

News Release

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Enhanced Catastrophe Modeling Needed for Companies Seeking Growth in Latin America and the Caribbean

New York, September 20, 2013 – At the GC Symposium for Latin America & Caribbean Region Partners hosted today by Guy Carpenter & Company, LLC, the leading global risk and reinsurance specialist, Manuel Chirouze, Senior Vice President of Latin America and Caribbean Catastrophe Modeling, addressed the need for more in-depth catastrophe modeling in these geographic markets.

“Catastrophe modeling can be much more than a metric for reinsurance pricing, it can become one of the key elements for guiding the growth strategy of a company,” Mr. Chirouze told an audience of approximately 75 (re)insurance executives attending the event in Miami.

With developing economies currently accounting for approximately two-thirds of overall global economic growth, the rapid expansion of wealth in regions like Latin America and the Caribbean is creating opportunities for both insurers and reinsurers. However, as carriers target new prospects in the area, there is an increasing need for better and more comprehensive tools for modeling risk. A lack of quality data and modeling tools in emerging markets highlights the risk of adding inadequately priced business to a company’s portfolio when pursuing aggressive geographic diversification strategies.

Significant gaps in coverage and model limitations still remain. Flooding in particular is a major concern, as flood risk is prevalent and increasing in almost every emerging market. Recognizing this peril, Guy Carpenter is currently developing a flood model for six key population areas of Brazil.

“Through the use of industry-leading analytics, Guy Carpenter can help clients estimate the profitability of each policy taking into account both the catastrophe losses and the cost of insurance, identify areas of growth by line of business and geographic location, and create optimal underwriting guidelines,” Mr. Chirouze said.

The two-day symposium was attended by approximately 75 clients from Latin America and the Caribbean.

“Guy Carpenter understands the needs of the Latin American and Caribbean market and the demand for new and differentiated (re)insurance products and solutions as the region’s many economies grow and evolve,” said Aidan Pope, Chief Executive Officer for Latin America and Caribbean Operations at Guy Carpenter.

TAGS/KEYWORDS

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Catastrophe modeling, Latin America, Caribbean, Brazil, flood, Chirouze, Pope, analytics, risk, emerging markets

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