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Seaboard suit alleges bid-rigging against Marsh, AIG

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Seaboard Corp. filed a lawsuit against **Marsh Inc.** and **American International Group Inc.**, known as AIG, alleging that the companies conspired to rig insurance bids provided to Seaboard, causing Seaboard to pay higher prices for insurance.

Pat Stueve, a partner with Kansas City-based **Stueve Siegel Hanson LLP** who represents Merriam-based Seaboard (Nasdaq: SEB) in the suit, said the company seeks \$66 million in premiums paid and several million dollars in consulting fees. The suit was filed Friday in **Johnson County District Court.**

The suit alleges that since at least the mid-1990s, "Marsh was not working in Seaboard's best interests but was instead engaged in a comprehensive conspiracy with insurance companies such as AIG to increase the price of insurance paid by clients like Seaboard and deprive Seaboard of receiving insurance from the company that would best fit Seaboard's unique insurance needs at a fair market price."

Marsh spokesman Al Modugno said that the suit "involves allegations of conduct by former employees dating back to 2004 and earlier" and that the company "intends to defend itself vigorously."

AIG spokesman Mark Herr said in an e-mail that the suit "rehashes old allegations, and in fact, similar claims brought in a class action in New Jersey were dismissed."

Seaboard chose not to take part in a global settlement with Marsh that resulted from then-New York Attorney General Eliot Spitzer's civil complaint against Marsh in October 2004 alleging that Marsh had participated in a bid-rigging scheme with insurance companies, including AIG (NYSE: AIG). Marsh established an \$850 million settlement fund.

"Because of the extent of Marsh's unlawful conduct and the volume of unlawful commissions, Seaboard opted not to participate in the global settlement and to pursue its own claims," according to Seaboard's suit.

Seaboard is involved in U.S. pork production, processing and transportation, and international commodity trading, grain processing, sugar production and electricity generation. It ranks No. 5 on the *Kansas City Business Journal's* list of area public companies.