

EXECUTIVE PLAN SUMMARY

FM Global's 2023/2024 membership credit is a credit against renewal or anniversary premium of approximately US\$800 million to all *eligible policyholders* renewing between June 30, 2023, and June 29, 2024.

Eligibility

All Factory Mutual Insurance Company, FM Insurance Company Limited, FM Insurance Europe S.A. and FM Global de México S.A. de C.V. (FM Global lines only, for all four entities) policyholders that renew their policies during the membership credit period of June 30, 2023, through June 29, 2024, or that have a policy anniversary during this period, will be eligible to receive a membership credit against premium at the time their policies renew. These policyholders are "eligible FM Global policyholders."

Credit Application

The membership credit will be applied during the period of June 30, 2023, through June 29, 2024, in the form of a premium offset at the time of policy renewal or annual anniversary.

Credit Calculation

The base membership credit rate is 5% of eligible in-force premium 90 days prior to renewal or anniversary date. Long-term policyholders will receive an enhanced membership credit rate, as shown below:

CREDIT TIER	POLICYHOLDER TENURE CRITERIA
5%	Base rate, fewer than 5 consecutive years
10%	At least 5 consecutive years, but fewer than 20 years
15%	At least 20 consecutive years

The membership credit will be applied to premium as of the date of policy renewal or anniversary from June 30, 2023, through June 29, 2024. The membership credit will be calculated based on eligible in-force premium in effect 90 days prior to the renewal or anniversary date of the prior policy.

Premium for "FM Global" will be included in the calculation, including any related international premium. Billed engineering fees are added to the premium calculation

prior to applying the credit. The program does not include policies issued by, or on behalf of, AFM or Mutual Boiler Re, or policies for cargo coverage. In addition, premium not ceded to FM Global, such as premium retained by WorldReach® Partners, cessions to program partners and/or captives, brokerage commissions, and fronted terrorism premium is excluded from the calculation.

If a policy is canceled during the 12 months after the membership credit was granted, a pro rata portion of the membership credit will be deducted from the return premium owed to the policyholder.

Sample Calculation

A sample membership credit calculation for an eligible FM Global policyholder insured for 20 consecutive years or more is as follows:

Account inception with continuous coverage	1980
Gross Written Premium on FM Global Policies	4,000,000
Less: Written Premium Ceded to Captives	(500,000)
Written Fronted Premium Ceded	(100,000)
Written Terrorism Pass Through Premium	(50,000)
Brokerage Commission	(25,000)
Premium Retained by WRP	(100,000)
<i>Plus: Billed engineering fees</i>	200,000
Adjusting Gross Written Premium	3,425,000
Membership credit rate	x 15.0%
MEMBERSHIP CREDIT	513,750

Credit Administration

Administration of the membership credit is entirely within the discretion of FM Global.

The Executive Plan Summary is intended to provide only general information. For details on the membership credit application to a specific policy, please contact your account manager.



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