

News Release

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Guy Carpenter Examines U.S. Wildfire Risk in New Briefing

New York, October 26, 2015 – Guy Carpenter & Company, LLC, a leading global risk and reinsurance specialist and wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC), today released a new briefing that assesses wildfire risk in the United States. The briefing, *U.S. Wildfire: An Ever Present Hazard*, provides insight into the ongoing threat of wildfires in the U.S. as well as risk mitigation strategies and portfolio modeling for this peril.

The wildfire threat in the summer of 2015 was amplified by a strong ridge of high pressure that created very hot and dry conditions in the western U.S. More than 9.27 million acres were burned by wildfires through October 8, as compared to the 10-year average of around 6.3 million, according to data from the National Interagency Fire Center.

"Wildfire is a significant peril impacting insurers in the United States each year. Preliminary data indicates that 2015 insured losses from wildfires may approach or exceed USD 1.75 billion. Guy Carpenter works with our clients to evaluate their exposure and to deliver a comprehensive wildfire risk management solution," said Tim Gardner, CEO of U.S. Operations.

"Wildfires are a complex peril due to a number of varying prediction factors such as temperature, rainfall deficit and wind conditions," said James Waller, PhD, Research Meteorologist for Guy Carpenter. "As winter approaches, a strong El Niño should bring much needed rainfall to most of California and the Southwest, However, the Northwest will likely continue to experience dry conditions through the winter."

To support clients during a wildfire event, Guy Carpenter provides continuous updates to GC AdvantagePoint® with remote sensing-detected hot spots and actual wildfire perimeters provided directly from the USGS. With this intelligence, clients are able to overlay these boundaries onto their portfolios and quickly generate maps and reports of exposed insured locations. Guy Carpenter also delivers bespoke exposure analysis of annual burn probability, key contributors to risk by line of business and location, and identification of large exposure concentrations in areas at high risk for wildfire as part of its Wildfire Risk Evaluation Report.

"Wildfire continues to be a growing threat to properties in the U.S. and a risk that does not appear to be diminishing," said Sherry Thomas, Head of Catastrophe Management – Americas, Guy Carpenter. "In response, Guy Carpenter has continued to innovate the capabilities of our modeling solutions, through which we can offer detailed estimations of annual burn probability for insurer portfolios, probabilistic modeling and real-time monitoring of current wildfire events across the continental U.S."

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TAGS/KEYWORDS

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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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