

Jardine Lloyd Thompson Ltd and Pacific Premium Funding Ltd Partner to Introduce New Means for Hong Kong Companies to Improve Cash Flow Management

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Premium funding, a multi-billion dollar global industry arrives in Hong Kong

HONG KONG - Jardine Lloyd Thompson Ltd ("JLT") and Pacific Premium Funding Ltd ("PPF") today announced that they have entered into a strategic business agreement to deliver a new, flexible insurance premium payment service, known as premium funding to the Hong Kong market.



"Payment of insurance premiums is increasingly placing a strain on businesses by tying up working capital, especially given the current economic climate coupled with rising premiums exacerbated by September 11," explained Simon Weaver, Managing Director of JLT in Hong Kong. "Premium funding offers an improved, cost effective method for companies in Hong Kong to pay their insurance premiums. Businesses can improve their cash flow management which in turn enhances their working capital, particularly at a time when many insurance companies are tightening their credit terms for premium payment."

The premium funding facility enables the smoothing out of insurance premium payments, allowing companies to make their insurance payments in monthly instalments, rather than the current method of making the entire payment at the renewal or inception of the policy.

"Premium funding is being introduced to Hong Kong with a well-established track record as a US\$60 billion business in the American, European, and Australian markets, said Grant Burley, Managing Director, PPF. "Insurance remains one of the largest up front expenses for any business, and the ability to retain and invest cash for other income generating opportunities represents an important benefit, particularly as economies around the world become increasingly cash-flow orientated."

The premium funding facility launched by the two companies can be extended to most types of commercial insurance policies including property damage and business interruption, public/products liability, employees' compensation, motor vehicle, and professional indemnity.

"JLT is pleased to be partnering with Pacific Premium Funding to be the exclusive provider of this service in Hong Kong," said Mr Weaver. "We are committed to the delivery of new, innovative solutions that enable our clients to compete more effectively and that make a positive contribution to their bottom line."

In addition to allowing businesses to retain their working capital and preserve their lending facilities for other income generating opportunities, other key benefits of this new offering include:

The facility is stand-alone and does not interfere with any existing credit arrangements with other financial institutions.

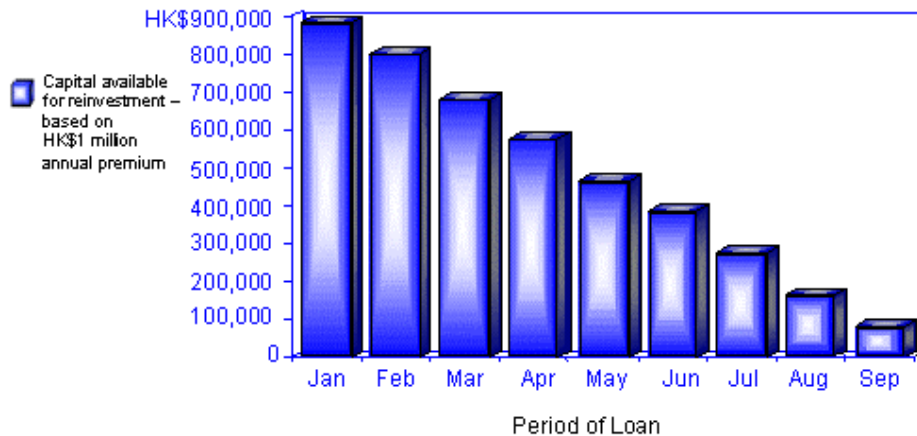
Interest charges are fully tax deductible and a fixed interest rate for the term of the facility protects against rate fluctuations.

No reliance is placed upon traditional forms of security, with the loan granted against the asset of the insurance premium itself.

The ability exists to tailor the facility to fund either all or part of a company's insurance premium.

Case example

Capital available to reinvest during the period of the loan, (assuming 10 month loan period).



As a result of the cash flow management benefit there is also an incremental return. Assuming an internal rate of return of 15%, the company would benefit by a net (deducting the cost of funding) incremental return of approximately HK\$5,300.

About Jardine Lloyd Thompson Ltd

Jardine Lloyd Thompson (JLT) is a leading provider of insurance and risk management expertise in the Asian region. The business has had operations in Asia since 1836. Today, employing over 600 industry professionals in 11 different Asian countries, we are ideally positioned to provide new, innovative solutions that enable our clients to compete more effectively and to have a positive impact to their bottom line.

JLT is also a wholly owned subsidiary of the largest quoted British and European insurance broking group, Jardine Lloyd Thompson plc. Employing over 4,000 people in over 100 offices in 32 countries, the group focuses on business areas where it is or can become a market leader. Additionally, as a member of the Jardine Matheson Group of companies, JLT has access to the skills and resources of one of Asia's longest established and most successful businesses.

About Pacific Premium Funding

Pacific Premium Funding Ltd (PPF) is Australian owned and the largest independently owned insurance premium financier currently in Australia and the second largest outright in the Australian market with an annualised turnover of around AUD 440 Million. PPF has substantial and unmatched management experience in the insurance premium-funding sector. Our staff is committed to providing customers with unsurpassed service through new and innovative technological solutions that PPF has developed in recent time. We have now expanded into the Hong Kong insurance market and will continue to provide a superior service to deliver funding solutions to business partners and clients.

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