News Release

In 2015, Growth and Innovation Demonstrated in Asia Pacific, according to Guy Carpenter Report

New York, November 2, 2015 – Guy Carpenter & Company, LLC, a leading global risk and reinsurance specialist and member of Marsh & McLennan Companies (NYSE: MMC), today published a new report finding that prevailing market conditions continued to allow buyers in the Asia Pacific region to achieve favorable pricing, terms and conditions as capacity exceeded demand.

Buyers in the region took the opportunity to increase protection levels, with the regional catastrophe limit purchased increasing by exactly 10.0 percent year-on-year and conversely the GC Asia Pacific Rate on Line (ROL) index tracking down by 9.9 percent.

In the Asia Pacific Catastrophe Report 2015, Guy Carpenter discusses how the 2015 underwriting year is set to mirror that of 2013 and 2014 by returning a regional catastrophe loss ratio of below 20.0 percent. This despite continued depreciation of some key zone currencies against the U.S. dollar, the explosion in Tianjin and the deterioration of prior year losses from New Zealand and Japan.

Outstanding 144A catastrophe bonds increased by 22 percent since September 2014, in addition to the completion of Panda Re, the first ever cat bond benefiting a Chinese insurer or reinsurer. Appetite for regional primary catastrophe premium from alternative capital providers remained high and although a key component of the functioning market, penetration on programs remained low relative to other territories. Such capital is estimated to form close to 6.0 percent of total regional catastrophe limit.

“Once again, the Asia Pacific region has claimed many of the global industry headlines in 2015, from outbound M&A by Asian insurance groups to the Tianjin explosion in China. As evidenced in our report, despite a number of market losses, the Asian 2015 regional catastrophe loss ratio is currently below 20.0 percent. It is therefore unsurprising that we continue to see interest from both new and old capital providing buyers a choice of products and selection of counterparties with which to transfer their catastrophe risk,” said James Nash, CEO of Asia Pacific Region. “Our role continues to be to guide our clients through this ever-changing landscape and ensure that they are able to secure tailored protections to meet evolving risk management needs.”
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TAGS/KEYWORDS
Guy Carpenter, Asia Pacific, James Nash, catastrophe, reinsurance, alternative capital, catastrophe bond, emerging markets

About Guy Carpenter
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