

News Release

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Guy Carpenter Publishes July 1, 2008 Life, Accident and Health Renewals Briefing Cedent Behavior Largely Unchanged from July 1, 2007

New York, August 13, 2008

Guy Carpenter & Company, LLC, the leading global risk and reinsurance specialist, today published *Approaching a Natural Floor: Life, Accident and Health Renewals at July 1, 2008*. The briefing finds market behavior relatively unchanged, with life, accident and health reinsurance prices continuing to fall as a result of several consecutive relatively benign loss years.

“The life, accident and health market is experiencing a period of relative stability, with a steady decline in pricing across most lines,” said David Rains, Managing Director, Guy Carpenter. “In this environment, cedents are increasingly looking to protect themselves against long-term volatility, which explains the heightened interest in multi-year reinsurance coverage we see at July 1, 2008 renewals.”

Among the briefing’s key findings:

- **Personal Accident Catastrophe** – Prices continue to drop, with a decrease in the rate of decline. Cedents have focused on purchasing higher limits and increasing retentions.
- **Medical Stop-Loss** – Rates approached the break-even point for medical stop-loss at mid-year renewals. Prices have become firmer as reinsurers approach a natural floor on their return on capital.
- **Accidental Death Carve-Out** – An evolving market and programs structured around “ground-up” cover have begun to give way to structures with deductibles near expected claims.
- **Long-Term Disability** – With long-term disability writers seeking growth and higher profits, retentions have increased, accompanied by higher attachment points. With the business performing well, reinsurers have continued to show a healthy appetite for long-term disability programs. Rates, terms and conditions have all remained stable as compared to July 1, 2007.
- **Term Life Insurance** – The trend away from coinsurance in term life lines has slowed. Insurers are becoming comfortable holding larger amounts of mortality risk but still seek capital efficiencies.

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- **Multi-Year Coverage** – Across a number of lines of business, cedents are beginning to explore multi-year coverage for a variety of reasons, including protection against market volatility and the ability to maintain coverage in the event of a major market-changing event.

A full copy of the briefing can be downloaded at www.guycarp.com.

About Guy Carpenter

Guy Carpenter & Company, LLC is the world's leading risk and reinsurance specialist and a part of the Marsh & McLennan Companies. With 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; Excess and Umbrella; Life, Accident and Health; Marine; Medical; Political Risk and Trade Credit; Professional Liability; Property; Retrocessional Reinsurance; Surety; Terrorism and Workers Compensation. GCFac® 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, 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.

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