

# THE ROLE OF A GLOBAL BROKER WHEN NAT CAT DISASTERS OCCUR

International Insurance Conference: Catastrophe Events – A Challenge

11 April 2012



***THE POWER  
OF MARSH***

**Bruce Garrett**  
Managing Director

Karachi, Pakistan

# Agenda

- Chile: 27th February 2010: some reminders
- 2011: Year of the Catastrophe?
- The Nat Cat Pack
- Influences at play when a disaster strikes
- Non-CAT issues
- Contract (Un)certainty
- Conclusions
- David Pigot: a snapshot



# Chile Earthquake – 27 February, 2010



# Chile Earthquake – 27 February, 2010



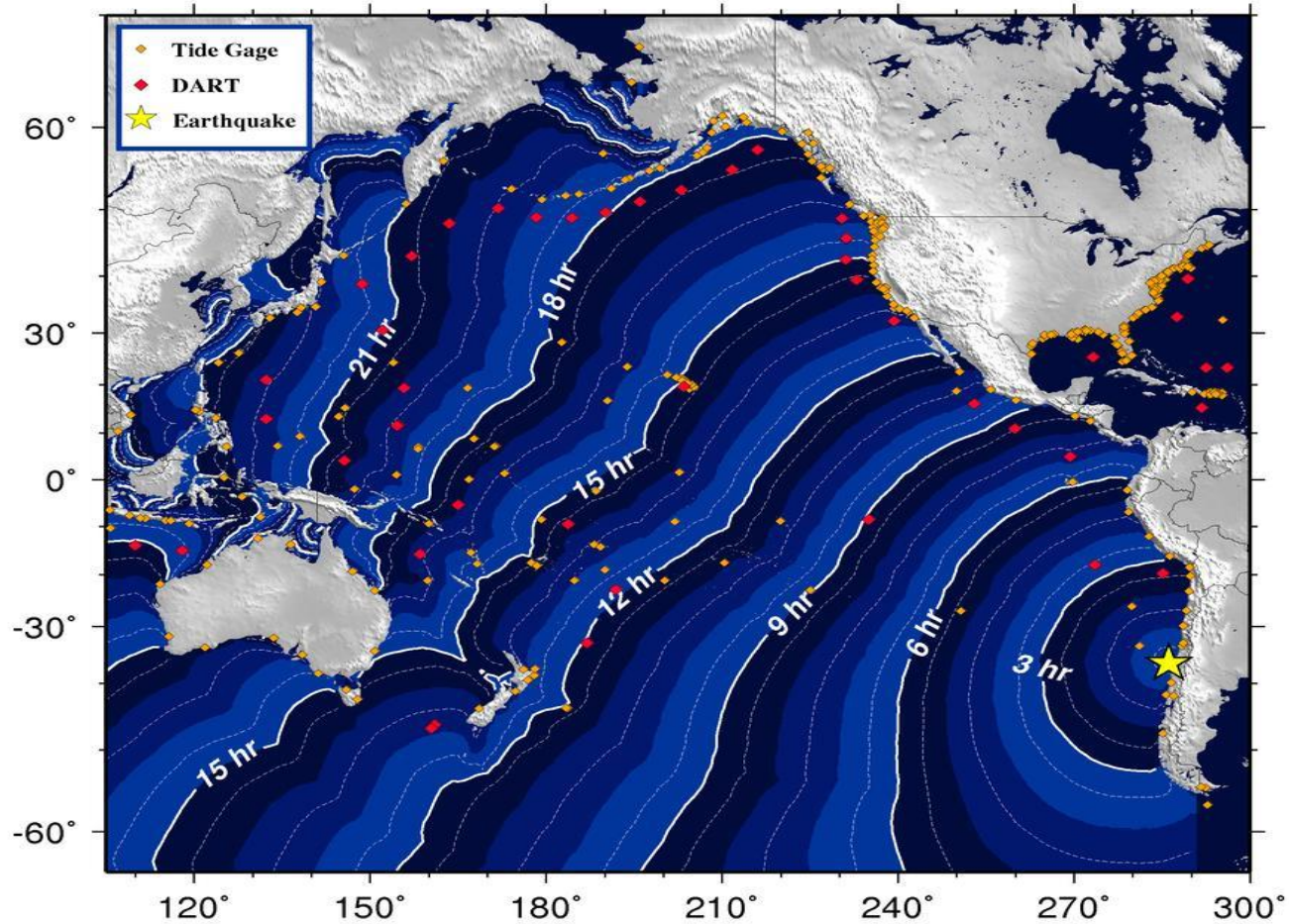
# Chile Earthquake – 27 February, 2010

## A few statistics

- 8.8 Mw
- 90 seconds
- 521
- 486
- 10 feet

# Chile Earthquake – 27 February, 2010

## Tsunami Travel Times



GM 2010 Feb 27 11:57:25 UTC

## Chile Earthquake – 27 February, 2010

- Marsh response
  - Colleagues
  - Clients
- FACS
- Disaster Recovery Portal
- Client Call



## Chile Earthquake – 27 February, 2010

- Damage
  - Earthquake
  - Tsunami
  - Looting
- 220,000 claims
- US\$ 30 billion economic loss and US\$ 8 -10 billion insured losses
- Affected Industries

## The Marsh Response

- Our FACS team was assembled and on the phone with clients and colleagues by March 1st
- First FACS colleague arrive on site on March 7<sup>th</sup> to begin outreach – all Spanish speaking
- Additional FACS resources (now 8 in total) are on the ground by March 11th
- Immediate team effort with S American network claims professionals and Client Executives. Meetings held with over 50 Marsh clients and prospects
- Relentless client/management engagement

## Chile Earthquake – 27 February, 2010

### How Did Things Turn Out?

- Broad accreditation as the only broker with on the ground suite of solutions
- Significant impact with clients and prospects
- Helped Marsh define and refine our strategy in the region

# Chile Earthquake – 27 February, 2010

- **Market Response**

- Insurers
- Adjusters

- **Policy Issues**

- No. of events and 72-hour clause
- Earthquake vs. tsunami vs. looting
- Deductibles
- Under-insurance

# Chile Earthquake – 27 February, 2010

## A few salient statistics

- kms
- 10 feet
- 8 cms & 1.26 microseconds
- 2035?

2011..... Year of the CAT

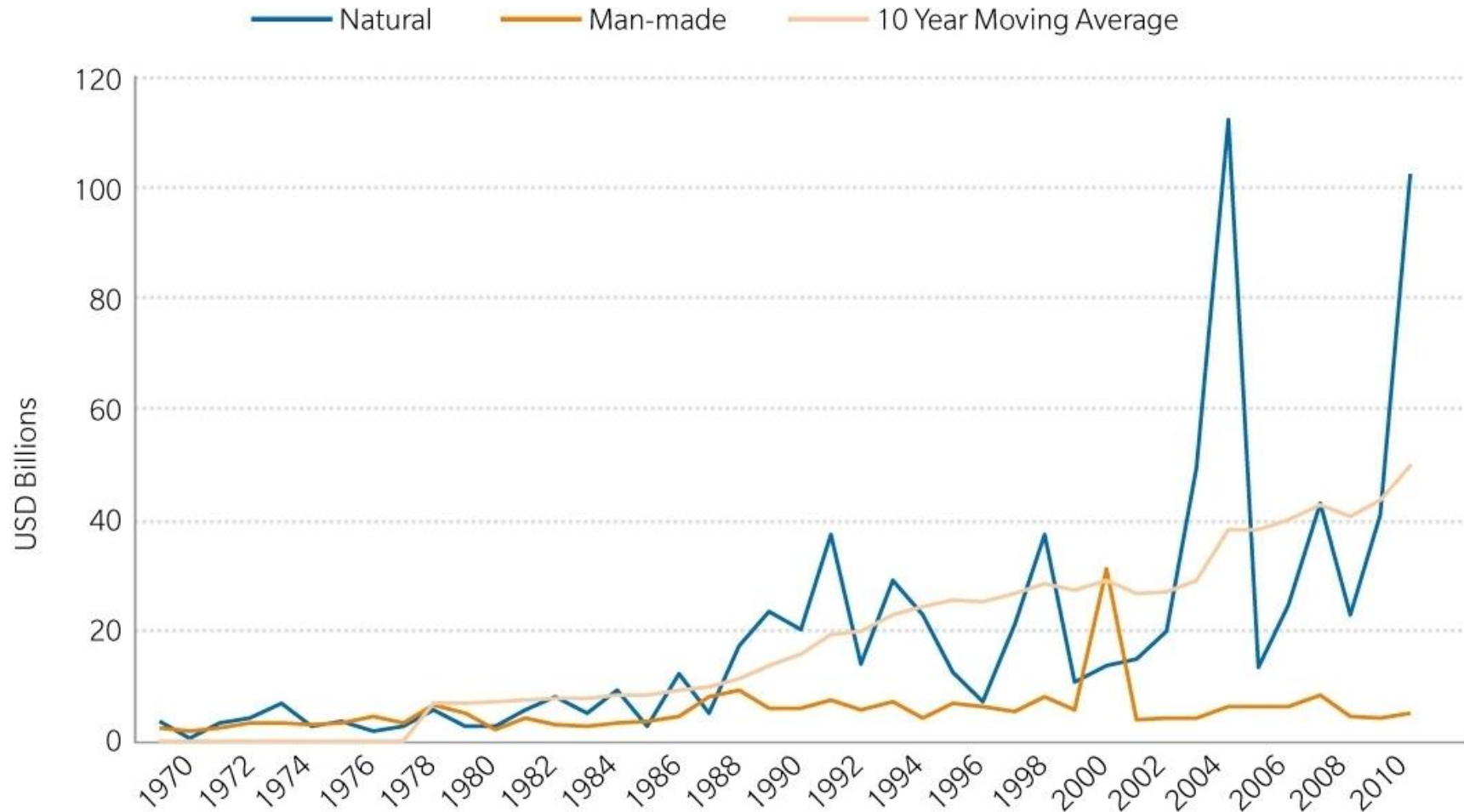
..... **Or was it?**

Media say it was

Number of major CAT events globally indicate it was

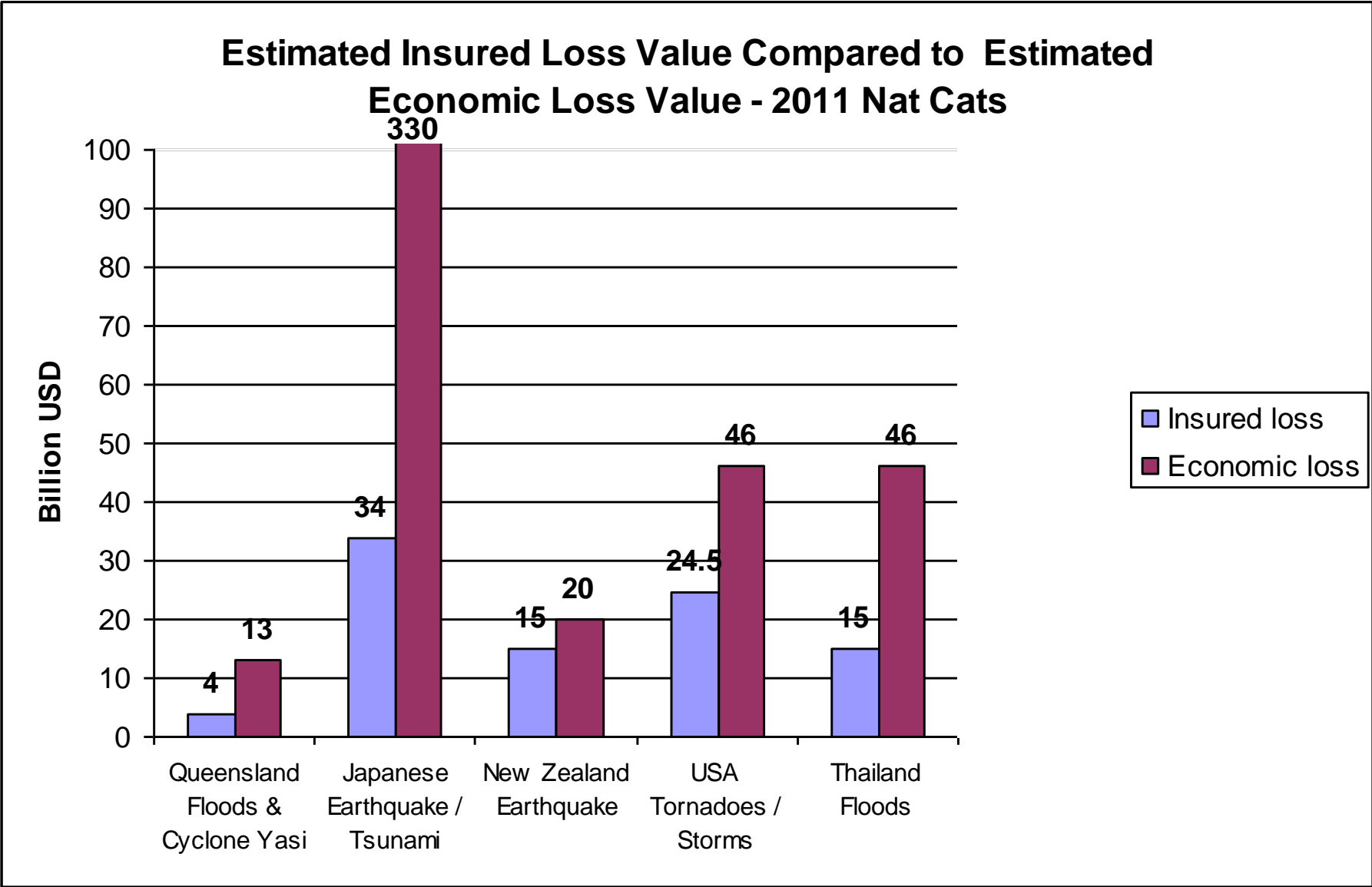
But, what do the numbers show?

# Global CAT insured Losses 1970-2011



Source: Swiss Re, Guy Carpenter & Company, LLC

# Insured vs. Economic Losses





# Japan Tsunami



# Thailand Floods



# New Zealand Earthquake





## NAT CAT Pack

- Bundled Marsh services
- Represents Best Practice in this space
- Lessons learned

## Government/Political Influence

- Brisbane re Flood vs Storm
- Japan re Power Supply
- Christchurch, New Zealand re CBD exclusion zone
- Flood defences, Thailand and Brisbane
- Thailand vs Egypt

## Some Non-CAT Issues or Hidden Concerns

- Portfolio Impact
- Reinsurance Implications
- Resource Availability

# Contract (Un)Certainty

- Supply Chain
- OEHG vs Generali
- Infectious Diseases on Property Policy
- Consistency
- Making new Law?



# Conclusions

- Policy Certainty?
- Behaviour of Insurers
- Business Continuity

## The main man



## David Pigot: Chairman Marsh Global Claims Practice

- David really is *the man!*
- David's contact details:

Marsh Ltd, Tower Place, London EC3R 5BU

Telephone: + 44 207 357 5738

Mobile: + 44 7795 238419

- One Leader; but a great, tested and proven global team
- Marsh: At your service

# THANK YOU FOR LISTENING!

Bruce Garrett  
Managing Director, Marsh Ltd  
Energy Practice  
London  
Telephone: + 44 207 357 5542  
Mobile: + 44 7748 982405



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