

News Release

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GC Securities* Wins *Trading Risk* Non-Life Transaction of the Year Award Parkton Re Ltd. Catastrophe Bond Recognized As Key Innovation

London, July 2, 2010

Guy Carpenter & Company, LLC, the leading global risk and reinsurance specialist and part of the Marsh & McLennan Companies (NYSE: MMC), and GC Securities* have been named the winner of *Trading Risk* magazine's 2010 Non-Life Transaction of the Year Award.

The award honors GC Securities for its role as co-lead manager, joint bookrunner and joint structuring agent for Parkton Re Ltd., an innovative 144A catastrophe bond program, that benefits the North Carolina Joint Underwriting Association and North Carolina Insurance Underwriting Association (NCJUA/IUA), a reinsurance client of Guy Carpenter.

Parkton Re Ltd. established a critical precedent that has the potential to contribute to billions of additional high-quality insurance linked securities (ILS) issuance. Working closely with Guy Carpenter's broking team, GC Securities optimized cat bond protection with respect to the NCJUA/IUA's traditional reinsurance program, providing fully collateralized, multi-wind season protection against North Carolina hurricanes through May 6, 2011.

PARKTON RE LTD. INNOVATIVE TRANSACTION FEATURES

- First-ever catastrophe bond transaction to provide protection against U.S. hurricanes to a single state residual market insurer.
- First-ever partial outstanding principal amount extension, which allows the NCJUA/IUA to extend only the loss reserve portion of the outstanding limit (beyond the scheduled redemption date), thereby decreasing potential frictional expenses that would otherwise be associated with outstanding limit that is no longer needed after the risk period.
- First-ever catastrophe bond transaction to update the escrowed model prior to the reset using the latest commercially available model.
- Post-event capital bifurcation for a primary property insurer, which allows the NCJUA/IUA to bifurcate the limit in event of loss and pay a reduced cost during the risk period for the portion of the limit dedicated to loss reserves.

QUOTES

Peter Zaffino, President & CEO, Guy Carpenter & Company

"We are gratified to be recognized with this year's *Trading Risk* Non-Life Transaction award. By bridging a critical gap, Parkton Re has established a precedent that could have positive, far-reaching implications for the market."

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David Priebe, Global Head of Client Development, Guy Carpenter & Company

“Parkton Re incorporated a number of groundbreaking structural features that could help spur ILS issuance over the long term. This transaction has the potential to serve as a catalyst for the entire market and act as a stimulus for ILS risk capital outstanding.”

TAGS/KEYWORDS

Guy Carpenter, GC Securities, catastrophe bond, ILS, Parkton Re, Ltd., award, Trading Risk, Zaffino, Priebe

About Guy Carpenter

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 intellectual capital website, www.GCCapitalIdeas.com, leverages blog technology, including Real Simple Syndication (RSS) feeds and searchable category tags, to deliver Guy Carpenter’s latest research as soon as it is posted. In addition, articles can be delivered directly to BlackBerrys and other handheld devices.

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