

News Release

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Guy Carpenter Addresses Insurer Strategies for Profitable Growth
At Monte Carlo Rendez-Vous 2011
Sees Opportunity amid Uncertainty in a Directionless Market

New York, September 11, 2011

In its fourth annual press briefing held at the Reinsurance Rendez-Vous 2011 in Monte Carlo, Guy Carpenter & Company, LLC, the leading global risk and reinsurance specialist and a member of Marsh & McLennan Companies (NYSE: MMC), identified and explored insurers' opportunities for growth in today's uncertain re/insurance market.

Alex Moczarski, President and CEO of Guy Carpenter, led a briefing on *Opportunity amid Uncertainty*. Joining him were Guy Carpenter's Chris Klein, Head of Sales Operations for the UK and EMEA regions and Market Relationships; Nick Frankland, CEO of EMEA Operations, and Bill Kennedy, CEO of Global Analytics and Advisory.

- Mr. Moczarski opened the discussion with an overview of the factors driving uncertainty in the re/insurance market, covering global risks, fiscal crises and macro industry issues, and set the stage for examining growth opportunities in an adrift market.
- Mr. Klein followed with a detailed report on the state of the global reinsurance market, providing insights and observations on industry financial results for the first half of 2011 and their implications, the recent historically high catastrophe losses, the tightening reserving cycle and outlook for the global industry.
- Mr. Frankland presented an overview of the European market, explaining the factors that could influence renewal pricing as well as those that are likely to subdue upward price movement at the January 1, 2012 renewals.
- Mr. Kennedy addressed emerging issues in analytics, examining catastrophe models as both a source of industry disruption and uncertainty as well as opportunity; capital convergence, and innovation at Guy Carpenter.

A replay of the full press briefing is available at www.GCCapitalIdeas.com.

QUOTES

Alex Moczarski, President and CEO, Guy Carpenter & Company

"Every CEO in this industry is asking the same question: How do we achieve growth in this directionless market? The current climate is uncertain at best, but we believe that growth opportunities do exist – or can be created – by those cool minds with access to the right insight, right tools and right transactional capabilities."

"As insurance professionals, we must remember that a market such as this can actually work to our advantage. Uncertainty equals risk, which, for us – unlike virtually any other industry – equals opportunity. New and old risks can be securitized. Non-traditional approaches can be used to counter the squeeze on reserves. New and emerging markets can be developed and capitalized, while changing demographics in mature markets offer new opportunities. New tools

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and strategies, such as predictive modeling based on real data rather than fixed assumptions, can be employed to more effectively manage and monetize old – or evolving – risks.”

Chris Klein, Head of Sales Operations for the UK and EMEA regions and Market Relationships, Guy Carpenter & Company

“This year’s earthquakes have given particular pause for thought. The Christchurch and Tohoku earthquakes tested and in some cases defeated accepted parameters. How confident can we be about earthquake loss assumptions for California, New Madrid or Tokyo?”

Nick Frankland, CEO of EMEA Operations, Guy Carpenter & Company

“Despite all the challenges and variables that have set the current market adrift, we believe that there is adequate capacity if it is approached sensibly and carefully. We believe that, barring late-year catastrophes or sustained upward revisions of early-2011 loss estimates, these factors will keep aggregate risk-adjusted rates in Europe flat to slightly down at the 2012 renewal.”

Bill Kennedy, CEO of Global Analytics and Advisory, Guy Carpenter & Company

“We believe these [catastrophe] models are very useful in assessing risk exposure, and it is no surprise they have become essential tools for any insurer underwriting catastrophe loss coverage. However, these models reflect highly imperfect science and carry levels of uncertainty far greater than their influence would suggest. Guy Carpenter has begun to encourage clients to take a multi-model approach when assessing total portfolio risks.”

TAGS/KEYWORDS

Guy Carpenter, Monte Carlo, Rendez-Vous, insurance, reinsurance, Moczarski, Klein, Frankland, Kennedy

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. GC Fac® 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.quycarp.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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