



## News Release

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### Guy Carpenter Publishes Report on 2007 Australian East Coast Storm

**New York, October 11, 2007**

Guy Carpenter & Company, LLC, the leading global risk and reinsurance specialist and a part of the Marsh & McLennan Companies (NYSE: MMC), today announced that its InStrat® unit has published a report on the impact of the powerful East Coast Low (ECL) pressure system that hit New South Wales in Australia between June 7-10, 2007.

The study, *Australian East Coast Storm 2007: Impact of East Coast Lows*, provides a detailed overview of the storm damage and severe flooding in the affected region, along with insured loss estimates. The report also explores the meteorological background of ECLs in greater detail, examines the potential impact of climate change and offers a broader analysis of the various natural hazards that exist in Australia, including potential damage costs and flood assessment.

“This report demonstrates that ECLs – such as those that hit Australia’s East Coast in June – often bring strong winds and intense rainfall to the coasts of southern Queensland, New South Wales and eastern Victoria. They are a persistent risk when climatic conditions are favorable for their formation,” said Scott Grove, Managing Director, Guy Carpenter.

Mr. Grove added, “Population density and wealth per capita have both recently increased in most of the areas hit by the June 2007 storm, contributing in this case to significant damage and very high insurance claims.”

The June event brought winds of up to 125 kmph (80 mph) to New South Wales, while the accompanying heavy rain caused widespread flooding in the Hunter Region and flashflooding in the city of Newcastle. As a result of the storms, thousands of people were forced to evacuate their properties and more than 200,000 homes lost power. According to the report, more than 90,000 insurance claims have been filed to date at an estimated cost of A\$1.35bn, making the event the eighth most expensive in Australia’s history.

“Although cover for flood is now on the increase in Australia, some of the flooding from this event was excluded from settlement,” said Mr. Grove. “Most major insurers are now examining how to integrate full flood into their standard residential policies, and there is an increasing need for tools and data to help quantify the exposure. Guy Carpenter is currently assessing the possibility of producing appropriate products that can help quantify the flood risk across Australia, and we expect to continue to expand our resources and capabilities in this area.”

## **Guy Carpenter Publishes Report on 2007 Australian East Coast Storms**

October 11, 2007

Copies of the report are available for download at [www.guycarp.com](http://www.guycarp.com). Printed copies can be obtained by contacting Guy Carpenter at [marketing@guycarp.com](mailto:marketing@guycarp.com).

Guy Carpenter & Company, LLC is the world's leading risk and reinsurance specialist and a part of the Marsh & McLennan Companies. Guy Carpenter creates and executes reinsurance solutions and makes available capital market solutions\* for clients worldwide through 2,600 professionals across the globe. The firm's full breadth of services includes 16 centers of excellence in Accident & Health, Agriculture, Alternative Risk Transfer, Environmental, General Casualty, Investment Banking\*, Life & Annuity, Marine & Energy, Professional Liability, Program Manager Solutions, Property, Retrocessional, Structured Risk, Surety, Terror Risk, and Workers Compensation. In addition, Guy Carpenter's InStrat® unit utilizes industry-leading quantitative skills and modeling tools that optimize the reinsurance decision-making process and help make the firm's clients more successful. Guy Carpenter's website address is [www.guycarp.com](http://www.guycarp.com).

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