

News release

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Marsh McLennan's Guy Carpenter: a transitioning reinsurance market responds to cedents' increased demand through mid-year 2024

London, July 1, 2024 – According to Guy Carpenter, a leading global risk and reinsurance specialist and a business of Marsh McLennan (NYSE: MMC), mid-year renewals reflected a transitioning reinsurance market meeting demand in a dynamic trading environment. Loss-free property programs generally saw easing of pricing, even as demand increased. While casualty programs were also completed with adequate capacity, pricing and underwriting scrutiny persisted due to a variety of market trends.

“Well-positioned cedents achieved greater concurrency and pricing consideration in this positive but still cautious trading environment,” said Dean Klisura, President & CEO of Guy Carpenter. “However, headwinds, including unsettled macroeconomic conditions and the geopolitical environment, are leading to shifting risk appetites. Guy Carpenter provides perspective to our clients to help differentiate them and find the best solutions possible.”

The preliminary mid-year Guy Carpenter US Property Catastrophe Rate on Line (ROL) Index – an alternative measure of price change that incorporates the impact of structural adjustments and current views of risk on actual dollars paid – is near flat year-on-year.

According to Guy Carpenter's analysis, the majority of property placements were completed early to on time, while risk programs remained under scrutiny amid continued concerns about the frequency and severity of large risk losses. Global property catastrophe reinsurance risk-adjusted rates at mid-year were generally flat to down mid- to high-single digits. In some cases, upper layers were risk-adjusted down 10% or more for non-loss impacted accounts, in a moderating but still robust pricing environment.

Casualty renewal outcomes varied by sublines as well as reinsurance type. General liability and excess/umbrella placements that are US exposed experienced continued reinsurance pricing pressure for excess of loss programs, while quota share outcomes were tied to the amount of adverse development.

For financial lines, downward pressure on ceding commissions continued and was driven by public directors and officers (D&O) portfolio concentration, underlying rate environment and continued prior year development. The cyber reinsurance market remained active at mid-year renewals, with buyers finding improved terms across all structures. Mid-year cyber renewals saw ongoing interest in alternative structures including event-based covers, continuing a trend observed at January 1.

Catastrophe bonds had a record first half of the year, with Q2 being the most active quarter recorded. By June 24, 47 different catastrophe bonds were brought to the 144A market for approximately USD 11.9 billion in limit placed, taking the total outstanding notional amount to more than USD 44.6 billion.

Through Q1, most retrocession buyers sought to secure similar limits to 2023, whereas mid-year purchasing saw increased demand in Q2 from existing buyers along with historical buyers returning to the market. The drivers of this increase were improved purchasing dynamics relative to 2023, underlying portfolio growth and active North Atlantic wind season forecasts.

“The reinsurance industry has responded to measurably increased demand in 2024, which has materialized at a level above many expectations. Reinsurers’ attractive returns and improved capital positions are facilitating increased capacity in several sectors. Guy Carpenter is set to strategically help our clients in this new era of risk,” concluded David Priebe, Chairman, Guy Carpenter.

For additional renewal insights, please visit Guy Carpenter’s [Renewal HUB](#) – which details key developments during mid-year renewals.

About Guy Carpenter

[Guy Carpenter & Company, LLC](#) is a leading global risk and reinsurance specialist with 3,500 professionals in over 60 offices around the world. Guy Carpenter delivers a powerful combination of broking expertise, trusted strategic advisory services and industry-leading analytics to help clients adapt to emerging opportunities and achieve profitable growth. Guy Carpenter is a business of [Marsh McLennan](#) (NYSE: MMC), the world’s leading professional services firm in the areas of risk, strategy and people. The company’s more than 85,000 colleagues advise clients in over 130 countries. With annual revenue of \$23 billion, Marsh McLennan helps clients navigate an increasingly dynamic and complex environment through four market-leading businesses including [Marsh](#), [Mercer](#) and [Oliver Wyman](#). For more information, visit www.guycarp.com and follow us on [LinkedIn](#) and [X](#).

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