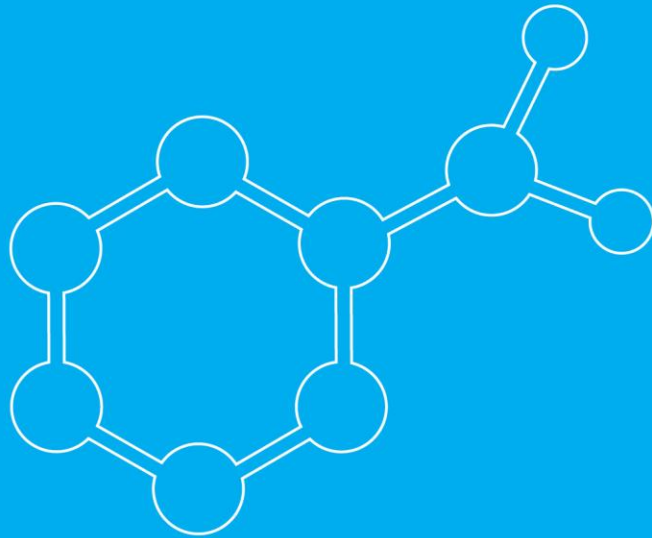
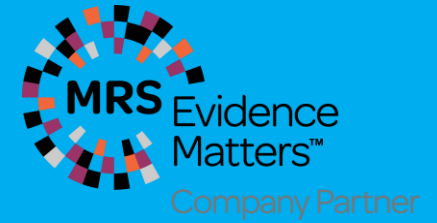


FWD RESEARCH



BrokerPulse

Benchmark Q2 2013

May 2013

Commentary

FWD Research has introduced a new quarterly benchmark of broker opinion called BrokerPulse using its robust and established Broking Now! omnibus as the source. The latest quarterly findings from FWD's BrokerPulse reveal that Brokers are surprisingly optimistic about the UK economy, posting a net optimism score of +48% in Q2 2013. Overall, a net 64% anticipate their own trading prospects will increase over 2012. Is this their natural optimism shining through or is there evidence which corroborates this view from other sources? The positive outlook does coincide with other industry research suggesting SMEs have also started recovering from the lows of economic pessimism experienced over the past couple of years, although it remains to be seen whether this recovery is sustained in 2013 as fears of a triple dip recession have receded at least for now. Brokers are typically more bullish about their own trading prospects than those of the economy as a whole.

The type of brokers who are most positive regarding their brokerages' trading prospects are nationals (defined as top 50 firms) and super-regionals (defined as top 51-250 firms), while those most optimistic about the economy and their clients generally tend to be Provincials and Nationals, although the differences are not significant statistically. With regards to where are they based, brokers in London, the North and Scotland/Northern Ireland demonstrate above average levels of positive trading prospects; those based in the South East, South West and Scotland/Northern Ireland display above average net optimism scores; brokers in Wales are especially negative displaying lowest net trading prospects and net optimism.

BIBA members are appreciably more positive about both trading prospects and optimism than their non-Biba counterparts as are members of networks (e.g. BNL, Willis Network, Cobra Bronkey, Purple, etc.) compared to non-networked brokers.

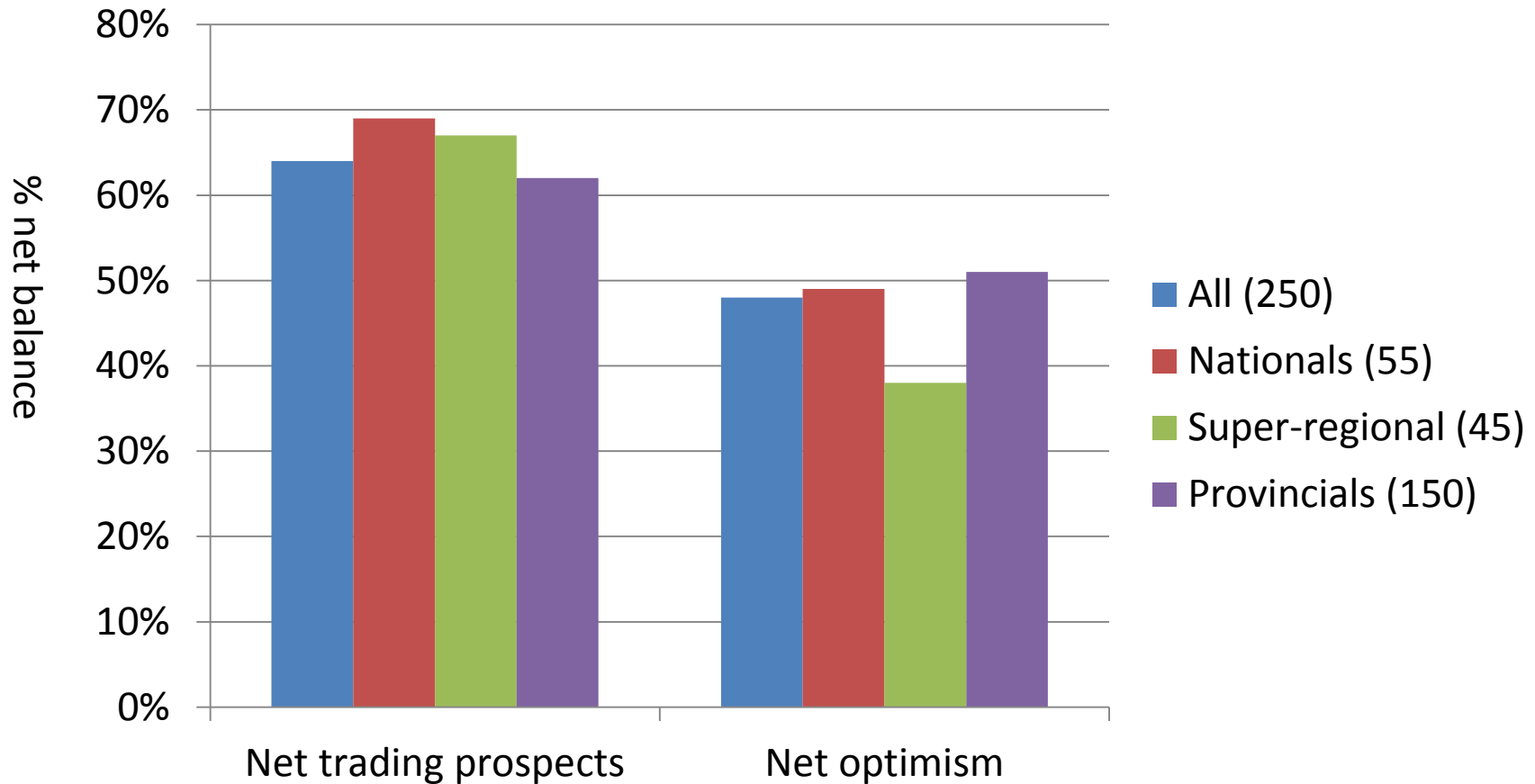
In terms of any segmentation by class of business placed, brokers levels of confidence in trading prospects and overall optimism in the economy show little variation be it by personal lines, commercial lines or specialty lines.

It is FWD Research' intention to provide clients with quarterly updates on BrokerPulse statistics as a 'dipstick' tool of broker sentiment. As the back data grows its usefulness as a monitor of trends of these important opinion leaders will grow.

Technical note: FWD interviewed 250 general insurance brokers from its Broking Now! Panel Between 9th and 29th April 2013 by telephone.

FWD RESEARCH

BrokerPulse : benchmark Q2 2013 segmented by broker type



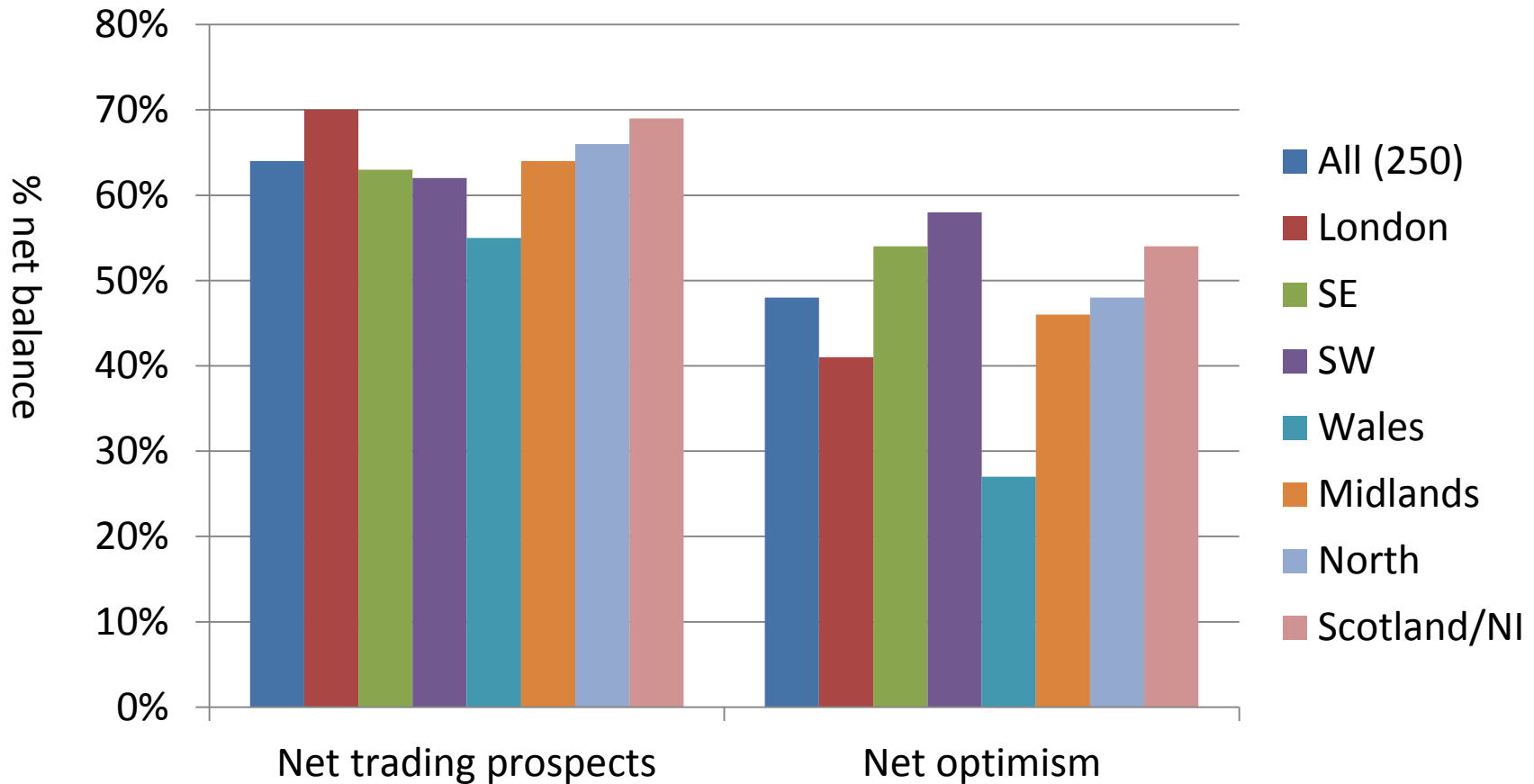
About 'Net balance'

Net balance is the percentage of respondents replying 'increase' minus the percentage replying 'decrease'. We ignore the percentage replying 'the same' for this purpose.

Q1- Thinking about the trading prospects for your brokerage in the next year, do you expect business activity to increase, decrease or stay the same as the past year?

Q2- And thinking about the economy & clients generally, would you say you are more optimistic than three months ago, or more pessimistic?

BrokerPulse : benchmark Q2 2013 segmented by region



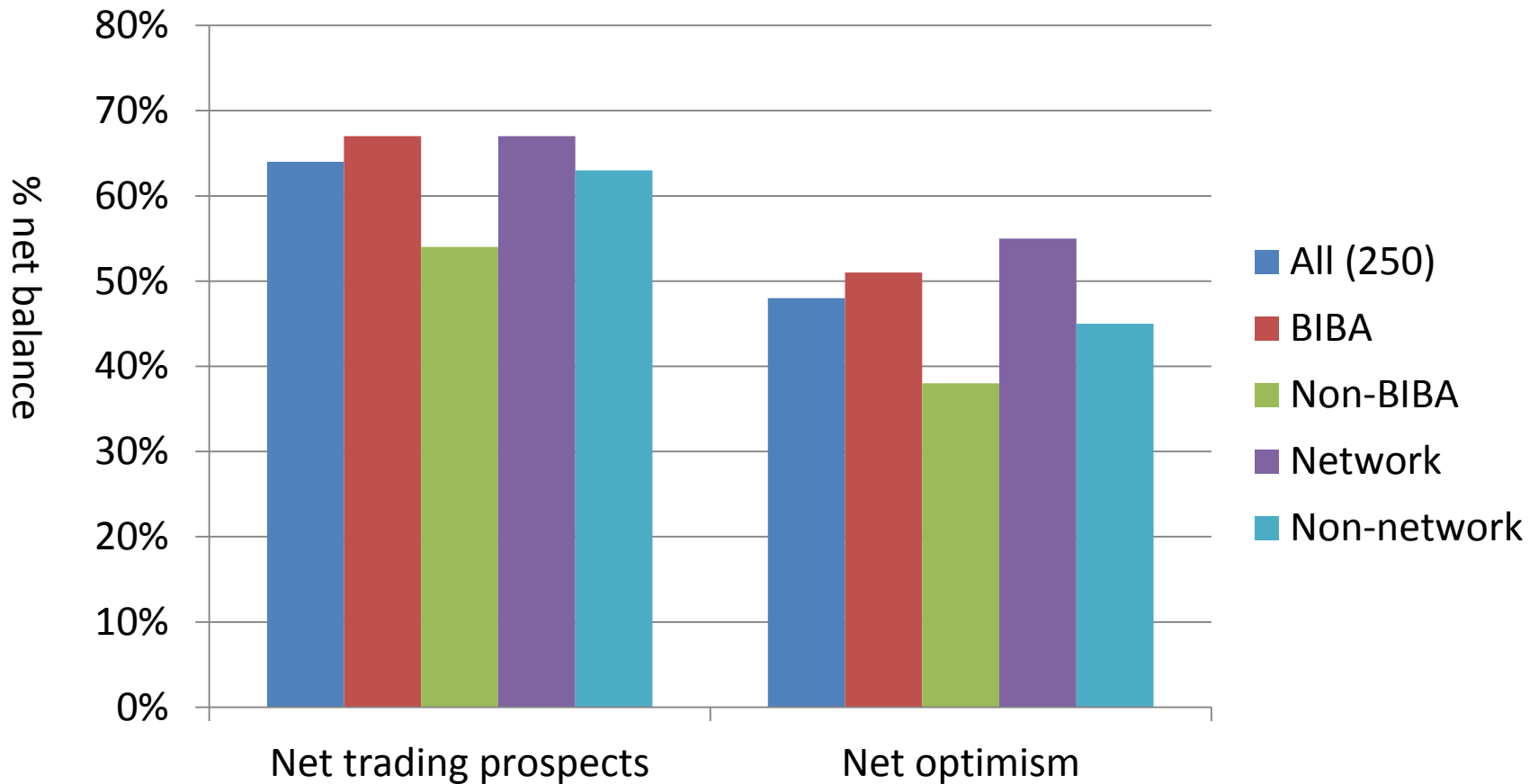
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BrokerPulse : benchmark Q2 2013 segmented by memberships



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About FWD Research

FWD is a specialist Financial Services marketing company based in the City of London

The research arm of FWD comprises of Mike Harmer and Ian Winters. With over 40 years of experience combined, in Financial Services research, the team have a unprecedented amount of knowledge and experience

Ian has worked for MORI, Prudential General Insurance Division, The Financial Marketing Consultancy and ran and owned Insurance Research & Strategy (IRS) until its acquisition by FWD in 2004. Mike has extensive client side research & insight experience having worked for Aviva for 9 years as well as spells with Saatchis and RSA before joining FWD in 2006



Mike Harmer
Director, Research



Ian Winters
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