

News Release

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Guy Carpenter Publishes First *Industry Risk Benchmarks* Report
Provides Risk Benchmarks for Assessing Risk Parameters
Used by Insurers in Economic Capital Modeling

New York, August 25, 2011

Guy Carpenter & Company, LLC, the leading global risk and reinsurance specialist and a member of Marsh & McLennan Companies (NYSE: MMC), today announced publication of its first *Industry Risk Benchmarks* report, which provides risk benchmarks for loss ratios and reserves, by line of business, for coefficient of variation (standard deviation/mean), correlation and cycles.

The risk benchmarks are based on proprietary analyses of an extensive database of industry information that includes the reported financial results of hundreds of insurance companies over a thirty-year period. Insurers can use the benchmarks to assess the risk parameters that they use in economic capital models.

Developed in conjunction with Risk Lighthouse LLC, a research firm specializing in the development of economic risk intelligence, risk indices and modeling tools for the financial and insurance industries, the report was presented yesterday at the 2011 Risk Benchmarks Conference in New York, hosted by Guy Carpenter and Risk Lighthouse. Speakers included Steve White, Guy Carpenter's Chief Actuary; Jessica Leong, Guy Carpenter's Lead Casualty Specialty Actuary; Shaun Wang, Ph.D., Chairman of Risk Lighthouse and Chair of Actuarial Science at Georgia State University; and Don Mango, Guy Carpenter's Head of Global Advisory.

The report is available upon request exclusively to clients of Guy Carpenter.

QUOTES

Don Mango, Head of Global Advisory, Guy Carpenter & Company

"We developed the risk benchmarks as a timely tool to help insurers in their economic capital modeling, with detailed explanations on what they mean and how they can be used. As we update this report annually, we plan to include additional benchmarks that clients would find useful when calculating risks and estimating reserves."

TAGS/KEYWORDS

Guy Carpenter, Risk Lighthouse, risk benchmark, loss ratio, reserve, economic capital, model, Mango, Leong, White, Wang

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About Guy Carpenter

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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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