

# News Release

Contacts:

**Missy DeAngelis**

Guy Carpenter

1.917.937.3118

[missy.deangelis@quycarp.com](mailto:missy.deangelis@quycarp.com)

**Jennifer Ainslie**

Guy Carpenter

44.207.357.2058

[jennifer.ainslie@quycarp.com](mailto:jennifer.ainslie@quycarp.com)

**Kate Dillon**

Prosek Partners

1.212.279.3115 ext. 115

[kdillon@prosek.com](mailto:kdillon@prosek.com)

## **Guy Carpenter Explores Wider Impact of Market Conditions at Monte Carlo Rendez-Vous 2014**

**September 14, 2014** – The growing presence of the capital markets, over capacity in most lines and territories, and the ongoing rationalization of buying strategies are not only influencing market dynamics, but also the continuing evolution of the broker into a capital and risk advisor. This is according to the panel of speakers at the seventh annual press briefing held at the Reinsurance Rendez-Vous 2014 in Monte Carlo by Guy Carpenter & Company, LLC, the leading global risk and reinsurance specialist, and wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC).

The briefing was led by Alex Moczarski, President and Chief Executive Officer, Guy Carpenter & Company, and Chairman, Marsh & McLennan Companies International. He was joined by David Priebe, Vice Chairman and Head of GC Securities; Nick Frankland, CEO of EMEA operations; and James Nash, CEO of Asia-Pacific operations.

Mr. Moczarski opened the briefing by providing a concise overview of the current state of the reinsurance sector. He said: “Market conditions continue to be driven by limited catastrophe losses and new capital continuing to enter from alternative sources,” stating that, “almost all lines of business and geographies have been affected directly or indirectly by the surplus capacity and weak market.”

Focusing on the continuing supply of capacity from new sources, Mr. Priebe said: “Guy Carpenter estimates that the global property catastrophe limit exceeds US\$300bn, with non-traditional reinsurance in the form of catastrophe bonds, collateralized reinsurance and industry loss warranties increasing from 14 percent last year to an estimated 16 percent this year. This is double the 8 percent of 2008.” Investor interest in such structures, he added, remained high during the period. “Strong investor demand meant placements were routinely over-subscribed, often by multiples of the targeted size.”

Turning to developments in EMEA, where newer capital is yet to have a significant impact, Mr. Frankland described the region as “a mature, stable market saturated with existing capacity and clients tending towards buying less reinsurance”. This approach to purchasing he said reflected the continuing centralization of the buying process. “Groups are taking a longer-term and more strategic rather than short-term tactical approach,” he stated. “This in turn has seen a smaller number of reinsurers selected as long-term strategic partners.” Opportunities for growth in such an environment however still remain, he said. “Future growth for a reinsurance broker demands a

## **Guy Carpenter Explores Wider Impact of Market Conditions at Monte Carlo Rendez-Vous 2014**

September 14, 2014

thoughtful, strategic, analytical and intellectual value offering above and beyond traditional structuring and placing.”

Continuing the territorial focus, Mr. Nash considered the potential that existed in Asia-Pacific. “It is a blend of mature and emerging markets,” he said, “full of opportunities and challenges, and it requires all market participants to have a broad and diverse set of skills and offerings.” He continued: “As regulation develops across the region, and insurers are open to a wider array of modelling options by vendor and peril, we are seeing an increase in the understanding and quantification of the catastrophe risk in the region. This in turn leads to more transparent risk and capital management decision-making,” but, “at this stage the majority of alternative capital activity remains in the mature markets of Japan and Australia.”

In his concluding comments, Mr. Moczarski said: “The focus for many in the industry continues to be on the deflationary effect of excess capital. This can lead to negative introspection or just waiting for the ‘big one’ to strike. Such passivity won’t do. We must take the initiative. For a broker, this means constant innovation, anticipation of clients’ needs and delivering the best solutions.”

A replay of the full press briefing will be made available at 8.00am CEST on Sunday September 14 at [www.GCCapitalIdeas.com](http://www.GCCapitalIdeas.com).

### **TAGS/KEYWORDS**

Guy Carpenter, Monte Carlo, Rendez-Vous, reinsurance, capital, Moczarski, Priebe, Frankland, Nash

### **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; cyber solutions; excess and umbrella; excess and surplus lines; healthcare & life; marine and energy; mutual insurance companies; 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](http://www.guycarp.com) and follow Guy Carpenter on Twitter [@GuyCarpenter](https://twitter.com/GuyCarpenter).

## Guy Carpenter Explores Wider Impact of Market Conditions at Monte Carlo Rendez-Vous 2014

September 14, 2014

**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. **Marsh** is a global leader in insurance broking and risk management; **Mercer** is a global leader in talent, health, retirement, and investment consulting; and **Oliver Wyman** is a global leader in management consulting. With annual revenue exceeding \$12 billion, Marsh & McLennan Companies' 55,000 colleagues worldwide provide analysis, advice, and transactional capabilities to clients in more than 130 countries. The Company prides itself on being a responsible corporate citizen and making a positive impact in the communities in which it operates. Visit [www.mmc.com](http://www.mmc.com) for more information.

\*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.

###