

News Release

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Demand for Asia Pacific Catastrophe Reinsurance at a Record High in 2013, According to New Guy Carpenter Report

But Gap Between Catastrophe Limit and Economic Growth Continues to Widen

New York, November 4, 2013 – Total Asia Pacific catastrophe limit purchased in 2013 increased for the tenth year in a row, but once again failed to keep pace with strong GDP growth in the region, according to a new report released today by Guy Carpenter & Company, LLC, the leading global risk and reinsurance specialist and a member of Marsh & McLennan Companies (NYSE:MMC).

With excess capacity returning to the market in 2013, reinsurance buyers in the Asia Pacific region were able to secure greater value at renewal, although with recent losses etched into the collective memory of the market their ability to achieve significant price reductions was limited. Total catastrophe excess of limit in the region continued to grow. In the Asia Pacific Catastrophe Report 2013, Guy Carpenter discusses some of the key drivers that have fuelled this growth in limit over the past ten years, notably an increasing focus on risk-based capital standards, growing awareness of non-modelled perils and rising insurance penetration in our emerging economies.

Despite this strong record of catastrophe limit growth over the past ten years, the fact is that it has failed to keep pace with growth in the rapidly expanding economies of the Asia Pacific region over the same period. In many markets the purchase of insurance is still not a priority. In others the actual product on offer does not satisfy the demand. With dedicated traditional reinsurance sector capital for Asia Pacific at a record high and with alternative capital seeking peak zone catastrophe opportunities in the region, Guy Carpenter predicts that the conditions are ripe for a broader reinsurance community to respond positively to this growth opportunity with innovative and customised solutions.

The report's executive summary is available at www.gccapitalideas.com. The full report reviews the catastrophe exposure and reinsurance market conditions of major countries in the Asia Pacific region, helping set the stage for the 2014 renewals.

QUOTE

James Nash, CEO of Asia Pacific Region, Guy Carpenter & Company

“As evidenced by Guy Carpenter’s Asia Pacific Limit and Rate On Line Index, our region has demonstrated strong, solid growth in catastrophe reinsurance over the past ten years.

Growth in total catastrophe limit purchased, however, has failed to keep pace with the stellar economic performance of the Asia Pacific region. We remain committed, therefore, to helping our

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clients achieve profitable and sustainable growth with customised products and solutions that stimulate (re)insurance buying.”

TAGS/KEYWORDS

Guy Carpenter, Asia Pacific, James Nash, Catastrophe Reinsurance,

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](#) (NYSE: MMC), a global professional services firm offering clients advice and solutions in the areas of risk, strategy and human capital. With 54,000 employees worldwide and annual revenue of \$12 billion, Marsh & McLennan Companies is also the parent company of [Marsh](#), a global leader in insurance broking and risk management; [Mercer](#), a global leader in talent, health, retirement, and investment consulting; and [Oliver Wyman](#), a global leader in management consulting. Follow Guy Carpenter on Twitter [@GuyCarpenter](#).

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