

News Release

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Guy Carpenter Publishes Second Part of Re/Insurance Industry's
Guide to Succeeding Under Solvency II
Second in Series of Special Reports Examines Best Strategies
For Managing Pillar II and Pillar III Requirements

New York, April 11, 2011

Guy Carpenter & Company, LLC, the leading global risk and reinsurance specialist and a member of Marsh & McLennan Companies (NYSE: MMC), today announced the release of *Succeeding Under Solvency II – Corporate Governance (Pillar II) and Disclosure (Pillar III)*, the second report in a special series for re/insurers operating in or covering risks in Europe. The first report, published earlier this month, focuses on Pillar I requirements.

The new report examines:

- The rigorous corporate governance programs that (re)insurers will need to implement under Solvency II, covering the core functions of risk management, actuarial, internal audit and internal controls.
- Expectations under the Pillar II requirement of every company conducting its “own risk and solvency assessment” (ORSA).
- The internal model approval process as an alternative to using the standard formula to determine a company’s solvency capital requirement (SCR).
- The two levels of disclosure – regulator and public – required under Pillar III.
- Catastrophe modeling documentation requirements for Solvency II compliance.

A full copy of the report is available on www.GCCapitalIdeas.com, Guy Carpenter's intellectual capital website.

QUOTES

Peter Stubbings, Managing Director, Guy Carpenter & Company

“Directly or indirectly, Solvency II will change the insurance industry worldwide. As the industry’s authority on Solvency II, we are helping clients prepare for the challenges and opportunities under the new regime. Mastering Pillars II and III goes beyond mere compliance – it can translate into a competitive edge in the market where there are few operational opportunities to stand out.”

Claude Lefebvre, Head of GC Analytics – EMEA Region, Guy Carpenter & Company

“Final implementation measures for Solvency II are still being discussed and will determine the form and impact of this new regulation on the industry. Nonetheless, it is clear that companies need to address several key issues to ensure that they will be ready for the new regulatory framework.

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Likely among them is the building and documenting of an internal model that is embedded within an organization's enterprise risk management structure to meet the Solvency II use test requirements."

TAGS/KEYWORDS

Guy Carpenter, Solvency II, Pillar I, Pillar II, Pillar III, corporate governance, disclosure

About Guy Carpenter

Guy Carpenter & Company, LLC is the world's leading risk and reinsurance specialist and a member of 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 AnalyticsSM 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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