

News Release

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Guy Carpenter Reveals Findings of Damage Survey in Sandy-Impacted Northeast

Report Details Damage to Areas Hit by Superstorm that Account for 10 Percent of U.S. Economic Output

New York, October 20, 2013 – Guy Carpenter & Company, LLC, the leading global risk and reinsurance specialist and member of Marsh & McLennan Companies (NYSE: MMC), today released a comprehensive assessment of the damage resulting from Superstorm Sandy, highlighting meteorological aspects of the storm and detailed observations of some of the most severely impacted areas across the Northeast.

Nearly one year following Superstorm Sandy's landfall, the retrospective report, titled "Post-Sandy: Damage Survey," details observations and photos from Guy Carpenter's 10-day on-site assessment of Sandy's impacts, for the most severely affected areas in Rhode Island, New York and New Jersey. These areas were inaccessible immediately following the storm and were surveyed over a 6 – 10 week period following Sandy's landfall. Findings and the photographs that document them demonstrate the scope and severity of damage and economic consequences of Superstorm Sandy, especially considering the concentrated commercial interests and population density of the eastern seaboard from New Jersey to Rhode Island, and most notably of Lower Manhattan and Staten Island.

"Sandy was a unique storm with an estimated 700-year return period track, historically low barometric pressures, record wave heights and a historic storm surge. The storm barreled into an area of the country where those types of impacts are rare" said James Waller, PhD, Research Meteorologist for GC Analytics®. "Many of the areas most severely impacted by the storm could not be fully examined until they were deemed safe to enter by the city or authorities. This study presents illustrative photos and a detailed narrative to document our findings of these devastated areas shortly following Sandy's landfall."

Sandy's wrath affected regions across the Northeastern United States, an area that produces approximately 10 percent of U.S. economic output. Evidence of severe inundation was found in nearly all coastal sites surveyed, with the most severe impacts in Mantaloking, Long Beach Island, Breezy Point and Staten Island. Coastal storm surge was most severe from Maryland to Massachusetts, whereas wind gusts were found to have been most severe in Northern New Jersey, Long Island and Rhode Island.

The primary mode of damage was widespread moderate to severe flooding of the first story or below of both residential and commercial buildings. Homes elevated on stilts also sustained damage, and

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those with older construction dates or those that rested on pier-and-beam foundations were catastrophically damaged.

In Lower Manhattan, the inability to heat homes due to damaged gas lines was a significant health and safety threat, as electrical, gas and water systems were compromised. Basements, where diesel or oil tanks are often stored, were flooded in every structure along Water St. Moreover, as the water cleared, a significant mold and mildew hazard remained and many of the structures were inaccessible due to health and safety concerns resulting from compromised water and sanitary infrastructure.

The recovery process is still underway in many affected areas with restorations continuing to home, building and transportation infrastructures damaged in the storm. In New York City, the restoration effort of the Metropolitan Transportation Authority tunnel systems is still in effect and repairs are being made to the subway and electrical conduits that were flooded during the storm. On the coasts of severely damaged areas, barren sandscapes remain in place of the many homes that were destroyed.

"Many of the damages and impacts caused by Sandy were not initially visible from satellite or over flight images," said Waller. "It was important for Guy Carpenter to evaluate the damage, particularly the urban impacts of the storm, to identify implications for homeowners, business owners and municipalities. The fact that the Sandy recovery process is still ongoing, one year later, demonstrates the power of the historic event."

TAGS/KEYWORDS

Guy Carpenter, James Waller, Superstorm Sandy, flood, hurricane, weather, New York, New Jersey, Rhode Island

About Guy Carpenter

Guy Carpenter & Company, LLC is a global leader in providing risk and reinsurance intermediary services. With over 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 and energy; medical professional liability; political risk and trade credit; professional liability; property; retrocessional reinsurance; surety; terrorism and workers compensation. GC Fac® 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®** utilizes industry-leading quantitative skills and modeling tools that optimize the reinsurance decision-making process and help make the firm's clients more successful. For more information, visit www.guycarp.com.

Reactions magazine named Guy Carpenter Best Global Reinsurance Broking Company Overall and Best Reinsurance Broking CEO of the year in 2012. At the *Reactions* London Market Awards, Guy Carpenter was also named Reinsurance Broker of the Year and took home Reinsurance Broking Team of the Year honors for both Property and Aviation. In the past year, Guy Carpenter has also won: Global Best ILS Advisor (GC Securities*), US Best ILS Advisor (GC Securities*) and US Best Broker for Casualty Reinsurance from *Intelligent Insurer*, *Insurance Day's* 2012 ILS Transaction of the Year (GC Securities*), and Reinsurance Broker of the Year for the Asia-Pacific region at the 16th Annual Asia Insurance Industry Awards.

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