

News Release

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Guy Carpenter hosts international forum 'Building sustainable flood insurance solutions'

London, 11 May 2017 – Guy Carpenter & Company, LLC, a leading global risk and reinsurance specialist and a wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC), hosted an international forum entitled 'Building sustainable flood insurance solutions' in Berlin on 9-10 May. The event brought together leading figures from science and academia, non-governmental organisations and the (re)insurance industry to examine the rapidly growing impact of flooding and explore measures to significantly reduce that impact.

Addressing delegates on day one of the event, Peter Hearn, President & CEO, Guy Carpenter, said: "The financial management of flood risks presents a significant policy challenge in many countries, requiring careful consideration of the relative effectiveness of various mechanisms to manage flood risk, from investment in risk prevention to the use of risk transfer schemes to protect against significant post-disaster costs."

Highlighting the fact that approximately 73% of natural catastrophe losses globally between 1970 and 2014 were not covered by insurance, he added: "This protection gap is increasing in emerging and mature economies, where investment in critical infrastructure does not always keep pace with asset growth and accumulation. In response, the (re)insurance industry plays a crucial role in establishing efficient risk transfer strategies on behalf of public sector entities as part of their financial plan to manage disaster risk."

Over the two days, speakers including Stephen Catlin, Chairman, Insurance Development Forum; Dr. Maryam Golnaraghi, Director, Extreme Events and Climate Risks, The Geneva Association; Dr. Olivier Mahul, Global Lead, Disaster Risk Finance, World Bank; Dr. Garry Conille, Under Secretary General, International Federation of Red Cross; Michael Szoenyi, MSc, MAS Natural Hazards Management ETH, Flood Resilience Program, Zurich Insurance Co.; and Roy Wright, Deputy Associate Administrator for Insurance and Mitigation, FEMA, addressed the multiple challenges posed by flooding. Topics included:

- the impact of climate change;
- the humanitarian and societal consequences of flooding;
- risk mitigation measures to limit the impact of flooding; and
- the multiple benefits of establishing sustainable insurance schemes.

Sessions also provided insight into how pools and schemes, such as Flood Re in the UK and the National Flood Insurance Program in the US, have helped to address the contingent financing of flood-related economic losses.

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Closing the forum, James Nash, President, International Division, Guy Carpenter, outlined four areas where all of the sectors represented at the forum are taking the initiative.

He said: “We can help with the identification, assessment and mitigation of flood and other natural peril risks. We can promote integrated approaches to disaster and climate risk management to help mitigate the risk and, when a disaster does strike, enable swift recovery. We can develop effective national and multinational solutions for financing and transferring the cost of disaster risk from the public to the private sector. Finally, we can create innovative and affordable insurance products that can help protect individuals.”

TAGS/KEYWORDS

Guy Carpenter, flooding, risk financing, Hearn, Nash, Catlin, Insurance Development Forum, Golnaraghi, The Geneva Association, Mahul, World Bank, Conille, International Federation of Red Cross, Szoenyi, Zurich Insurance Co, Wright, FEMA

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