

2022 MEMBERSHIP CREDIT EXECUTIVE PLAN SUMMARY

FM Global's 2022 membership credit is a credit against renewal or anniversary premium of approximately US\$600 million to all *eligible policyholders* renewing between Jan. 1, 2022, and Dec. 31, 2022.

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 Jan. 1, 2022, through Dec. 31, 2022, 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 Jan. 1, 2022, through Dec. 31, 2022, 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 Jan. 1, 2022, through Dec. 31, 2022. 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.

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.

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
Applicable credit rate	15%
Premium on FM Global policies	\$1,803,677
Less: Premium ceded to captives	(430,185)
Fronted premium	(123,000)
Plus: Billed engineering fees	475,214
Eligible premium	\$1,725,706
Membership credit rate	x15%
MEMBERSHIP CREDIT	\$258,856

CREDIT ADMINISTRATION

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



This document is for informational purposes only in support of the insurance relationship between FM Global and its clients. This information does not change or supplement policy terms or conditions. The liability of FM Global is limited to that contained in its insurance policies.