

Fact Sheet CORPORATE GOVERNANCE

California Public Employees' Retirement System • 400 Q Street • Sacramento, California 95811

CalPERS 2008 Focus List Company At-A-Glance

Hilb Rogal & Hobbs Company (HRH) – Glen Allen, Virginia

Hilb Rogal & Hobbs Company serves as an insurance and risk management intermediary between its clients and insurance companies that underwrite client risks.

Market Capitalization: \$1.2 Billion

CalPERS' Holdings: \$4.9 Million

Total Stock Returns Ending 02/29/2008

TSR Ending 2/29/2008	Hilb Rogal & Hobbs Co (HRH)	Russell 3000 Index	<u>Relative Return Russell 3000 Index</u>	Insurance:Multi-Line Russell Industry Peer Index	<u>Relative Return Russell Peer Index</u>
5 years	9.25%	79.70%	-70.44%	51.55%	-42.3%
3 years	-7.50%	18.13%	-25.63%	1.58%	-9.08%
1 year	-31.62%	-4.52%	-27.10%	-16.34%	-15.28%

Source: FactSet

CalPERS' Concerns:

- Hilb Rogal & Hobbs Company's stock has underperformed relative to the Russell 3000 index and its industry peer index over the 1, 3 and 5 year time periods ending February 29th.
- Lack of Board Accountability – The company would not agree to seek shareowner approval and recommend a "FOR" vote to remove its classified or "staggered" board structure.
- Shareowner Rights Concern – The company would not agree to seek shareowner approval to remove the company's supermajority voting requirements in the articles of incorporation.
- Board Entrenchment Concern – The company would not agree to implement a majority voting standard for director elections.
- The company would not agree to adopt and disclose an executive compensation "clawback" provision in the event of employee fraud or misconduct.

CalPERS 2008 Shareowner Proposal:

CalPERS seeks to remove the company's classified or "staggered" board structure. CalPERS believes that annual elections for directors provide greater accountability to shareowners.