

News Release

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Technology Innovation Identified as Top Growth Opportunity for (Re)insurance Industry in 2017, According to Guy Carpenter Annual Market Pulse Survey

New York, November 7, 2016 – Technology innovation will provide the biggest growth opportunities for (re)insurers in the year ahead, according to a survey released today by Guy Carpenter & Company, LLC, a leading global risk and reinsurance specialist and wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC). Now in its fifth year, the annual survey polled executives from insurance and reinsurance companies during the 2016 Property Casualty Insurers Association of America (PCIAA) Annual Meeting held in Dallas, Texas. The goal of this year’s survey was to identify the top opportunities and threats to profitable growth in the year ahead, as well as examine the most significant disruptive forces impacting the industry.

Forty-two percent of those surveyed believe technology innovation represents the greatest opportunity to grow their business in 2017, followed by new products (25%), new geographic markets (13%), talent acquisition (12%) and M&A (8%). Thirty-six percent of respondents cited the potential for a financial recession as the emerging risk that will be the biggest threat to profitable growth in the year ahead. Meanwhile, one-in-three professionals ranked cyber as the most threatening emerging risk, followed by technology risks (11%), climate change (11%) and terrorism (9%).

“One of the most important findings we can take away from this year’s survey is the significant growth opportunity that technology innovation continues to bring to the (re)insurance industry,” said Tim Gardner, CEO of US Operations for Guy Carpenter. “The industry must be prepared to not only understand and manage the risks associated with these rapid advancements, but to also utilize these innovations to create actionable business intelligence and realize profitable growth opportunities.”

Thirty-eight percent of those surveyed viewed the continued rise of big data as the market force that will cause the most disruption in the (re)insurance industry over the next five years. Other significant market-changing forces include the speed of technological innovation (29%), the aging population (15%), Millennials (13%) and expanding urbanization (5%).

Looking ahead to 2017, 21% of professionals see regulatory and rating agency changes as the biggest threat to plans for profitable growth. Seventeen percent of respondents are concerned about global economic and political uncertainty; 16% fear operational inefficiencies; and 10% are most concerned about catastrophe/non-cat losses.

“Insurers are facing an increasingly complex market that will require them to be nimble and innovate in order to remain competitive,” said Mr. Gardner. “At Guy Carpenter, we are committed to investing in new solutions and industry leading technologies that will help our clients navigate this evolving landscape and grow their business, profitably.”

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TAGS/KEYWORDS

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About the Survey

The survey of 107 insurance and reinsurance professionals was conducted by Guy Carpenter at the PCIAA Annual meeting held in Dallas, Texas on October 23 – 25, 2016. The 2015 survey polled 110 professionals.

About Guy Carpenter

Guy Carpenter & Company, LLC is a leading global risk and reinsurance specialist. Since 1922, the company has delivered integrated reinsurance and capital market solutions to clients across the globe. As a most trusted and valuable reinsurance broker and strategic advisor, Guy Carpenter leverages its intellectual capital to anticipate and solve for a range of business challenges and opportunities on behalf of its clients. With over 2,300 professionals in more than 60 offices around the world, Guy Carpenter delivers a powerful combination of broking expertise, strategic advisory services and industry-leading analytics to help clients achieve profitable growth. For more information on Guy Carpenter's complete line-of-business expertise and range of business units, including GC Specialties, GC Analytics[®], GC Fac[®], Global Strategic Advisory, GC Securities*, Client Services and GC Micro Risk Solutions[®], please visit www.guycarp.com and follow Guy Carpenter on [LinkedIn](#) and Twitter [@GuyCarpenter](#).

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