Willis Re Releases New Sub-Prime Research

--Analysis uncovers early indicator warning signals of companies at risk--

London, UK, February 20, 2008 – Willis Re, the reinsurance operations of Willis Group Holdings (NYSE: WSH), the global insurance broker, has released new research analysing the risk to the underwriting portfolios of professional liability re/insurance Underwriters stemming from the sub-prime crisis and subsequent global credit crunch. Willis Re’s Professional Liability Practice Group has developed a sophisticated analytical approach, based on financial markets data, which identifies what may be early warning signals for potential securities class-action lawsuits. This approach has been incorporated into Willis Re’s proprietary D&O modelling tool, eSCAPE.

Analysts identified the gaps between the senior debt ratings and the credit ratings implied by bond, equity and credit default swap pricing of various selected companies. The MIR® (Moody’s Market Implied Ratings) gap at any point in time is defined as the number of levels between the senior debt rating and the lowest of these Market Implied Ratings, with a negative number representing an implied downgrade and a positive as an implied upgrade. Strong correlations were found between high sub-prime hazard categories and unfavourable MIR® gaps.

Sean Whelan, Executive Vice President explains: “The MIR® gaps signalled potential problems between three and six months in advance of the broader crunch. This early warning system could prove to be invaluable to professional liability re/insurance Underwriters in alerting them to potential securities class-action lawsuits. The impact of the credit crunch continues to make itself felt and re/insurance companies will need to remain vigilant of this risk. Evaluating a portfolio on a quarterly basis with a tool like eSCAPE can help Underwriters identify improvement or deterioration in their portfolio’s susceptibility to securities class-action lawsuits.”

Willis Group Holdings Limited is a leading global insurance broker, developing and delivering professional insurance, reinsurance, risk management, financial and human resource consulting and actuarial services to corporations, public entities and institutions around the world. Willis has more than 300 offices in some 100 countries, with a global team of approximately 16,000 Associates serving clients in some 190 countries. Additional information on Willis may be found at www.willis.com.

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Notes to Editor

To access the full report, please click on the link: http://www.willis.com/news/Publications/Subprime_DO_Claims_Early_Indicators_Feb_2008.pdf