



News Release

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Guy Carpenter Introduces Pan Central And Eastern European Flood Model

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Guy Carpenter & Company, LLC, the leading global risk and reinsurance specialist, today announced that its InStrat[®] quantitative and risk modelling group has introduced a new Pan Central and Eastern European (CEE) flood model. The flood model is the first developed by Guy Carpenter to cover multiple countries, effectively addressing the issue of between-country correlation of flooding events.

“As portfolios of multi-national insurance and reinsurance companies extend to include more countries in the Central and Eastern European region, we are seeing an increasing demand for flood models that can estimate the frequency and monetary loss associated with flood events occurring across country borders,” said Hamish Dowlen, Senior Vice President, Guy Carpenter.

Countries across the CEE region have suffered significant flood losses in the recent past, most notably the 1997 summer floods in Poland and the Czech Republic, as well as the catastrophic floods of August 2002 that affected the Czech Republic, Austria, and Germany.

“This new model has been developed to meet this growing demand, enabling the probabilistic modelling of the flood peril in the Czech and Slovak Republics, Austria, Poland, and Hungary for all major lines of business,” added Mr. Dowlen. “The model’s scope also can be expanded to include additional eastern European countries in the future.”

Mark Weatherhead, Head of the InStrat European Model Development Team, Guy Carpenter, added, “With the successful completion of this valuable model, we can offer the fullest possible range of catastrophe modelling services to our clients throughout the Central and Eastern European region.”

The Pan CEE model’s hazard module incorporates extensive river gauge station data and detailed digital terrain data for each country, with a horizontal resolution of up to 5x5 metres for highly exposed areas and flood defences modelled for each country. The

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model's stochastic flood event set contains events with return periods of up to 10,000 years for each country.

The model offers a variety of outputs, including a standard occurrence exceedance probability curve with influence of limits and deductibles and average annual loss for input portfolio and its spatial distribution. Modelling of reinsurance structure is achieved by leveraging Guy Carpenter's MetaRisk[®] platform.

About Guy Carpenter

Guy Carpenter & Company, LLC is the world's leading risk and reinsurance specialist and a part of the Marsh & McLennan Companies. With 50 offices worldwide, Guy Carpenter creates and executes reinsurance solutions and delivers capital market solutions* for clients across the globe. The firm's full breadth of services includes line of business expertise in Agriculture; Aviation; Casualty Clash; Construction and Engineering; Excess and Umbrella; Life, Accident and Health; Marine; Medical; Political Risk and Trade Credit; Professional Liability; Property; Retrocessional Reinsurance; Surety; Terrorism and Workers Compensation. GCFac[®] is Guy Carpenter's dedicated global facultative reinsurance unit that provides placement strategies, timely market access and centralized management of facultative reinsurance solutions. In addition, Guy Carpenter's Instrat[®] unit utilizes industry-leading quantitative skills and modeling tools that optimize the reinsurance decision-making process and help make the firm's clients more successful. Guy Carpenter's website address is www.guycarp.com.

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