

# News Release

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## **Environmental Insurance Premium Levels Stabilise But Coverage Expands --Q3 Willis Environmental Index--**

**London, UK, November 19, 2007** – Premium levels for Environmental Liability Insurance have shown signs of stabilising in the third quarter, but the good news for buyers is that coverage has been significantly enhanced and expanded, resulting in increased value for money. This is according to London Market Environmental insurers surveyed in the latest Willis Environmental Index by global insurance broker, Willis Group Holdings (NYSE: WSH).

The Willis Environmental Index – a quarterly survey conducted by Willis' Financial Executive and Professional Risks (FINEX) division – asks participants for their views on the underwriting market over the past three months and their predictions for the next three months.

The Environmental Index found that premiums for longer-term, once-off environmental insurance policies covering future claims and regulatory action arising from pre-existing contamination had continued to reduce by 20% or more over the last six months. Looking forward, insurers surveyed by Willis anticipate that premium levels for this type of policy would remain largely static over the next six months.

Opinion is split amongst underwriters as to the premium trend for shorter-term renewable policies. Willis believes that this is due, in part, to the expanding range of low-cost renewable environmental insurance products. However there was a general consensus among insurers that premiums for these types of policies were also unlikely to reduce further over the next six months.

Although most insurers surveyed by Willis agree that environmental insurance premiums will not increase in the foreseeable future, this is being offset by a greater willingness by carriers to offer policy enhancements, for example lower deductible (excess) levels and higher policy limits for no additional premium. This is great news for buyers who look set to continue benefiting from the soft market conditions through the increased availability of coverage enhancements.

Commenting on the findings, **David Barr, Environmental Program Director at Willis said**, "Our survey results bear out the stabilisation of premium levels which has been evident recently within the Environmental Insurance market. This trend presents both challenges and opportunities to environmental insurers, as competitive advantage is increasingly likely to be delivered through offering coverage enhancements, rather than solely charging a lower premium."

The Willis Environmental Index polls non-US insurance companies. It provides buyers of specific lines of coverage with an overview of relevant issues unique to their industry.

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Editor's Note: The complete Willis Environmental Index is available on Willis.com via <http://www.willis.com/news/Publications/>