

News Release

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Guy Carpenter Examines Shifting Public Sector Risk Landscape in New Report

New York, October 29, 2015 – Guy Carpenter & Company, LLC, a leading global risk and reinsurance specialist and wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC), today announced the release of its Public Sector Risk Report, *Partnerships: The Way to Public Sector Risk Financing*, which examines the shifting economic and risk landscapes that are driving public sector entities to consider new approaches to risk financing.

“The impact that catastrophic loss can have on the fiscal position and tax base of government entities across the globe is significant,” said Britt Newhouse, Chairman of Guy Carpenter. “The creation of private sector pre-financing options will not only relieve the burden on taxpayers and public finances, but will migrate the management of these catastrophes to insurance and reinsurance companies where claims handling and risk management are at the core of their operations.”

According to the report, approximately 73 percent, or \$2.7 trillion, of natural catastrophe losses globally between 1970 and 2014 were uninsured. Heads of government, international trade organizations and private-sector risk bearers are seeking to re-examine roles and responsibilities through which societies can better manage these complicated risks.

As governments across the globe examine new methods to manage and transfer this risk to the private sector, there are many developments underway to support this changing paradigm. Public-Private-Partnerships (PPPs), for example, have been established for greater economic security. In addition, an increase in capital entering the (re)insurance market and advancements in improving the measurability of risk have led to the introduction of other innovative risk transfer solutions.

“We have seen significant growth in public sector entities transferring risk to the reinsurance market via traditional risk transfer structures, collateralized reinsurance and catastrophe bonds,” said Jonathan Clark, Managing Director and North America head of Guy Carpenter’s Public Sector Specialty Practice. “Reinsurance capacity has been instrumental in providing both savings to public sector entities in years with outsized loss activity as well as protections for loss reserve funds/surplus. At Guy Carpenter, we are committed to helping our clients understand the evolving landscape while supporting their efforts to engage and take advantage of promising business opportunities.”

To view the complete report, *Partnerships: The Way to Public Sector Risk Financing*, visit www.gccapitalideas.com.

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TAGS/KEYWORDS

Guy Carpenter, Public Sector, reinsurance, Britt Newhouse, innovations, public private partnerships, protection gap, Jonathan Clark

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; cyber solutions; excess and umbrella; excess and surplus lines; healthcare & life; marine and energy; mutual insurance companies; political risk and trade credit; professional liability; property; public sector; 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 modelling tools that optimize the reinsurance decision-making process and help make the firm's clients more successful. For more information, visit www.guycarp.com and follow Guy Carpenter on Twitter [@GuyCarpenter](https://twitter.com/GuyCarpenter).

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