

News Release

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Insurers See Growth in Program Administrators and Managing General Agents Marketplace in 2012, According to Guy Carpenter Survey

New York, February 29, 2012

Specialty program insurance providers predict that the Program Administrators and Managing General Agents (PA/MGA) market will grow in 2012 as a result of changes taking place in program business, according to a survey conducted by Guy Carpenter & Company, LLC, the leading global risk and reinsurance specialist and a member of Marsh & McLennan Companies (NYSE: MMC). In its annual study of the PA/MGA marketplace, Guy Carpenter surveyed both traditional insurance companies with specialty program operations and specialty insurance carriers about their program business and the direction of the PA/MGA marketplace.

Now in its seventh year, the study found that while the majority of respondents perceive the PA/MGA marketplace today to be smaller than it has been in previous years, many (51 percent) see it growing in 2012. Overall survey results suggest that the willingness of program carriers to adopt a more flexible approach to building the business will become a key driver of growth. Survey respondents report that they are now considering smaller programs, larger territorial scope and start-up programs as well as fronting opportunities in order to grow, or at least to maintain, a reasonable market share.

Poised for Growth: Guy Carpenter's Seventh Annual Specialty Insurance Program Issuing Carrier Survey, available for download at www.GCCapitalIdeas.com, provides an in-depth analysis of the survey findings. The report includes a summary of market size, dynamics and key challenges, as well as insights into program demands and preferences, operating platform structure, performance management, reinsurance purchasing and growth plans.

QUOTES

John Trace, Executive Vice President – GCFac®, Guy Carpenter & Company, LLC

“As program administrators and managing general agents continue pushing hard to grow their business against the backdrop of smaller programs and premiums and a struggling economy, their carrier partners appear ready to collaborate in finding ways to achieve mutual revenue growth and profitability. Hopefully, the results of this year’s survey shed light on where program carriers see the best opportunities.”

TAGS/KEYWORDS

Guy Carpenter, insurance, reinsurance, program administrator, managing general agent, MGA, specialty insurance, program business, Trace

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