

News release

Contact:

Jennifer Ainslie

Guy Carpenter

+44.20.7357.2058

Jennifer.Ainslie@guycarp.com

Contact:

Eileen Mercer

Marsh

+ 44 07990 802 830

Eileen.Mercer@marsh.com

Innovative risk solutions critical to climate-resilient economy as Egypt considers new NatCat pool

London, November 4, 2022 – Insurance and other risk transfer and financing mechanisms will become increasingly important in managing catastrophic risk as countries transition to more climate-resilient economies. This is according to experts at the “Adapting to a changing climate in the management of catastrophic risks in Egypt” conference that took place on November 3, 2022. The event was hosted by the Insurance Federation of Egypt (IFE), in conjunction with Guy Carpenter, a leading global risk and reinsurance specialist, and Marsh, the world’s leading insurance broker and risk advisor, both businesses of Marsh McLennan (NYSE: MMC).

The event occurred in advance of the 27th session of the Conference of the Parties (COP27) and provided a platform for public and private sector leaders to discuss the near and longer-term repercussions of climate change in Egypt. Experts also discussed how advances in risk mitigation, management, adaptation, and risk transfer are needed to address climate-related catastrophic risks.

Egypt is highly vulnerable to water scarcity, droughts, rising sea levels, and other climate-related impacts. According to the Global Facility for Disaster Reduction and Recovery (GFDRR), natural hazards have killed nearly 1,500 people in Egypt over the last 20 years and caused estimated economic damages of USD 347 million, with the region’s exposure to such perils expected to increase.

Commenting on the role of (re)insurance in efforts to develop a more climate-resilient economy in Egypt, Alaa El-Zoheiry, Chairman, IFE, said: “Addressing climate change is a pivotal part of the IFE strategy; consequentially IFE has taken steps towards dealing with climatic risks by establishing technical committees for sustainable insurance and agricultural insurance, and conducted several events and workshops to discuss such risks. In addition, IFE is working strategically and closely with large reinsurers and reinsurance brokers to identify the best insurance solutions for climatic risks, including but not limited to, establishing a NatCat pool. This conference, in partnership with Guy Carpenter and Marsh, aims at sharing global experience with the Egyptian market on such a crucial topic.”

Nicolas Pinaud, Deputy Director, Directorate for Financial and Enterprise Affairs, OECD, said: “Losses from floods, storms, fires and droughts will become more frequent and severe as climate changes, and while insurance plays an essential role in providing financial protection for households and businesses, insurability challenges will grow, increasing the relevance and potential need for catastrophe risk insurance programmes and other types of insurance market interventions in the future.”

Guy Carpenter has facilitated the development of numerous public/private partnerships to address catastrophic risk. Ruth Lux, Head of Public Sector, UK, Europe, Middle East & Africa, Guy Carpenter, said: “Our industry has a long and proud legacy of advancing risk-reducing technologies as the basis for stable and sustainable insurance markets. The global insurance sector can impact global resilience through effective financial investments and community-level interventions on-the-ground.”

Atish Suri, CEO, Middle East & Africa, Guy Carpenter, added: “For effective risk management, multifaceted strategies are often required to improve a community's ability to rebound from calamitous events, whether from droughts, wildfires, floods, or other catastrophic occurrences. Disaster resilience relies on four pillars – preparedness, mitigation, adaptation, and risk transfer – that must be blended more effectively to manage the challenges society faces from issues brought on by climate change. This is precisely what Guy Carpenter and Marsh are focusing on.”

Providing further insight on transitioning to a more climate-resilient economy, Christos Adamantiadis, CEO Middle East & Africa, Marsh, said: “The ability to anticipate, measure, and manage risks will be a critical advantage to organisations as the transition unfolds. Businesses need to build resilience throughout the transition, analysing the evolving risk environment, preparing for what may happen, and insuring against new types of risk.”

TAGS/KEYWORDS

Guy Carpenter, Marsh, Marsh McLennan, MMC, Insurance Federation of Egypt, OECD, climate change, Egypt, public/private partnerships, Egypt, Nicolas Pinaud, Alaa El-Zoheiry, Ruth Lux, Atish Suri, Christos Adamantiadis

About Guy Carpenter

[Guy Carpenter & Company, LLC](#) is a leading global risk and reinsurance specialist with 3,400 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 86,000 colleagues advise clients in 130 countries. With annual revenue of over \$20 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.guycarp.com and follow us on [LinkedIn](#) and [Twitter](#).

About Marsh

[Marsh](#) is the world's leading insurance broker and risk advisor. With over 45,000 colleagues operating in 130 countries, Marsh serves commercial and individual clients with data-driven risk solutions and advisory services. Marsh is a business of [Marsh McLennan](#) (NYSE: MMC), the world's leading professional services firm in the areas of risk, strategy and people. With annual revenue over \$20 billion, Marsh McLennan helps clients navigate an increasingly dynamic and complex environment through four market-leading businesses: [Marsh](#), [Guy Carpenter](#), [Mercer](#) and [Oliver Wyman](#). For more information, visit mmc.com, follow us on [LinkedIn](#) and [Twitter](#) or subscribe to [BRINK](#).