

News Release

Contacts:

Alexis Levenson

Guy Carpenter

1.917.937.3264

alexis.levenson@guycarp.com

Barbara Yeung

Guy Carpenter

852.2582.3537

barbara.yeung@guycarp.com

Karen DeMartine

DeMartine Group

1.203.221.2790

kdemartine@demartinegroup.com

Reinsurance Rates Softened for Asia Pacific in 2010, Finds New Guy Carpenter Report

New York, October 21, 2010

In line with global market trends, the reinsurance market in Asia Pacific experienced the same downward pressure on rates in 2010 as most other markets, according to a new report from Guy Carpenter & Company, LLC, the leading global risk and reinsurance specialist and a part of the Marsh & McLennan Companies (NYSE: MMC). The Asia Pacific region is one of the reinsurance industry's fastest-growing markets.

The *Asia Pacific Catastrophe Report* finds that approximately 20 percent of every dollar of major catastrophe excess of loss reinsurance limit purchased in the world covers countries in Asia Pacific. In terms of total catastrophe excess of loss reinsurance premium spend, about 10 percent to 15 percent covers Asia Pacific countries. The more mature markets of Japan and Australia/New Zealand account for most of the total limit and premium spend in the region.

The report also addresses the rapid growth of catastrophe reinsurance in many of the Asia Pacific countries over the past ten years, identifying the different drivers of growth for each of these markets. For example, growth in Japan, the region's largest reinsurance buyer, has been fueled by enhancements to modeling techniques, capital management practices and solvency treatment.

The report's executive summary is available at www.gccapitalideas.com. The full report reviews the catastrophe exposure, insurance availability and reinsurance market conditions of major countries in the Asia Pacific region, providing insights into the 2011 renewal season as well as the progress of the region's overall development as a major growth market.

QUOTES

James Nash, CEO of Asia Pacific Region, Guy Carpenter & Company

"Due to economic constraints, there is underinsurance for the catastrophe peril in many countries in the region. As economies grow, so does the demand for catastrophe insurance. An increasing number of reinsurance companies are establishing branches or subsidiaries in the region to take advantage of the ability to diversify their capital as new catastrophe reinsurance opportunities present themselves. We also see heightened interest in the creation of new local reinsurers, capitalized with Asian capital and based in the region."

TAGS/KEYWORDS

Guy Carpenter, reinsurance, catastrophe, cat market, Asia, Pacific, 2011, risk, renewal, risk management, Nash

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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 over 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 and Energy; Medical Professional Liability; 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, GC Analytics 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.

Guy Carpenter's intellectual capital website, www.GCCapitalIdeas.com, leverages blog technology, including Real Simple Syndication (RSS) feeds and searchable category tags, to deliver Guy Carpenter's latest research as soon as it is posted. In addition, articles can be delivered directly to BlackBerrys and other handheld devices.

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