

## News Release

### Contacts:

**Alexis Levenson**

Guy Carpenter

1.917.937.3264

[alexis.levenson@guycarp.com](mailto:alexis.levenson@guycarp.com)

**Matt Conroy**

DeMartine Group

1.203.221.2790

[mconroy@demartinegroup.com](mailto:mconroy@demartinegroup.com)

### January 1, 2009 Casualty Clash Reinsurance Renewal Stable, According to Guy Carpenter Briefing Market Remains Small, But Larger Carriers Showing Renewed Interest

#### New York, January 29, 2009

Casualty clash reinsurance rates increased by 1.1 percent on average at the January 1, 2009 renewal, according to a briefing published today by Guy Carpenter & Company, LLC on [www.GCCapitalIdeas.com](http://www.GCCapitalIdeas.com). Specific layers renewed at rates between -12.3 percent and 17.5 percent, based on program-specific factors such as loss history and changes to limits and retentions.

“Overall, the casualty clash reinsurance market remained relatively stable at the January 1, 2009 renewal,” said Nick Olijslager, Head of Guy Carpenter’s Casualty Clash Niche Specialty. “Though casualty clash remains a small market, we are starting to see a number of larger carriers reviving their interest in this product and beginning to secure protection, particularly those with larger net lines of business in their portfolios.”

According to the briefing, 70 percent of casualty clash programs either renewed at expiring terms or were able to secure rate decreases relative to 2008. In addition, 45 percent of programs secured rate decreases year-over-year, with another 25 percent renewing at expiring terms. Only 30 percent of programs sustained price increases at the January 1, 2009 renewal.

Other major findings from the briefing include:

- **Retentions:** Only six percent of renewing programs increased retentions, while 23 percent lowered them. Some carriers increased clash retentions as part of a broader trend involving other lines of business, while others did so because of loss activity. In addition, 15 percent of renewing programs moved for higher limits, while only eight percent went in the opposite direction.
- **Required Capacity:** With a limited number of carriers purchasing this form of coverage, capacity was sufficient and relatively unaffected by the effects of the global financial catastrophe.
- **Availability:** The availability of capital was increased by the participation of property-catastrophe markets interested in diversifying into non-accumulating lines of business.

# January 1, 2009 Casualty Clash Reinsurance Renewal Stable, According to Guy Carpenter Briefing

January 29, 2009

Guy Carpenter's intellectual capital website, [www.GCCapitalIdeas.com](http://www.GCCapitalIdeas.com), leverages blog technology, including Real Simple Syndication (RSS) feeds and searchable category tags, to deliver Guy Carpenter's latest research as soon as it is posted. In addition, articles can be delivered directly to BlackBerry® devices and other personal digital assistants (PDAs).

## **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](http://www.guycarp.com).

\* Securities or investments, as applicable, are offered in the United States through GC Securities, which is a division of MMC Securities Corp., a US registered broker-dealer and member FINRA/SIPC. Main Office: 1166 Avenue of the Americas, New York, NY 10036. Phone: (212) 345-5000. Advice on securities or investments in the European Union is provided through GC Securities Ltd., authorized and regulated in the UK by the Financial Services Authority. Reinsurance products are placed through qualified affiliates of Guy Carpenter & Company, LLC. MMC Securities Corp., GC Securities Ltd. and Guy Carpenter & Company, LLC are affiliates owned by Marsh & McLennan Companies. This communication is not intended as an offer to sell or a solicitation of any offer to buy any security, financial instrument, reinsurance or insurance product.

###