

News Release

Contacts:

Missy DeAngelis

Guy Carpenter

1.917.937.3118

missy.deangelis@guycarp.com

Jennifer Ainslie

Guy Carpenter

44.207.357.2058

jennifer.ainslie@guycarp.com

Kate Dillon

Prosek Partners

1.212.279.3115 ext. 115

kdillon@prosek.com

Enterprise Risk Management Adoption Accelerating Among Latin American and Caribbean (Re)insurers

NEW YORK, September 19, 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, Donald F. Mango, Vice Chairman and Head of Enterprise Analytics at Guy Carpenter, addressed an audience of approximately 75 (re)insurance executives in Miami about the impacts that varying risk appetites, tolerances, limits and preferences have in establishing an effective enterprise risk management (ERM) system.

“Understanding the fundamental concepts of risk and how they fit into the construction of a successful ERM system is essential for the (re)insurance industry as a whole and in this region, in particular, as regulatory requirements evolve,” said Mr. Mango, explaining the differences between risk appetites, risk tolerances, risk preferences and risk limits. “Both regulators and rating agencies have accelerated their emphasis on enterprise risk management practices and systems as part of any examination of the capital adequacy of a company within the (re)insurance industry,” he said.

The Latin American and Caribbean risk management culture has become more sophisticated as more countries in the region adopt or weigh the implementation of stricter, risk-based capital requirements. In addition, these companies are moving toward making their risk management policies more relevant to their overall business strategy. Increasingly, they are using analytics to examine those policies to improve their (re)insurance purchasing decisions, determine their tolerance to retain risk and decide the optimal point at which to transfer risk. As a result, risk managers in the region are becoming more amenable to using risk financing tools that better gauge their companies’ total cost of risk.

In his presentation, Mr. Mango also gave a historical perspective on the development of risk-based decision-making and its application to insurance. He also offered a framework for embedding corporate risk preferences into capital allocation decisions and examined why there are different attitudes toward risk found between the local office and the home office of (re)insurers.

Mr. Mango’s presentation preceded a related roundtable panel focusing on “Risk and Retention in the Regulatory Environment” moderated by Aidan Pope, Chief Executive Officer for Latin America and Caribbean Operations at Guy Carpenter. “As regulatory scrutiny and disclosure demands increase for the Latin American and Caribbean (re)insurance market, and the industry realizes the competitive advantages that an efficient ERM system can provide, Guy Carpenter will be there to deliver customized analytics and other solutions to clients in the region who need strategic advice on how to manage their traditional and emerging risks,” Mr. Pope said.

Risk Management Adoption Accelerating Among Latin American and Caribbean (Re)insurers

September 19, 2013

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

TAGS/KEYWORDS

Latin America, Caribbean, ERM, enterprise risk management, Mango, Pope, risk preferences, risk appetites, risk tolerances, risk limits

About Guy Carpenter

Guy Carpenter & Company, LLC is a global leader in providing risk and reinsurance intermediary services. 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. For more information, visit www.guycarp.com.

Guy Carpenter is a wholly owned subsidiary of [Marsh & McLennan Companies](#) (NYSE: MMC), a global professional services firm offering clients advice and solutions in the areas of risk, strategy and human capital. With 54,000 employees worldwide and annual revenue of \$12 billion, Marsh & McLennan Companies is also the parent company of [Marsh](#), a global leader in insurance broking and risk management; [Mercer](#), a global leader in talent, health, retirement, and investment consulting; and [Oliver Wyman](#), a global leader in management consulting. Follow Guy Carpenter on Twitter [@GuyCarpenter](#).

*Securities or investments, as applicable, are offered in the United States through GC Securities, a division of MMC Securities Corp., a US registered broker-dealer and member [FINRA/NFA/SIPC](#). Main Office: 1166 Avenue of the Americas, New York, NY 10036. Phone: (212) 345-5000. Securities or investments, as applicable, are offered in the European Union by GC Securities, a division of MMC Securities (Europe) Ltd. (MMCSEL), which is authorized and regulated by the Financial Conduct Authority, main office 25 The North Colonnade, Canary Wharf, London E14 5HS. Reinsurance products are placed through qualified affiliates of Guy Carpenter & Company, LLC. MMC Securities Corp., MMC Securities (Europe) Ltd. and Guy Carpenter & Company, LLC are affiliates owned by Marsh & McLennan Companies. This communication is not intended as an offer to sell or a solicitation of any offer to buy any security, financial instrument, reinsurance or insurance product. **GC Analytics is a registered mark with the U.S. Patent and Trademark Office.

###