Guy Carpenter Launches MetaRisk® Reserve™ 4.5

Newest Version of Guy Carpenter’s Patented Modeling Tool Enables Users to Aggregate Reserve Risk in a Portfolio

New York, July 21, 2015 - Guy Carpenter & Company, LLC, a leading global risk and reinsurance specialist and a wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC), today announced the launch of MetaRisk® Reserve™ 4.5. The latest version of this powerful reserve risk modeling solution delivers a faster and more flexible aggregation tool as well as an updated and unique predictive model for calculating Solvency II and ORSA issues.

MetaRisk Reserve 4.5’s new aggregation interface with its updated capabilities offers an easy-to-use yet flexible means of combining multiple lines of business. Additionally, this modeling solution enables users to supplement Guy Carpenter’s Annual Risk Benchmarks Report by estimating line of business correlation from company-specific data.

Furthermore, the ability of MetaRisk Reserve 4.5 to use a Generalized Linear Model to estimate a one-year view of reserve risk places it beyond the limitations of traditional industry models.

“MetaRisk Reserve 4.5 gives clients the capability to address company-wide capital requirements by modeling a firm’s entire reserve risk portfolio,” said Steve White, Chief Actuary and Head of Enterprise Analytics for Guy Carpenter. “This new release reinforces Guy Carpenter’s commitment to helping our clients with Solvency II and ORSA reporting requirements. MetaRisk Reserve 4.5 also demonstrates Guy Carpenter’s continued expertise in developing state-of-the-art economic capital modeling solutions, which enables insurers of all types and sizes to more effectively assess key risks, benchmark risk profiles, allocate capital, meet regulatory and rating agency requirements and strategize for the future.”

Reserve risk is the largest risk on many insurers' balance sheets and affects both solvency and earnings volatility. Changes in calendar year trends, such as inflation increases, are the biggest drivers of reserve deficiencies. Most reserving models cannot capture inflationary trends and, as a result, ignore this risk. MetaRisk Reserve 4.5, however, measures the inflationary trends in insurers' loss triangles – making it the most current approach to achieving a true and transparent view of reserve positions.

Awarded a U.S. patent in 2013 (and another pending) for its unique system for determining loss reserves, MetaRisk Reserve enables clients to capture historical economic trends, such as inflation,
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in order to get a better understanding of how those trends can affect the loss reserves of their companies. MetaRisk Reserve can also be incorporated into a spreadsheet so that analysis can be performed with any data.

MetaRisk Reserve is seamlessly integrated with the latest version of MetaRisk®, Guy Carpenter’s premier risk and capital management decision-making tool, to produce reserve event files. MetaRisk Reserve 4.5 can be used with MetaRisk or on a standalone basis.

TAGS/KEYWORDS  
Guy Carpenter, MetaRisk Reserve 4.5, MetaRisk, patent, reserve, risk modeling, Solvency II, ORSA, inflation, White, actuary, Generalized Linear Model, aggregation

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; public sector; 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 modelling tools that optimize the reinsurance decision-making process and help make the firm’s clients more successful. For more information, visit www.guycarp.com and follow Guy Carpenter on Twitter @GuyCarpenter.

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