

## News Release

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### Guy Carpenter Wins Enterprise Risk Management Award Recognized for Innovative, Cutting Edge Research that Advances Risk Management Practices

**New York, March 16, 2011**

Guy Carpenter & Company, LLC, the leading global risk and reinsurance specialist and a member of Marsh & McLennan Companies (NYSE: MMC), has won an award for its thought leadership and innovative research in enterprise risk management (ERM) from the Joint Risk Management Section of the Casualty Actuarial Society, Canadian Institute of Actuaries and Society of Actuaries. Working with research firm Risk Lighthouse LLC, Guy Carpenter accepted the 2011 Award for Practical Risk Management Applications at the 2011 ERM Symposium, held March 14-16 in Chicago.

The award-winning paper, *U.S. Property-Casualty: Underwriting Cycle Modeling and Risk Benchmarks*, was presented at the ERM Symposium as part of an expert panel on strategic risk management, value creation, risk indices and the cost of capital. Based on an in-depth study of the U.S. property-casualty insurance industry, the findings include an analysis of the historical underwriting cycle, with a new regime-switching model for simulating future cycles as a superior alternative to an autoregressive approach.

The paper also presents benchmarks for pricing and reserving risks for different lines of business and segments of the industry, as well as an historical correlation of the ultimate loss ratio between lines of business and the correlation of changes in the reserve estimate between lines of business.

#### QUOTES

**Don Mango, Head of Global Advisory, Guy Carpenter & Company, LLC**

“We are delighted to accept this award and be given the opportunity to present our findings to senior managers who strive to create systematic value and competitive advantage through the effective management of risk and capital. The risk benchmarks and underwriting cycle models introduced in our paper can be used by insurance companies in their own risk analysis and enterprise risk management modeling.”

#### TAGS/KEYWORDS

Guy Carpenter, Risk Lighthouse, Joint Risk Management Section, 2011 ERM Symposium, ERM, Enterprise Risk Management, underwriting cycle, reserving cycle, Mango

#### About Guy Carpenter

Guy Carpenter & Company, LLC is the world's leading risk and reinsurance specialist and a member of Marsh & McLennan Companies. With over 50 offices worldwide, Guy Carpenter creates and executes reinsurance solutions and delivers capital market solutions\* for clients across the

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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 and Energy; Medical Professional Liability; 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, GC Analytics<sup>SM</sup> 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).

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 BlackBerrys and other handheld devices.

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