

# News Release

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## GUY CARPENTER LAUNCHES PROBABILISTIC INDONESIA FLOOD MODEL

**New York, September 8, 2020** – Guy Carpenter & Company, LLC, a leading global risk and reinsurance specialist and a business of Marsh & McLennan Companies (NYSE: MMC), today announced the launch of its new Indonesia Flood Model. The fully probabilistic model provides countrywide coverage and enables insurers to assess their exposure to floods, the most frequently occurring natural peril in the country.

The Indonesia Flood Model is based on a 10,000-year stochastic catalogue simulating both fluvial (riverine) and pluvial (rainfall) flooding. The fluvial component of the hazard was developed using state-of-the-art hydrological and hydraulic modeling to simulate rainfall and river discharges across the river network in the country. Pluvial flooding is simulated using an in-house methodology accounting for local climate conditions, soil type, land use, and topography.

Offering enhanced flexibility, the model can produce event-loss tables, occurrence exceedance probability curves, and average annual losses at virtually any level of aggregation. It is powered by the Oasis Loss Modelling Framework (Oasis LMF), an open-source catastrophe modeling platform designed and built by the (re)insurance industry. Outputs can be leveraged using Guy Carpenter's MetaRisk® platform to analyze reinsurance structures and for capital modeling.

"Indonesia suffers from very regular flooding," said Dr. David Maréchal, Lead Hydrologist at Guy Carpenter. "This is driven by natural causes such as high-intensity seasonal rainfall, and man-made influences such as increasing urban density in flood plains and deforestation. We expect to see increased impact from flooding over the near and medium term due to climate change influences."

Rob Bentley, CEO of Global Strategic Advisory at Guy Carpenter, said: "The release of our Indonesia model follows the success of our Thailand, Malaysia and Philippines models. The new model covers the whole of Indonesia, replacing our previous Jakarta-only model, and includes the proposed area for the new capital city in East Kalimantan. Our new generation of models in Southeast Asia have combined event-sets, allowing us to study correlations within the region."

Tony Gallagher, CEO for the Asia-Pacific Region at Guy Carpenter, added: "Flooding impacts thousands of people in Indonesia every year, yet the country faces a significant insurance gap which has severe implications for its economic resilience. Our industry is working to address climate change, with flood being particularly impacted in Indonesia and other countries in Asia. At Guy Carpenter, we are committed to working with our clients and partners on climate change to improve understanding and create tools such as our new flood model."

### TAGS/KEYWORDS

Guy Carpenter, Marsh & McLennan, MMC, Indonesia, flood, model, Jakarta, Bentley, Maréchal, Gallagher

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### **About Guy Carpenter**

[Guy Carpenter & Company, LLC](#) is a leading global risk and reinsurance specialist with more than 3,100 professionals in over 60 offices around the world. Guy Carpenter delivers a powerful combination of broking expertise, trusted strategic advisory services and industry-leading analytics to help clients adapt to emerging opportunities and achieve profitable growth. Guy Carpenter is a business of [Marsh & McLennan](#) (NYSE: MMC), the world's leading professional services firm in the areas of risk, strategy and people. The company's 76,000 colleagues advise clients in over 130 countries. With annual revenue of \$17 billion, Marsh & McLennan helps clients navigate an increasingly dynamic and complex environment through four market-leading businesses including Marsh, Mercer and Oliver Wyman. For more information, visit [www.quycarp.com](http://www.quycarp.com) and follow Guy Carpenter on LinkedIn and Twitter @GuyCarpenter.