

News Release

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GC Securities, a Division of MMC Securities Corp., Announces Completion of 144A Catastrophe Bond – Parkton Re Ltd. First-Ever State Windpool Cat Bond Transaction Provides Per-Occurrence Ultimate Net Loss Protection for North Carolina Hurricane Peril

New York, July 29, 2009

Guy Carpenter & Company, LLC, the leading global risk and reinsurance specialist, and GC Securities, today announced the completion of a \$200 million issuance from a new 144A catastrophe bond program, Parkton Re Ltd., a Cayman Islands exempted company, to benefit the North Carolina Joint Underwriting Association and the North Carolina Insurance Underwriting Association (collectively the NC JUA/IUA). This program is the first-ever 144A catastrophe bond program to be established for the benefit of a state's residual market pool to manage its hurricane risk.

GC Securities assisted the NC JUA/IUA in securing the transforming reinsurer and facilitating the transfer of the catastrophe risk to Parkton Re Ltd. GC Securities also served as co-lead manager and joint bookrunner on the note issuance as well as joint structuring agent of the catastrophe bond program. The note issuance ultimately provides the NC JUA/IUA with \$200 million of fully collateralized, per-occurrence protection through May 1, 2011 against the effects of North Carolina hurricane risk.

The catastrophe bond utilizes an indemnity trigger structure based on the Ultimate Net Loss of the NC JUA/IUA in the event of a hurricane. The flexible structure allows for the bifurcation of capital at different cost implications upon the occurrence of covered events into (i) capital used for loss development for prior covered events, and (ii) remaining capital available for future covered events. Additionally, a new feature has been incorporated to allow for the release of non-needed capital if the bond is extended beyond the risk period for claims development.

The note issuance is rated B+ by Standard & Poor's.

QUOTES

Tom Falkenbach - Chairman of the Beach and FAIR Plan Boards and Allstate Insurance Company's Field Product Manager for the Southeast Region

"The issuance of this catastrophe bond is an important expansion of the NC Beach and FAIR Plans' hurricane loss financing capability. Along with the traditional reinsurance program, this capital market-based protection provides additional claims-paying ability for policyholders in the event of a major hurricane and also may lessen the financial impact on member insurers."

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Dewey Meshaw, General Manager, NC JUA/IUA

“Features of this cat bond that make it appealing include the diversification it brings to the Associations' overall catastrophe loss financing program, its multi-year coverage, an indemnity trigger, and protection through collateralized reinsurance.”

Cory Anger, Global Head of ILS Structuring, GC Securities

“This transaction successfully balances the structural needs of the NC JUA/IUA within its overall catastrophe loss financing program, while meeting investors' diligent structural requirements. The new structural features demonstrate the continued evolution of catastrophe bond structures for sponsors and are proof that the cat bond market can be tailored for new sponsors.”

Chi Hum, Global Head of Distribution, GC Securities

“The investors found the single state wind risk useful for portfolio construction purposes and were pleased to support a first-time issuer that was looking to integrate capital markets access into its reinsurance capacity purchase program. The favorable price and size execution are strong signals to sponsors like the NC JUA/IUA that the capital markets can be comfortable with residual markets' risk and be instrumental in optimizing protection programs.”

David Priebe, Chairman of Global Client Development, Guy Carpenter

“All of the parties involved – the North Carolina JUA/IUA, GC Securities, Guy Carpenter's broking team, and Swiss Re Capital Markets – worked together seamlessly to ensure a successful transaction. The coordinated teamwork has led to an unprecedented cat bond program that will truly benefit the marketplace.”

TAGS/KEYWORDS

Guy Carpenter, GC Securities, Parkton Re Ltd., Parkton Re, catastrophe bond, cat bond, hurricane, wind risk, North Carolina, NC JUA, NC IUA, Swiss Re Capital Markets

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Guy Carpenter & Company, LLC is the world's leading risk and reinsurance specialist and a part of the Marsh & McLennan Companies. 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; Medical Professional Liability; Political Risk and Trade Credit; Professional Liability; Property; Retrocessional Reinsurance; Surety; Terrorism and Workers Compensation. GCFac® 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, Guy Carpenter's InStrat® unit utilizes industry-leading quantitative skills and modeling tools that optimize the reinsurance decision-making process and help make the firm's clients more successful. Guy Carpenter's website address is www.guycarp.com.

Guy Carpenter's new intellectual capital website, www.GCCapitalIdeas.com, leverages blog technology, including Real Simple Syndication (RSS) feeds and searchable category tags, to

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