of California. On December 2, 2009, a notice of settlement of class action complaint was filed by the plaintiff. On February 18, 2010, a notice of motion and motion for preliminary approval of class action settlement was filed by the plaintiff. Under the proposed settlement, defendant agrees to pay a total sum of \$1500000 to the settling class. \$30,000 of the settlement fund will be allocated to the third party administrator, Simpluris, Inc. \$15,000 for the maximum amount allocated to the Plaintiff for his services. \$500,000 for the maximum amount allocated to Class Counsel for attorneys fees. \$20,000 for the maximum amount allocated to litigation expenses and costs. The Net Settlement Amount of \$935,000 will be allocated to the Class Members. On March 22, 2010, the court ordered preliminary approval of the settlement. On August 4, 2010, the court granted final approval of the settlement. On October 15, 2010, a stipulation to amend settlement agreement was filed by the plaintiff for any funds remaining from uncashed settlement checks that have expired (120 days after issuance), up to a maximum amount of \$902.97, shall be paid to Simpluris, Inc. which was then approved by the court on October 18, 2010.					
<b>Fay Portable Buildings Inc</b>	Employment/Discrimination & Harassment: Gender/Sexual	01/01/2000	04/05/2002	Award	<b>\$1,311,149</b>
<b>Case Description:</b>					
Gender bias blamed for denial of promotion, retaliatory firings: Plaintiff Mark Puleo, an office manager in his late 40's, became embroiled in a sex discrimination incident at his job in the summer of 2000. Puleo worked for Fay Portable Buildings Inc., a Dandridge, Tenn.-based manufacturer of portable toilets, along with plaintiff Vicki D. Johnson, an office administrator in her 50's. In late summer of 2000 Johnson told her employers at Fay that she wanted a promotion to Puleo's position in the office, According to Johnson, she was denied the job because of her gender, citing statements to that effect by the owner of the company. Johnson was terminated by Fay in January of 2001. Puleo allegedly became a victim of retaliation when he made it known to an official of the corporation that, if asked to testify, he would affirm Johnson's claims of discrimination. Puleo was terminated by Fay in June of 2001. Puleo and Johnson filed a civil suit for sexual discrimination and unlawful retaliation and named Fay as the defendant. Fay denied allegations of discrimination by Puleo and Johnson and claimed that Johnson was terminated for insubordination and Puleo because he used his company computer for personal business. Defense counsel for Fay claimed that Johnson only told Puleo, and not her employers, that she wanted the promotion. Fay also asserted that the plaintiffs did not offer any testimony supporting their claim that the company had made any statements about Johnson. The defense further claimed that Johnson was fired after she yelled obscenities at a meeting which had been called to address her grievances. The defense also pointed out that Fay contested Johnson's claim for unemployment benefits on the grounds that she had been fired for misconduct and that the Department of Employment Security had upheld that determination. Puleo and Johnson sought damages for lost wages, non economic and punitive damages. The defense counsel also pointed out that the punitive and compensatory damages are capped at \$50,000 for Johnson. The jury found for the plaintiffs on the charges of discrimination and retaliation after three hours of deliberations and awarded them a total of \$1,311,149 the defendants have filed a motion for judgment as a matter of law, a new trial, and to void punitive damages. The court scheduled a hearing for the motion in September.					
<b>Air Guide Corporation</b>	Employment/Discrimination & Harassment: Gender/Sexual	06/01/2000	09/30/2002	Settled	<b>\$1,000,000</b>
<b>Case Description:</b>					
The plaintiffs in interest, three Cuban female laborers for Airguide Corp., a Hialeah-based manufacturer of heating and air conditioning parts, claimed that, beginning in the summer of 2000, they were subjected to sexual harassment by a new supervisor at the factory. The women claimed that the supervisor said that he would like to see what was under their skirts, told them that he masturbated while thinking about them, and could do a better job of sexually satisfying them than their husbands. At other times, he would refer to them using derogatory terms for the female anatomy, the plaintiffs claimed. They said that they complained to management several times about the harassment, but no action was taken against the alleged harasser. The EEOC investigated, and, after the women participated, they were subjected to retaliation in the form of hostility and write-ups for poor job performance. One woman was fired and another was forced to quit, the EEOC alleged. The other plaintiffs in interest, four male Cuban workers, claimed that there was a wage disparity between themselves and a white employee. When the EEOC investigated their complaint, they claimed that they were subjected to retaliation for their complaint and also for their participation in the EEOC's investigation of the women's claims. The men received write-ups, despite years of positive past work performance, and all four were eventually fired. The EEOC sued Airguide and its parent, Pioneer Metals Inc., Hialeah, under 42 USC 1983. On behalf of the women, the EEOC sued for sexual harassment and retaliation. On behalf of the men, the EEOC sued only for retaliation. The wage disparity claim was not pursued. The women claimed that they were subjected to sexual harassment on an ongoing basis. They claimed that they were retaliated against for filing an EEOC complaint, and that one was eventually fired while another was constructively discharged. The men claimed that they were subjected to harassment and fired in retaliation for filing a complaint with the EEOC and/or for their assistance in the EEOC's investigation of the women's claims. While the plaintiffs' individual wages were not disclosed, an EEOC attorney said that they were generally low-wage employees. The parties settled, with the defendants agreeing to pay \$1 million. The allocation for each plaintiff in interest will be determined by the EEOC. The settlement also requires the defendants to conduct annual training at its 19 facilities throughout Florida and undergo monitoring by the EEOC for the duration of a three-year consent decree.					

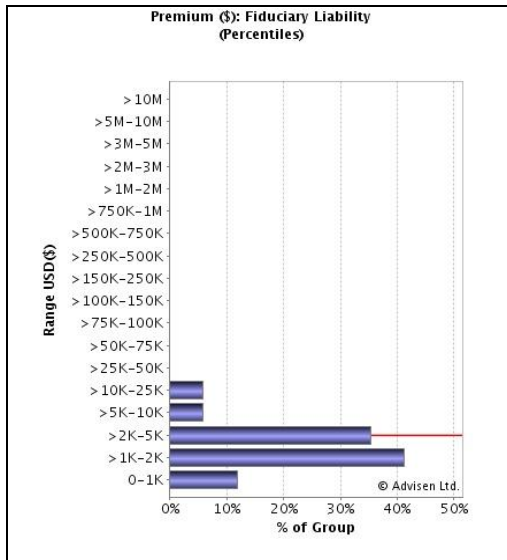
# Fiduciary

## Program Benchmarking

### Selected Peer Group Filters

<b>Industries:</b>	Industrial Valves, Machinery
<b>Company Type:</b>	All Companies
<b>Company Exposure</b>	
<b>(Revenues):</b>	20,000,000-55,000,000
<b>Location:</b>	United States
<b>Time Periods:</b>	Last 12 Months, 12 to 24 Months
<b>Coverage:</b>	Management Liability
<b>LOBs:</b>	Fiduciary Liability
<b>Filter Benchmarking Range:</b>	None
<b>Peer Group Size:</b>	<b>18</b>

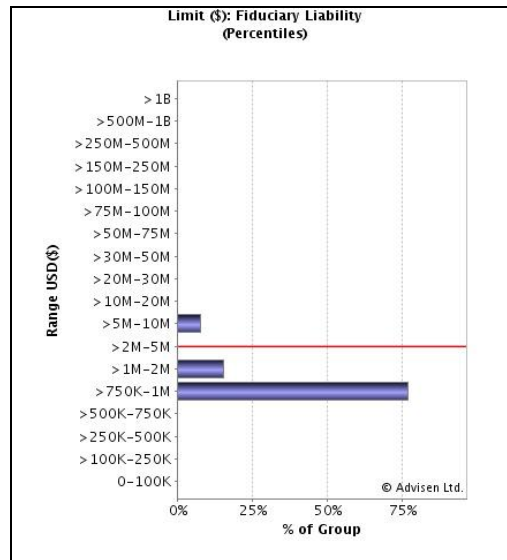
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**Premium (\$): Fiduciary Liability (Percentiles)**

Range (\$)	% of Group
>10M	0.00
>5M-10M	0.00
>3M-5M	0.00
>2M-3M	0.00
>1M-2M	0.00
>750K-1M	0.00
>500K-750K	0.00
>250K-500K	0.00
>150K-250K	0.00
>100K-150K	0.00
>75K-100K	0.00
>50K-75K	0.00
>25K-50K	0.00
>10K-25K	5.88
>5K-10K	5.88
>2K-5K	35.29
>1K-2K	41.18
0-1K	11.76

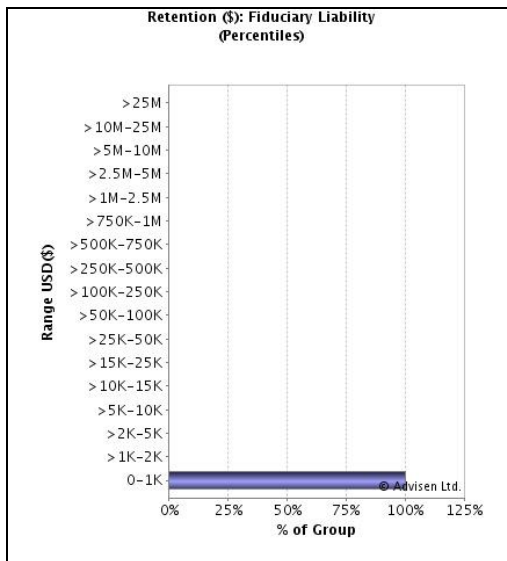
PGM Count: 17  
Benchmarked Company Value: \$4,975



**Limit (\$): Fiduciary Liability (Percentiles)**

Range (\$)	% of Group
>1B	0.00
>500M-1B	0.00
>250M-500M	0.00
>150M-250M	0.00
>100M-150M	0.00
>75M-100M	0.00
>50M-75M	0.00
>30M-50M	0.00
>20M-30M	0.00
>10M-20M	0.00
>5M-10M	7.69
>2M-5M	0.00
>1M-2M	15.38
>750K-1M	76.92
>500K-750K	0.00
>250K-500K	0.00
>100K-250K	0.00
0-100K	0.00

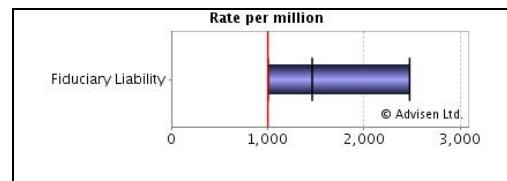
PGM Count: 13  
Benchmarked Company Value: \$5,000,000



**Retention (\$): Fiduciary Liability (Percentiles)**

Range (\$)	% of Group
>25M	0.00
>10M-25M	0.00
>5M-10M	0.00
>2.5M-5M	0.00
>1M-2.5M	0.00
>750K-1M	0.00
>500K-750K	0.00
>250K-500K	0.00
>100K-250K	0.00
>50K-100K	0.00
>25K-50K	0.00
>15K-25K	0.00
>10K-15K	0.00
>5K-10K	0.00
>2K-5K	0.00
>1K-2K	0.00
0-1K	100.00

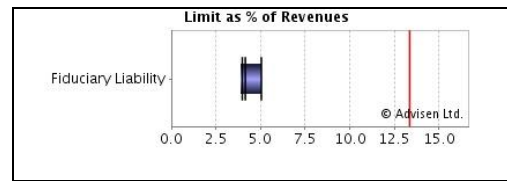
PGM Count: 12  
Benchmarked Company Value: N/A



**Rate per million (Boundary Values)**

Group: Fiduciary Liability	
Boundary	
25th Percentile	\$996.30
Median	\$1.46K
75th Percentile	\$2.47K
Average	\$1.91K
PGM Count	13

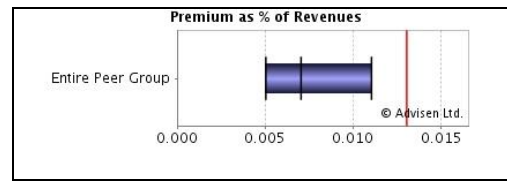
Benchmarked Company Value: \$995.00



**Limit as % of Revenues (Boundary Values)**

Group: Fiduciary Liability	
Boundary	
25th Percentile	3.933 %
Median	4.098 %
75th Percentile	5.000 %
Average	6.076 %
PGM Count	13

Benchmarked Company Value: 13.298 %



**Premium as % of Revenues (Boundary Values)**

Group: Entire Peer Group	
Boundary	
25th Percentile	0.005 %
Median	0.007 %
75th Percentile	0.011 %
Average	0.011 %
PGM Count	17

Benchmarked Company Value: 0.013 %

\*For a detailed explanation of these results please see the Appendix

## Large Losses Impacting the Fiduciary Coverage of Similar Companies

Company Name	Category/Type	Accident Date	Filing Date	Status	Total Amount (\$)
<b>Crown Holdings, Inc.</b>	Management & Strategy/ERISA Class Action		06/26/2003	Settled	<b>\$14,000,000</b>

**Case Description:**  
 In July 2008, Plaintiffs and Defendants (Parties) in the lawsuit titled Lawhorn, et al v. Crown Cork & Seal (Crown), et al jointly moved for final approval of the class action lawsuit preliminarily approved by the Southern District Court of Ohio on April 7, 2008. This lawsuit arose in June 2003 when Crown announced that it planned to modify retiree health benefits for certain employees who retire from Crown plants or from plants that were operated by the Continental Can Company (Continental) before Crown purchased them. Crown asserted that it was entitled to unilaterally modify or terminate these retiree medical benefits. The union that represented the retirees during their employment with Crown and Continental - Plaintiff United Steelworkers of America, AFL-CIO-CLC (Now known as United Steel, Paper and Forestry, Rubber, manufacturing, Energy, Allied Industrial and Service Workers Industrial Union, AFL-CIO/CLC) (USW) - and the other Plaintiffs in this lawsuit disagreed and filed this action. Plaintiffs asserted that successive labor agreements contained provisions which established Crown's obligation to provide medical benefits throughout retirement, and that Crown's conduct was actionable under the Labor Management relations Act (LMRA) and of the Employee Retirement Income Security Act of 1974 (ERISA). In 2004, the parties agreed to submit Plaintiffs' claims to final and binding arbitration before a retired federal judge, and this proceeding resulted in a liability ruling in Plaintiffs' favor as to three of four retiree subclasses, and a liability ruling in Crown's favor as to a fourth subclass. As to the three subclasses that prevailed on liability questions, there remained many unresolved damage issues. The parties exchanged information and engaged experts in order to resolve these remaining damage issues for the three retiree subclasses in question. After extensive analysis and negotiations, the USW, Class Counsel and Class Representative Jonathan R. Hollon concluded that - rather than proceed to a separate trial before the retired judge as to the damage issues - they should settle the dispute. They have concluded that their negotiated resolution of the parties' differences, embodied in the Hollon Settlement Agreement (the Settlement Agreement) is in the best interest of class members. The settlement provides that effective January 1, 2008, Crown will reinstate the retiree medical benefits that class members had been receiving prior to August 2003. The settlement also provides that Crown will pay class members \$14 million (plus interest from January 1, 2009, if the case goes up on appeal) to compensate them for the period from August 2003 through December 2007, when Crown had unilaterally modified benefits. This relief was extensively negotiated by the parties, based on comprehensive claims data and methodologies reviewed by experts on both sides. The settlement resulting from these negotiations is fair, reasonable and adequate, and will provide the best opportunity to bring a final and orderly resolution to this action. Moreover, the settlement removes the risk and delay of further litigation as to the form and amount of relief to which the prevailing retirees would be entitled. The Settlement Agreement was mailed to 5,077 households which are included in the class. Only 17 of these households objected to the Settlement Agreement, and none of those objections have substantive merit. Therefore, the parties respectfully request that this Court enter an order finally approving the settlement. Subsequently, the court granted the motion for final approval on July 21, 2008.

<b>Hastings Manufacturing Co</b>	Management & Strategy/ERISA violations	01/01/2000	11/03/2000	Settled	<b>\$4,000,000</b>
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**Case Description:**  
 A group of employees and retirees from Hastings Manufacturing Co., an engine-parts maker in Hastings, Mich., sued the company after it made changes to its retirement benefits plan that required recipients to increase their health insurance contributions from \$0 to up to \$75 per month. The plaintiffs in the class-action claimed that increasing their insurance contributions constituted a breach of a collective bargaining agreement reached between the company and a group of employees who had been hired prior to 1979, numbering approximately 480. The company claimed that the agreement did allow for such changes in the benefits plan, and justified its move by claiming that maintaining full coverage for retirees without any contribution from them was no longer financially viable. The company changed its insurance carrier to Blue Cross Blue Shield of Michigan during litigation. The plaintiffs sought a refund of premiums paid to the company, and sought to have the company completely fund the insurance coverage for its retirees. A settlement approved by the judge on Dec. 4 requires the company to contribute a fixed amount toward each retiree's medical insurance for the length of the retiree's life. The retiree's contributions will start at approximately \$15 per month, and increase in future years to at least \$20 per month. Any future increases in insurance premiums will also be paid for by the retirees. The cost of prescription drug co-payments for the retirees will increase from \$10 to \$15, and the company refunded \$125,000 in premiums paid by the plaintiffs. In December 2002, the firm also resolved the two-year-old lawsuit that had been filed by company retirees, who charged that Hastings had improperly reduced their healthcare benefits. The settlement would cost the company approximately \$4 million over a 12-year period.

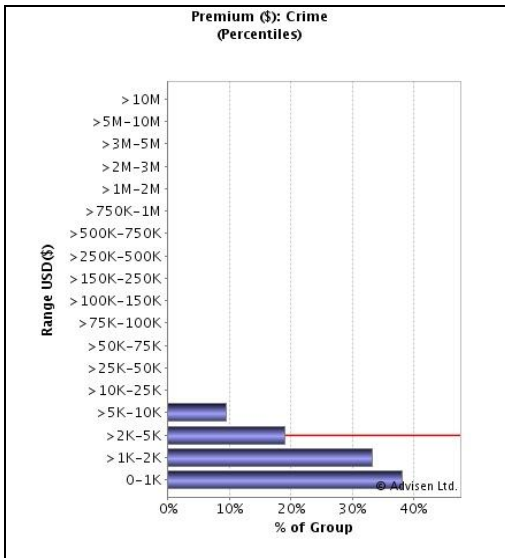
# Crime

## Program Benchmarking

### Selected Peer Group Filters

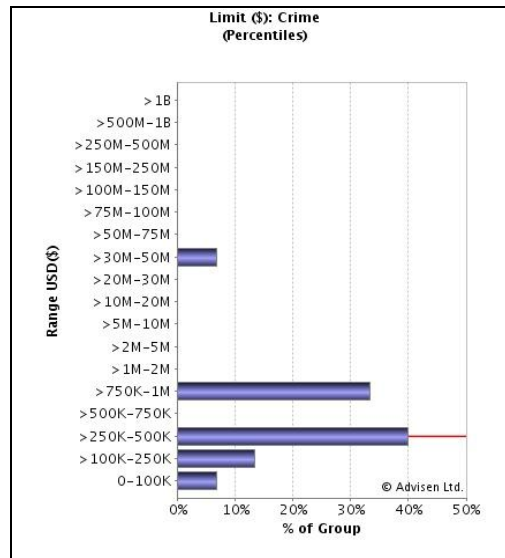
<b>Industries:</b>	Industrial Valves, Machinery
<b>Company Type:</b>	All Companies
<b>Company Exposure</b>	
<b>(Revenues):</b>	20,000,000-55,000,000
<b>Location:</b>	United States
<b>Time Periods:</b>	Last 12 Months, 12 to 24 Months
<b>Coverage:</b>	Fidelity, Surety & Crime
<b>LOBs:</b>	Crime
<b>Filter Benchmarking Range:</b>	None
<b>Peer Group Size:</b>	25

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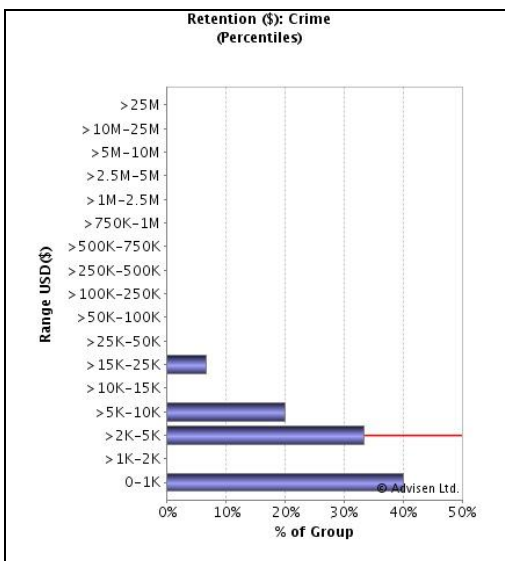
Range (\$)	% of Group
>10M	0.00
>5M-10M	0.00
>3M-5M	0.00
>2M-3M	0.00
>1M-2M	0.00
>750K-1M	0.00
>500K-750K	0.00
>250K-500K	0.00
>150K-250K	0.00
>100K-150K	0.00
>75K-100K	0.00
>50K-75K	0.00
>25K-50K	0.00
>10K-25K	0.00
>5K-10K	9.52
>2K-5K	19.05
>1K-2K	33.33
0-1K	38.10

PGM Count: 21  
Benchmarked Company Value: \$2,512 © Advisen Ltd.



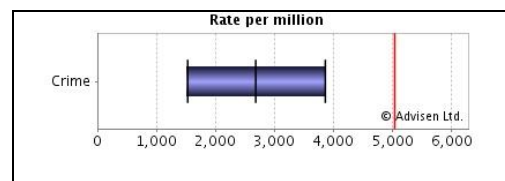
Range (\$)	% of Group
>1B	0.00
>500M-1B	0.00
>250M-500M	0.00
>150M-250M	0.00
>100M-150M	0.00
>75M-100M	0.00
>50M-75M	0.00
>30M-50M	6.67
>20M-30M	0.00
>10M-20M	0.00
>5M-10M	0.00
>2M-5M	0.00
>1M-2M	0.00
>750K-1M	33.33
>500K-750K	0.00
>250K-500K	40.00
>100K-250K	13.33
0-100K	6.67

PGM Count: 15  
Benchmarked Company Value: \$500,000 © Advisen Ltd.



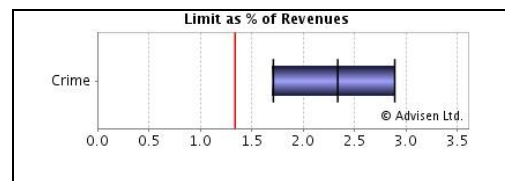
Range (\$)	% of Group
>25M	0.00
>10M-25M	0.00
>5M-10M	0.00
>2.5M-5M	0.00
>1M-2.5M	0.00
>750K-1M	0.00
>500K-750K	0.00
>250K-500K	0.00
>100K-250K	0.00
>50K-100K	0.00
>25K-50K	0.00
>15K-25K	6.67
>10K-15K	0.00
>5K-10K	20.00
>2K-5K	33.33
>1K-2K	0.00
0-1K	40.00

PGM Count: 15  
Benchmarked Company Value: \$5,000 © Advisen Ltd.



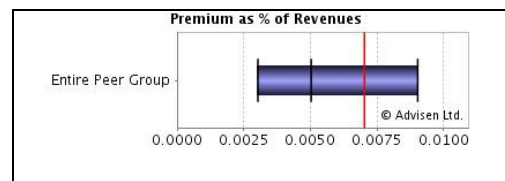
Group: Crime	Value
Boundary	\$1.53K
25th Percentile	\$2.67K
75th Percentile	\$3.85K
Average	\$3.58K
PGM Count	12

Benchmarked Company Value: \$5,024.00 © Advisen Ltd.



Group: Crime	Value
Boundary	1.701%
25th Percentile	2.326%
75th Percentile	2.881%
Average	18.400%
PGM Count	15

Benchmarked Company Value: 1.330% © Advisen Ltd.



Group: Entire Peer Group	Value
Boundary	0.003%
25th Percentile	0.005%
75th Percentile	0.009%
Average	0.007%
PGM Count	21

Benchmarked Company Value: 0.007% © Advisen Ltd.

\*For a detailed explanation of these results please see the Appendix

### Large Losses Impacting the Crime Coverage of Similar Companies

Company Name	Category/Type	Accident Date	Filing Date	Status	Total Amount (\$)
<b>Decipher, Inc</b> <b>Case Description:</b> In March 2009, it was reported that Rick Eddleman (Eddleman) had pleaded guilty to embezzling over \$1.5 million (USD) from Decipher, Inc. (the company) since the year 2000. Eddleman had been VP Finances for Decipher since 1993 and used his position to write checks to himself and to use company credit cards for personal purposes. The company wrote off \$8.9 million in losses it discovered after Eddleman's departure. The losses contributed to the company's decision to lay off more than 90 employees. Eddleman faced a maximum sentence of 12 years in prison for 12 counts of embezzlement and a settlement of a civil lawsuit against him by Decipher for \$8.9 million. On July 27, 2009, he was sentenced to six years and five months in prison.	Criminal Risks/ Embezzlement		03/01/2009	Estimate	<b>\$8,900,000</b>
<b>William C. Webb Company</b> <b>Case Description:</b> On October 19, 2010 Lori Lockman Julian, 48, (Julian) of Casselberry, Florida, was sentenced to 57 months in prison for embezzling more than \$7.3 million from the William C. Webb Co. and its related business, Industrial Park Development Corp., where she had been employed as a bookkeeper. From August 2005 through October 2009, Julian made a scheme totaling \$7,345,050.13, spanned more than 4 years. Julian forged company checks written out to her and others as well as made online payments to personal vendors and credit cards. Authorities said she used the misappropriated funds to finance a lavish lifestyle including a second home, Orlando Magic season tickets, vehicles, boats, designer handbags and other personal luxury items. Julian pleaded guilty in June to one count of wire fraud. The related business Industrial Park Development Corp. was also ordered to pay about \$7.3 million.	Criminal Risks/ Theft/Robbery		10/19/2010	Estimate	<b>\$7,345,050</b>

# Workers Compensation

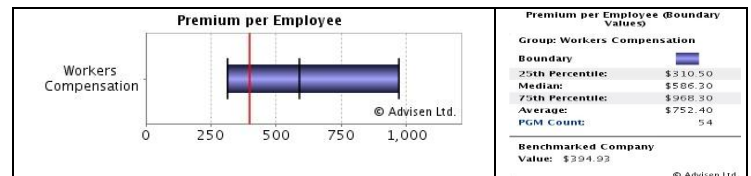
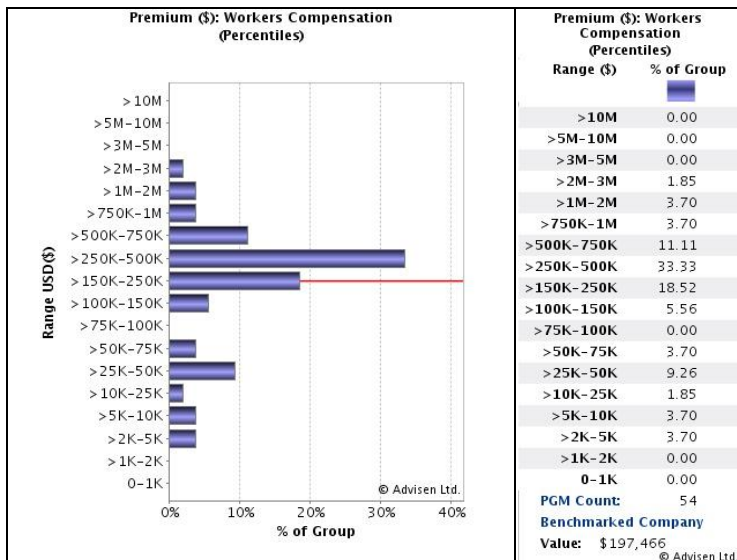
## Program Benchmarking

### Selected Peer Group Filters

<b>Industries:</b>	Industrial Valves, Machinery
<b>Company Type:</b>	All Companies
<b>Company Exposure</b>	
<b>(Number of Employees):</b>	250-750
<b>Location:</b>	United States
<b>Time Periods:</b>	Last 12 Months, 12 to 24 Months
<b>Coverage:</b>	Workers Compensation
<b>LOBs:</b>	Workers Compensation
<b>Filter Benchmarking Range:</b>	None

**Peer Group Size:** 68

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\*For a detailed explanation of these results please see the Appendix

### Large Losses Impacting the Workers Compensation Coverage of Similar Companies

Company Name	Category/Type	Accident Date	Filing Date	Status	Total Amount (\$)
<b>The William Powell Company</b>	Workplace/Workplace Illness/Occupational Disease	01/01/1970	01/01/2008	Dismissed	

**Case Description:**

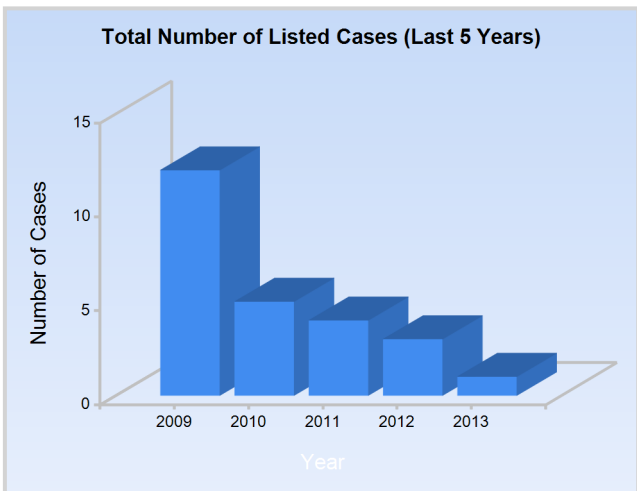
Ralph Curtis Wolfe (Wolfe) and Janice Wolfe filed a lawsuit in Superior Court of Delaware against Zidell Industries (Zidell). Wolfe alleged asbestos exposure from Zidell's valves. Wolfe worked at Zidell in Portland, Oregon from 1970-1973. Zidell disassembled World War II navy ships and reconditioned parts including valves. The ships were disassembled on the west bank and parts were moved to the east bank for refurbishing where Wolfe worked. Wolfe cleaned and refurbished valves for resale. The reconditioning process was dusty and could have exposed assemblymen to asbestos. Zidell moved for summary judgment on product nexus grounds and asserted the "bare metal defense" as grounds for not owing a duty to Wolfe for asbestos-containing parts added to their products after market. In a February 28, 2012 memorandum opinion, Judge John A. Parkins, Jr. granted summary judgment in favor of Zidell holding that Wolfe has not made a prima facie case for product nexus and Zidell is not liable for the asbestos-containing component parts added to its products after sale under Oregon law. Wolfe did not recall the manufacturers of the valves on which he worked. In fact, he offers no direct evidence he worked on a valve manufactured by Zidell. Wolfe identified Jack Piatt (Piatt) as a product identification witness. Piatt worked for Zidell starting in 1969 and into 1970, a period which overlapped Wolfe's employment for a few months.



# Large Loss & Litigation Information - Industry & Company

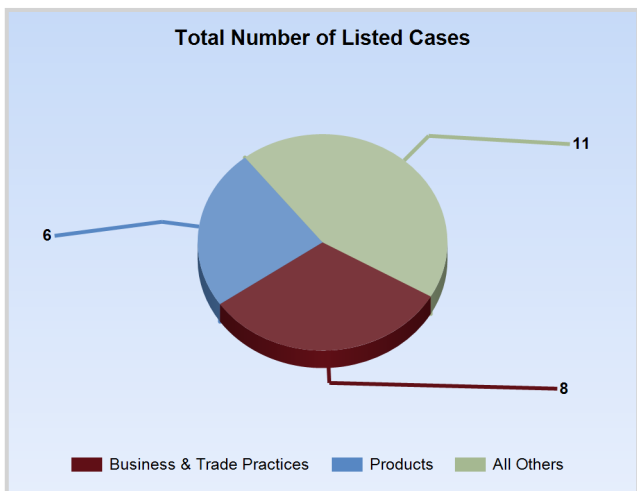
## Industry Large Loss Trends

### Industry Large Loss Trends by Insured's SIC



Total Number of Listed Cases (Last 5 Years)	
2009	12
2010	5
2011	4
2012	3
2013	1
<b>Total</b>	<b>25</b>
<b>Annual Average</b>	<b>5</b>

### Industry Large Loss Trends by Insured's SIC & Case Category



Total Number of Listed Cases	
Business & Trade Practices	8
Products	6
Securities	2
Workplace	2
Services & Operations	2
Management & Strategy	2
Cyber/Identity Risks	1
Intellectual Property	1
Environment	1
<b>Total</b>	<b>25</b>
<b>Annual Average</b>	<b>5</b>

### Industry Comparative Large Losses - Top 5 by Insured's SIC and Settlement Amount

Company Name	Accident/Filing Date	Amount (in Millions)	Category	Subtype
Control Components, Inc.	06/26/2009	18,200,000	Business & Trade Practices	Foreign Corrupt Practices Act (DoJ)
<p>Control Components Inc. (CCI), a Rancho Santa Margarita, Calif.-based company, pleaded guilty to violations of the Foreign Corrupt Practices Act (FCPA) and the Travel Act in a decade-long scheme to secure contracts in approximately 36 countries by paying bribes to officials and employees of various foreign state-owned companies as well as foreign and domestic private companies, the Justice Department announced. CCI entered guilty pleas to a three-count criminal information before U.S. District Judge James V. Selna in the Central District of California, Santa Ana Division. CCI designs and manufactures service control valves for use in the nuclear, oil and gas, and power generation industries. As part of the plea agreement, CCI agreed to pay a criminal fine of \$18.2 million; create, implement and maintain a comprehensive anti-bribery compliance program; retain an independent compliance monitor for a three-year period to review the design and implementation of CCI's anti-bribery compli...</p>				
McWane Inc	01/01/1989	13,100,000	Environment	Air

The U.S. Environmental Protection Agency (EPA), the Justice Department, and the states of Alabama and Iowa announced that McWane Inc., a national cast iron pipe manufacturer headquartered in Birmingham, Alabama, has agreed to pay \$4 million to resolve more than 400 violations of federal and state environmental laws. The settlement, filed in federal court on July 14, 2010, covers 28 of McWane's manufacturing facilities in 14 states and also requires the company to perform seven environmental projects valued at \$9.1 million. The \$4 million civil penalty will be divided among the United States, Alabama and Iowa and will be distributed as follows: \$3,472,789 will go to the U.S. Treasury; \$91,467 will go to the Oil Spill Trust Fund; \$10,941 will go to the Hazardous Substance Trust Fund; Alabama will receive \$332,000; Iowa will receive \$92,803. The environmental projects McWane will perform will address storm water contamination at numerous locations; reduce mercury emissions in P...

Watts Water Technologies, Inc.	10/13/2011	3,801,606	Securities	Foreign Corrupt Practices Act (SEC)
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UNITED STATES OF AMERICA Before the SECURITIES AND EXCHANGE COMMISSION SECURITIES EXCHANGE ACT OF 1934 Release No. 65555 / October 13, 2011 ACCOUNTING AND AUDITING ENFORCEMENT Release No. 3328 / October 13, 2011 ADMINISTRATIVE PROCEEDING File No. 3-14585 In the Matter of, Watts Water Technologies, Inc. and Leesen Chang, Respondents. ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING CEASE-AND-DESIST ORDERS AND CIVIL PENALTIES I. The Securities and Exchange Commission ("Commission") deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 ("Exchange Act") against Watts Water Technologies, Inc. and Leesen Chang (collectively "Respondents"). II. In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (th...

Fisher Controls International LLC	01/01/1965	2,250,000	Products	Exposure/Consumption
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Estate alleged asbestos in valves caused death<P> In 1970, plaintiff's decedent Ronald Drabczyk, 35, a factory worker at Hooker Chemical Company's Niagara Falls plant since 1965, began maintaining industrial process control equipment, including valves manufactured by Fisher Controls International, LLC, a division of Emerson Electric Co. The control valves were sold by Fisher Controls to Hooker Chemical during various times, through independent distributors. Between 1970 and 1988, Drabczyk would occasionally overhaul valves that contained gaskets and packing. He eventually retired in 1996 and was diagnosed with mesothelioma in 2004. Drabczyk ultimately died at the age of 70 on Nov. 29, 2005.<P> Stephen Drabczyk, acting as the executor of Ronald Drabczyk's estate sued Fisher Controls and several other companies that supplied materials to the Niagara Falls plant. He alleged the defendants negligently manufactured their products and that they failed to warn about the presence of asbestos...

Samson Controls, Inc.	06/22/2009	1,050,000	Services & Operations	Automotive/Vehicle
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Bus passenger underwent discectomy following crash<P> On June 22, 2009, plaintiff Victoria Heredia, 44, was a passenger on a New Jersey Transit bus that was traveling northbound on River Road in Weehawken when it was involved in a head-on collision with a car. Heredia subsequently underwent a cervical discectomy, among treatments for other alleged injuries. Heredia sued the car's owner, Samson Controls, claiming it was vicariously liable for the negligence of the car's driver, company salesman Jason Wilson. It was further alleged that the bus' driver had been negligent with respect to the collision, and the transit agency was named in Heredia's complaint. (Also named as defendants in the action were the driver of a vehicle that was blamed for cutting off the primary vehicles, and that vehicle's corporate owner, but those defendants achieved summary-judgment dismissal about a year prior to the final disposition of the case.) Liability was not disputed by Samson Controls and Wilson, and...

## Company Large Losses & Litigation

### Parent Company & Subsidiary Large Losses

Company Name	Accident/Filing Date	Amount (in Millions)	Category	Subtype
Henry Technologies, Inc.	10/27/2008	65,250	Workplace	Fines & Penalties

On January 26, 2010, Occupational Safety and Health Administration (OSHA) fined Henry Technologies, Inc. in the amount of \$65250 for its violation....

Henry Technologies, Inc.	01/01/1961		Environment	Land/Groundwater
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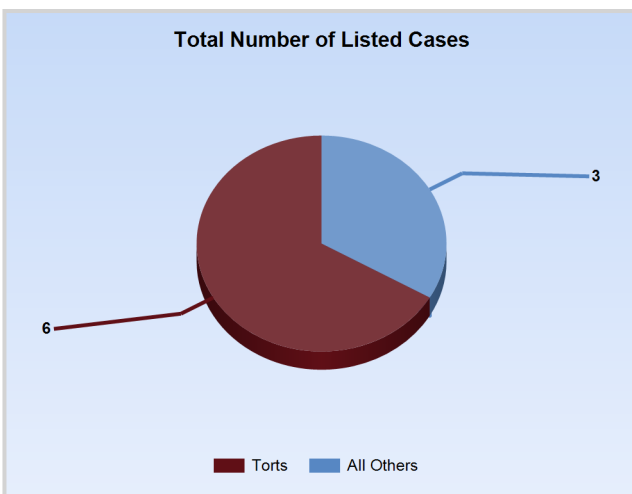
On May 20, 2002, United States of America and People of the State of Illinois (collectively, Plaintiffs) filed a lawsuit on the District Court for the Northern District of Illinois against Henry Technologies, Inc et al. (collectively, Defendants) pursuant to Comprehensive Environmental Response, Compensation and Recovery Act (CERCLA). According to the suit, the Lenz Oil Services, Inc facility operated a waste oil and solvent recycling, storage and transfer facility wherein three hazardous waste surface impoundments, constructed of porous and permeable cinder type materials, three gallon underground unlined concrete storage tanks, 35 above-ground tanks and 200 drums were located at the site. Oil and solvent wastes were spilled on the soils, and groundwater surrounding the area was contaminated with volatile organic compounds. Organic chemicals and metals were also released in the surface water runoff, which entered a drainage ditch north of the facility. These conditions brought ...

### Parent Company Federal Litigation Trends



Total Number of Listed Cases (Last 5 Years)	
2009	1
2010	5
2011	2
2012	1
<b>Total</b>	<b>9</b>
<b>Annual Average</b>	<b>2</b>

### Parent Company Federal Litigation by Category



Total Number of Listed Cases	
Torts	6
Contracts	2
Labor	1
<b>Total</b>	<b>9</b>
<b>Annual Average</b>	<b>2</b>

## Appendix

### Explanation of Benchmark Results

#### General Liability

##### Rate per Million

The Insured's General Liability Rate per million is in the Middle range compared to the selected peer group. Among possible reasons:

- The insured may not have experienced unusually frequent or large historical losses (see Advisen's MSCAd Large Losses for industry loss examples).
- The insured may have a relatively similar deductible/retention to its peers.
- The insured may have a similar risk profile compared to the selected peer group. See Advisen Company QuickView.

#### Umbrella/Excess

##### Rate per Million

The Insured's Umbrella/Excess Rate per million is in the High [or High Middle] range compared to the selected peer group. Among possible reasons:

- If the insured has experienced significant historical losses (see Advisen's MSCAd Large Losses for industry loss examples).
- If the insured has a relatively greater exposure to "batch" or "bulk" losses than its peers.
- If the insured has a relatively lower deductible/retention.
- If the coverage being purchased is of limited availability based on the company's industry, location, or other characteristics.
- If the insured has a higher risk profile compared to its peers. See Advisen Company QuickView.
- If insured is of smaller size relative to the peer group then lack of "buying power" may be an issue.

##### Limit as % of Revenue

The Insured's Umbrella/Excess Limit as % of Revenues is a Low level of coverage compared to the selected peer group, which could indicate a lower exposure to loss, a larger-sized insured relative to the peer group, an aggressive risk retention strategy, or relatively high-priced or limited availability of the coverage. Please refer to the Limit Histogram to see if insureds are purchasing higher limits.

#### Fiduciary

##### Rate per Million

The Insured's Fiduciary Rate per million is in the Low [or Low Middle] range compared to the selected peer group. Among possible reasons:

- The insured may have experienced relatively fewer or smaller historical losses than the peer group (see Advisen's MSCAd Large Losses for industry loss examples).
- If the insured has a relatively higher deductible/retention.
- If the coverage being purchased is easy to obtain or bundled with other coverages based on the company's industry, location, or other characteristics.
- If the insured is of a significantly larger size relative to the peer group then "economies of scale" may be an issue.
- The insured may have a low risk profile compared to the selected peer group.

##### Limit as % of Revenue

The Insured's Fiduciary Limit as % of Revenues is a High level of coverage compared to the selected peer group. Among other reasons, this could be indicative of a relatively greater exposure to large loss events, a smaller size relative to the peer group, or reflect a conservative risk retention strategy.

## **Crime**

### **Rate per Million**

The Insured's Crime Rate per million is in the High [or High Middle] range compared to the selected peer group. Among possible reasons:

- If the insured has experienced significant historical losses (see Advisen's MSCAd Large Losses for industry loss examples).
- If the insured has a relatively greater exposure to "batch" or "bulk" losses than its peers.
- If the insured has a relatively lower deductible/retention.
- If the coverage being purchased is of limited availability based on the company's industry, location, or other characteristics.
- If the insured has a higher risk profile compared to its peers. See Advisen Company QuickView.
- If insured is of smaller size relative to the peer group then lack of "buying power" may be an issue.

### **Limit as % of Revenue**

The Insured's Crime Limit as % of Revenues is a Low level of coverage compared to the selected peer group, which could indicate a lower exposure to loss, a larger-sized insured relative to the peer group, an aggressive risk retention strategy, or relatively high-priced or limited availability of the coverage. Please refer to the Limit Histogram to see if insureds are purchasing higher limits.

## **Workers Compensation**

### **Premium per Employee**

The Insured's Workers Compensation Premium per Employee is in the Low Middle range compared to the selected peer group. This could result from a number of factors, including:

- The insured may have experienced relatively fewer or smaller historical losses than the peer group (see Advisen's MSCAd Large Losses for industry loss examples).
- If the insured has a relatively higher deductible/retention.
- If the coverage being purchased is easy to obtain or bundled with other coverages based on the company's industry, location, or other characteristics.
- If the insured is of a significantly larger size relative to the peer group then "economies of scale" may be an issue.
- The insured may have a low risk profile compared to the selected peer group. See Advisen Company QuickView.

## Glossary of Terms

**Experian Commercial IntelliscoreSM:** It's an all-industry commercial model using business information to predict business risk. Its predictiveness is among the best on the market today.

- Predicts the likelihood of accounts experiencing seriously derogatory payment performance in the next 12 months.
- Produce scores ranging from 0 to 100, where high scores equal low risk.
- Based on past credit behavior, including payment behavior, balance information, amount of trade activity, public record incidence and business size.
- Liability amount is the total dollar amount of debtor's legal liability, including accounts in collection, tax liens, judgments and/or bankruptcies.
- The total derogatory items are the sum of Tax-Lien Count, Bankruptcy, Judgment, Collection-Counter and UCC Derog.

**Federal Dockets:** The cases filed against the company in Federal Court. This information comes from LexisNexis.

**MSCAd Large Losses:** In this report MSCAd Losses are matched to the line of coverage being benchmarked.

Advisen's Master Significant Case & Action database (MSCAd) compiles details and statistics on significant large losses, including management liability cases such as securities class actions, auditing and other management malpractice, state and federal government regulatory fines, employment liability cases and errors and omissions litigation. This also includes EEOC settled litigation, ERISA/Fiduciary Duty, Malpractice, Anti-Trust, Fraud, Trade Practices, and Contract Cases.

MSCAd is the most comprehensive, accurate source of this data available to the industry. Our information is compiled by a dedicated research team using numerous sources such as Stanford Securities, Federal agencies such as the Department of Justice, the EEOC, and the Securities & Exchange Commission, research tools such as LexisNexis, major law firms and claims administrators, State insurance commissioners and attorneys general, and other sources. The consolidated data is subject to ongoing review and rigorous audit procedures to ensure both accuracy and timeliness.

**Top Competitors:** This is a generic list of competitors drawn from Advisen's database of over 14 million entities. Depending on the number of competitors it will be by State, Region, or Country. This list is NOT a list of the companies in the benchmarking peer group.

**Total FDA NDC Drugs:** The total number of FDA Drugs filed in the FDA NDC Drug Database

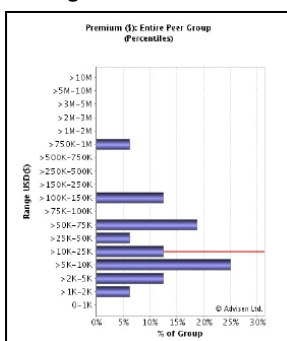
**Total OSHA Violations:** OSHA is an arm of the Department of Labor that conducts inspections of company facilities with the goal of preventing work-related injuries, illnesses and deaths. Worksites that do not meet health and/or safety standards at the time of inspection may receive an OSHA violation.

## Understanding Benchmarking

### Insurance Program Pricing

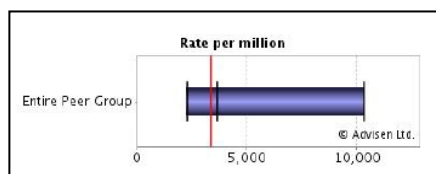
In program benchmarking, you compare the financial aspects of a specific industry's insurance program to programs for comparable "peer" companies. The end result, in graphic format, lets you see how the program you're looking at stacks up against this peer group, with respect to premiums, limits, and retentions.

#### Histograms



The histogram, or bar, charts for premiums, limits, and retentions provide a good tool to evaluate the characteristics of the peer group you have chosen, and to illustrate where the benchmarked client falls with respect to these peers. These charts divide the premiums, limits, and retentions into equally-spaced ranges (distributions) based on their sizes; the length of the bars show what % of the peer programs fall into each of these ranges (if provided, the benchmarked client's data is shown as a red line overlaying the bars). The 3 available charts are independent - that is, the premium chart displays premiums for the selected peer group REGARDLESS OF the limits purchased or the retentions kept. The limits chart displays the limits purchased REGARDLESS of the premiums paid or the retentions, etc.

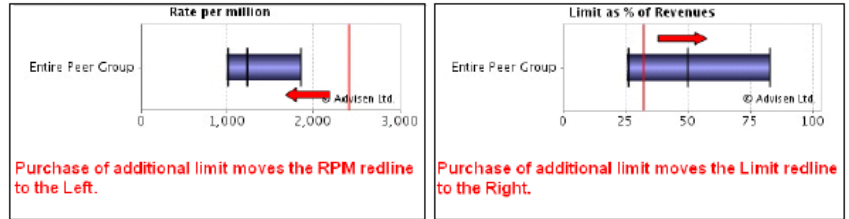
#### Range Charts ("Quartile Graphs")



The range charts show the range of values, for a variety of different rates which may be calculated for the peer group. These rates provide a more sensitive indicator as to the relative size of the premiums, limits, and retentions in the peer group data, and where the benchmarked company falls, by minimizing the size differences between the peer group members. The charts illustrate the middle 50% of the calculated rates, but use the entire peer programs which contain BOTH of the values used to calculate the rates.

### Rate per million

Based on the Rate per Million it appears the target insured is overpaying but, based on the Limit as % of Revenue, **the real issue is they are under purchasing.** If they add to their current limit they will move the Limit as % of Revenue red line to the right. The insured will purchase this layer at a much lower rate per million than the current. This will drive the red line to the left.



## About Our Data Sources

Advisen utilizes three external content partners as the primary sources to create and maintain the Advisen Master File database (AMFd), and supplements these sources with four regional / industry-focused partners -- McGraw-Hill Financial (CompuSTAT), ThomsonReuters, and Dun & Bradstreet are the primary sources, with ICC, Owens Media, AM Best, and Experian as the supplemental sources.

The Advisen Master File database (AMFd) includes the "core" characteristics on 16mm entities: name, address, latitude/longitude, phone number, web-site, industry / SIC code, annual sales, number of employees, place of incorporation, DUNS #, FEIN #, type (public, private, private formerly public, etc.), status (active/inactive), ultimate parent, executives/officers/directors.

Furthermore, Advisen conducts primary research and quality assurance testing into the core characteristics for thousands of the entities in the AMFd, specifically those engaged in insurance actions (e.g. subjected to large losses), corporate actions (e.g. M&A, bankruptcy, divestiture, LBO), and those within our client's books-of-business (e.g. up for renewal / about to be underwritten).

Finally, Advisen intersects other company demographics and unique exposures from a number of additional, external content partners such as Dow Jones, Factset, RiskMetrics/ISS/CFRA, Morningstar, CMA Datavision, and a multitude of government websites such as BLS, OSHA, FDA, and NTSB.