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[LONDON]—This is the last issue of *Business Insurance Europe*, which since 2006 has served the European risk management community with unparalleled reporting on news, issues, people and events in print and online.

We wish to thank the risk managers and industry professionals who read and supported *Business Insurance Europe* since its inception, particularly the Federation of European Risk Management Associations and its members, as well as the companies that advertised with us and made possible the high-quality journalism that made *Business Insurance Europe* unique.

Business Insurance, the publisher of *Business Insurance Europe*, believes in the future of the European market and will continue to report on European news and events under the global banner of *Business Insurance* and *BusinessInsurance.com*.

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Norwegian risk management group hails commission ban

» Greater competition: NORIMA

Stuart Collins
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[OSLO, NORWAY]—The recently formed Norwegian Risk Management Association has said the country's ban on contingent commissions has been a success, claiming that the move has increased competition among intermediaries over fees.

Law move

Following a change in legislation in 2007, brokers have been unable to accept payment from insurers. "The move has been good for buyers as the market is now more transparent," said Jan Granås, the association's chairman and chief executive.

"The market is now more competitive. There is less income, but there is more competition between brokers because clients now get quotes for consulting fees from bro-

kers," rather than rely on percentage-based payments from insurers.

There has also been a negative side to the ban on contingent commissions, according to Mr. Granås. "Some brokers have financial problems because their income has reduced. While the number of brokers is unlikely to reduce, staff levels are likely to come down as brokers become more efficient," he added.

Reinstated group

The Oslo-based association was re-established last month after lying dormant since 2001. The organization, which had existed as an informal network of Norwegian risk and insurance managers since 1995, has been resurrected by Mr. Granås, who is also an underwriter at Oslo-based insurer Landbruksforsikring AS.

The 40 informal members discussed the formalization of the

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LLOYD'S, HDI INSURERS OF COLOGNE COLLAPSE

[COLOGNE, Germany]—Rescuers continued their search last week for two people feared trapped under the rubble of a collapsed archive building in Cologne and tried to save documents worth hundreds of millions of euros.

The multi-level building containing thousands of historical records collapsed Tuesday.

A spokesman for Lloyd's of London said it has exposure to the collapse, "but it is likely to be picked up in the normal course of business. The immediate priority is to account for everyone in the building."

HDI-Gerling Sach-Serviceholding AG also some exposure to the catastrophe, but the extent is still



being determined, according to a spokesman.

The head of Cologne's cultural department, Georg Quander, said the collapse threatened historical documents with an insurance value of €400 million.

'Partial breakthrough' on Solvency II

» General agreement reached on how to manage periods of boom and bust for equities and bonds

Richard Miller
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[BRUSSELS, BELGIUM]—The European Parliament's rapporteur on Solvency II said there was a "partial breakthrough" on the directive during a meeting earlier this month on the issue of pro-cyclicality, but the stalemate on group support remains. Pro-cyclicality refers to the treat-

ment of equity risk in calculating the solvency capital requirements of insurers and reinsurers.

Summit meeting

Representatives of the Parliament, the European Commission and the Council of Ministers met earlier this month to discuss Solvency II, the proposed new risk-based capital regulatory regime for insurers and re-



Peter Skinner MEP.

insurers in the European Union.

On the pro-cyclicality of Solvency II, there is general agreement on the use of an extended dampener to manage periods of boom and bust

in capital assets, namely equities and

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AIG p/c spinoff plan is welcomed by industry

» Insurer to separate general insurance arm

Sarah Veysey & Michael Bradford

[NEW YORK]—European risk managers and insurance market sources have given a cautious welcome to the latest developments at embattled U.S. insurance giant American International Group Inc.

On the back of a \$61.66 billion (€49.01 billion) loss for the fourth quarter and a new federal rescue plan, AIG announced a major restructuring project that includes the creation of a separate holding company for its property/casualty operations, which may eventually be taken public.

More openness

AIG's Chairman and Chief Executive Officer Edward Liddy said the move was aimed at making the company



Edward Liddy.

less unwieldy and more transparent.

"AIG needs to take additional steps to maintain the viability of its core businesses and position them as clearly separate independent entities worthy of investor confidence," he said during a conference call to announce the move.

The changes include a mecha-

nism whereby the equity of American International Assurance Co. and American Life Insurance Co. will be placed into special purpose vehicles, which will then allow the New York Federal Reserve to receive preferred interest payments in repayment of part of its loan to AIG. These changes give the company greater capital strength, said Lex Baugh, chief executive of AIG U.K. Ltd.

Greater protection

He said the plans to form a holding company for AIG's property/casualty operations will give policyholders the added protection of being under the umbrella of one large, well-capitalized company. Currently, AIG's general insurance units are separately capitalized entities.

The new company—to be called AIU Holdings Inc.—will give policyholders and brokers one point of con-

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Spain to offer credit insurance backstop

» State pool to offer cover alongside reinsurers

Rodrigo Amaral

[MADRID, SPAIN]—Spain's government-supported catastrophe pool is set to help efforts to unlock the credit insurance market in the country by providing reinsurance services to credit insurers.

Madrid-based Consorcio de Compensación de Seguros—a public corporate entity attached to Spain's Ministry of Economic Affairs—has negotiated an agreement with Asociación Empresarial del Seguro, Spain's insurance association, with the aim of supplying reinsurance coverage that credit insurers say they are

struggling to find in the open market.

According to the proposal, CCS will not be the sole reinsurer for credit insurers, but will be part of a group of reinsurers, underwriting between 5% and 50% of the risks transferred in each operation. For that service, it is set to charge a 2% premium.

Collective approach

The remainder would be underwritten by other reinsurers. In case of losses, CCS will take care of payments higher than 85% of reinsured losses, up to a maximum of 130%.

The head of CCS, Ignacio Machetti, explained that under the proposal any insurance company that offers credit insurance products in Spain can volunteer for the plan.

Both Spanish and foreign credit insurers will be able to participate.

It is estimated that Crédito y Caución—a subsidiary of Barcelona, Spain-based Catalana Occidente—has a share of about half the credit insurance market in Spain. The second largest player is state-owned, Madrid-based Compañía Española de Seguros de Crédito a la Exportación S.A., with a share of more than 17%. MAPFRE Caución y Crédito, a subsidiary of Madrid-based MAPFRE S.A., Madrid-based AIG Europe S.A., and Madrid-based Coface Ibérica S.A. have shares of more than 5% of the market.

The plan has an initial duration of

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