



THE REWARDS OF MUTUAL OWNERSHIP



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*One of the benefits of being a mutual insurance company is that we can share our favorable loss performance with our client-owners. The membership credit is a direct result of their risk improvement efforts and shared commitment to loss prevention.*

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—Shivan S. Subramaniam, chairman and chief executive officer, FM Global

## Our Clients Share in Our Success

The formula for success at a mutual insurance company is simple: everything the company does must ultimately contribute value to its policyholder-owners. At FM Global, we have collaborated successfully with our mutual clients for nearly 180 years to help protect their business value. While other insurance companies view loss as inevitable and focus exclusively on financing it, we share a belief with our clients that most property loss is preventable. This proactive approach to preventing property loss positively influences FM Global's financial stability, policy terms and conditions, and the caliber of its supporting engineering services.





## Membership Credit History



**US\$2.5 billion since 2001**

FM Global's partnership with its clients has generated other, more tangible benefits as well. Our loss experience has been consistently better than that of our industry peers, and we have shared this success with our policyholders through membership credit—an offset against premium at the time of policy renewal. We can make this credit available because, as a mutual company, our external stakeholders are our policyholders. Since 2001, the company has announced seven membership credit offerings—the most recent to be applied upon client anniversary or renewal dates from June 30, 2014, through June 29, 2015. In total dollars, this is the largest membership credit offered to date. Following this credit, we will have applied US\$2.5 billion in total membership credit to our mutual owners since 2001.

Why does FM Global provide a membership credit to its clients? Because our clients' risk improvement efforts are an essential component to our success. Unlike stock companies, which are driven to achieve maximum shareholder value, FM Global exists solely to serve the needs of the policyholders who own and guide us. Our ability to apply a membership credit, when conditions warrant, is just one way we reward our clients' diligent focus on risk improvement.

## Mutual Ownership, Mutual Gain

As a mutual organization, FM Global adopts our clients' changing needs and priorities as our own, and adapts to ensure they are met. This structure allows us to create long-term value for our clients. With more than US\$9.7 billion in policyholder surplus, FM Global has the financial strength and underwriting expertise to offer competitively priced, large, stable insurance capacity—integrated with comprehensive and sound property loss prevention services on a worldwide basis.

Our singular focus is on helping our clients protect the value created by their businesses. Since our formation in 1835, all product and performance improvements from FM Global have been made in the best interest of our policyholders. Today, we're working closely with our clients to address emerging challenges, such as the complexity of supply chain risk management in a global economy, the increasing need to outsource production, and the desire for timely delivery of accurate and complete insurance documentation. We do all of this while consistently and seamlessly delivering global coverage, sound underwriting and unrivaled risk engineering services to clients throughout the world.

## Rewarding Our Renewing Policyholders

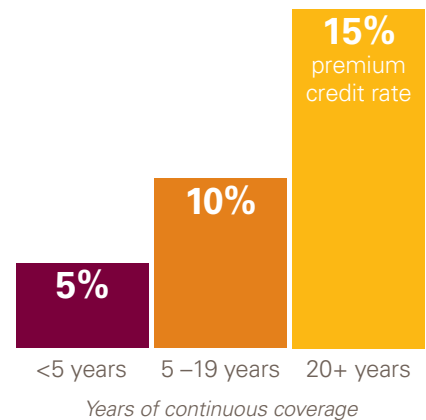
Our clients appreciate their partnership with a specialty company whose capital, research capability and engineering expertise are solely dedicated to risk improvement and property risk management. Our membership credit is a demonstrable way for us to recognize and reward the trust they have placed in us.

FM Global's membership credit is based on a graduated scale, with longer-term clients receiving a greater premium offset. Typically, the ceiling is a 15-percent credit for clients with 20 or more consecutive years of tenure, the higher level an acknowledgment of their long-term investment in risk improvement.

While we can't promise a membership credit will be a regular occurrence, when it is possible, it represents a significant benefit that is unique to mutual policyholders of FM Global. And of course, even in years with no membership credit, FM Global policyholders still receive all the benefits of mutual ownership, including sufficient capacity, broad coverage and financial stability.



**2014/2015**  
Membership Credit Rates



The higher rate recognizes the longer term investment in risk improvement.





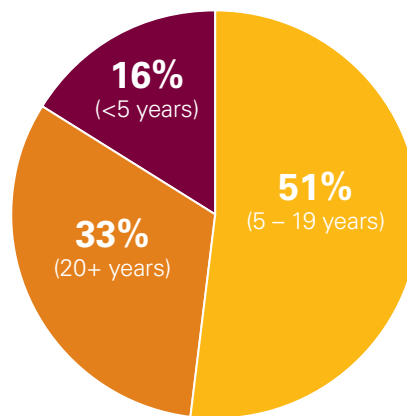
## FM Global Is Unlike Other Insurance Companies

Our unique approach to property insurance includes helping our clients identify and assess their property risk. In addition to providing traditional risk transfer, we have engineering capabilities that are unmatched in our industry. More than 1,800 FM Global engineers work across the globe with our clients to help them better understand their property threats, so they can take necessary steps to reduce their consequences. By taking proactive steps to improve their risk profile, our clients are better positioned to keep their businesses operating without interruption.

In recent years, our clients have been exposed to more frequent and severe threats from terrorism, natural catastrophes and various other operational hazards. Nevertheless, our partnership with our clients continues to be successful, enabling us to share this success with our renewing policyholder-owners.

FM Global's success and its unique client advantages are a direct result of our mutual status. Our success is our clients' success.

**33%** of FM Global clients eligible for the membership credit have been with us for **20 years** or more.



- 33% membership credit (20 years or more)
- 51% membership credit (5 – 19 years)
- 16% membership credit (less than 5 years)

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The membership credit speaks loudly of FM Global’s strong financial performance, and of the fact that its continuing emphasis on property loss prevention engineering is working.”

—Chief financial officer, major pulp and paper industry company

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We are grateful FM Global has once again been able to recognize its clients with a membership credit, and are delighted to have the company as a valued partner in making our organization more efficient and effective. We look forward to further growth and prosperity with the assurance that our key sites are being guarded over by FM Global.”

—Chief financial officer, large global manufacturer of household, health and personal care products

For more information on the 2014/2015 membership credit,  
visit [fmglobal.com/membership](http://fmglobal.com/membership).



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