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Bank sues Marsh to recover contingent fees

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MILWAUKEE—Nearly three months after the deadline for clients to participate in Marsh & McLennan Cos. Inc.'s \$850 million settlement of bid-rigging charges, a large regional bank is suing the broker to recover contingent commissions Marsh collected on its account.

Marshall & Ilsley Corp., a banking and financial services company with \$45 billion in assets, filed suit against Marsh in federal court in Milwaukee last month. Milwaukee-based M&I, which hired Marsh in 1995, charges that the broker secretly took kickbacks from insurers in the form of contingent commissions while placing the bank's coverage. M&I also claims it was unaware that Marsh collected interest income on M&I premiums held in fiduciary accounts before remitting them to underwriters.

Charging Marsh with breaches of fiduciary duty, the suit seeks restitution equaling the contingent commissions and interest income Marsh received on M&I's business, along with punitive damages.

A Marsh spokesman declined to comment on the suit.

Under Marsh's January 2005 nationwide settlement of bid-rigging and antitrust charges, clients had until Sept. 20, 2005, to seek compensation from the \$850 million fund and waive their right to sue Marsh. About half of the 140,000 eligible Marsh clients opted to participate, including more than 90% of Marsh's largest clients, the broker reported after the deadline passed.

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