

News Release

Contacts:

Missy DeAngelis

Guy Carpenter
1.917.937.3118

missy.deangelis@guycarp.com

Jennifer Ainslie

Guy Carpenter
44.207.357.2058

jennifer.ainslie@guycarp.com

Caroline Harris

Prosek Partners
1.212.279.3115 ext. 222

charris@prosek.com

Specialty Insurance Program Market Poised for Growth Opportunities in 2013, According to Guy Carpenter Survey

New York, June 20, 2013 – Guy Carpenter & Company, LLC, the leading global risk and reinsurance specialist and member of Marsh & McLennan Companies (NYSE: MMC), today released the findings of its eighth annual Specialty Insurance Program Issuing Carrier Survey. The survey, which analyzes trends and benchmarks movement in the Program Administrator and Managing General Agency (PAM/GA) market, reveals that the PAM/GA market continues to thrive and is well-positioned for growth in the year ahead.

Over the last eight years, Guy Carpenter has polled respondents at traditional insurance companies that have specialty program operations as well as true, specialty insurance carriers. Notably, this year saw the highest percentage of traditional carrier respondents (77%) since the survey's inception in 2005. Participants included agencies, underwriters, reinsurance intermediaries and third party service providers (such as claim administration firms). The published briefing, titled *Poised for Growth*, provides year-over-year results and analyses of the current program marketplace from the program issuing carriers' perspective.

Selected key findings from this year's survey include:

- The top challenges facing the PAM/GA market are maintenance of rate level (62%) and new business production (44%). Other challenges include professional submissions (38%) such as updated loss information, premium data and financial information on the PAM/GA market, maintaining volumes (32%), systems (29%), PA relationships (29%), new competitors (15%), and commission levels (6%).
- Reinsurance continues to play an important role for program issuing carriers. Compared to last year, the use of both direct reinsurers and intermediaries increased (up to 76% from 66%).
- While the majority of respondents believe that the PAM/GA market is smaller than it has been in past years, 65 percent believe, optimistically, that a shift in the industry will occur and the market will grow (65%) in 2013.
- Even though carriers continue to be interested in making acquisitions, respondents indicated less interest in growing through acquisitions compared to last year (44% and 56% respectively).

“The results from this year's survey indicate the continuation of a thriving PAM/GA market. Based upon the results, we are seeing an emergence of themes on change, flexibility and growth, that reflect a positive outlook for the year ahead,” said Bill Harris, Managing Director of Specialty Programs at Guy Carpenter. “We look forward to seeing further collaboration between the PAs / MGAs and their carrier counterparts as they work together to achieve mutual growth and profitability in this vibrant insurance market segment.”

Specialty Insurance Program Market Poised for Growth Opportunities in 2013, According to Guy Carpenter Survey

June 20, 2013

The full briefing and survey results are available on www.GCCapitalideas.com.

TAGS/KEYWORDS

Guy Carpenter, insurance, reinsurance, carrier, program administrator, managing general agent, MGA, specialty insurance, program business

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.

Guy Carpenter is a wholly owned subsidiary of [Marsh & McLennan Companies](http://www.marsh.com) (NYSE: MMC), a global team of professional services companies offering clients advice and solutions in the areas of risk, strategy and human capital. With 53,000 employees worldwide and annual revenue exceeding \$11 billion, Marsh & McLennan Companies is also the parent company of [Marsh](http://www.marsh.com), a global leader in insurance broking and risk management; [Mercer](http://www.mercer.com), a global leader in talent, health, retirement, and investment consulting; and [Oliver Wyman](http://www.oliverwyman.com), a global leader in management consulting. Follow Guy Carpenter on Twitter [@GuyCarpenter](https://twitter.com/GuyCarpenter).

*Securities or investments, as applicable, are offered in the United States through GC Securities, a division of MMC Securities Corp., a US registered broker-dealer and member [FINRA/SIPC](http://www.finra.org). Main Office: 1166 Avenue of the Americas, New York, NY 10036. Phone: (212) 345-5000. Securities or investments, as applicable, are offered in the European Union by GC Securities, a division of MMC Securities (Europe) Ltd., which is authorized and regulated by the Financial Services Authority. Reinsurance products are placed through qualified affiliates of Guy Carpenter & Company, LLC. MMC Securities Corp., MMC Securities (Europe) 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. **GC Analytics is a registered mark with the U.S. Patent and Trademark Office.

###