

News Release

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GC Securities* Completes First Non-U.S. Hurricane Exposed 144A Catastrophe Bond in 2011

Queen Street III Capital Limited to Provide Munich Re with USD150 Million in Catastrophe Bond
 Protection from European Windstorms

New York, July 29, 2011

GC Securities, a division of MMC Securities Corp., a U.S. registered broker-dealer and member FINRA/SIPC, today announced the placement of USD150 million Principal At-Risk Variable Rate Notes (“Notes”) through catastrophe bond program Queen Street III Capital Limited. The transaction is the first non-U.S. hurricane exposed cat bond issued this year and specifically, since October 2010.

Utilizing a PERILS country-weighted index trigger structure, the Notes will provide Munich Re with fully collateralized, multi-year protection against windstorm events in Europe. In addition, a dedicated U.S. Treasury bill fund created by MEAG, Munich Re’s asset management company, will invest the proceeds from the Queen Street III Capital Limited offering in certain U.S. Treasury obligations.

GC Securities acted as sole bookrunner on the issuance. Munich Re is the sole arranger to the transaction and is also the issuance’s Risk Transfer Counterparty, with AIR Worldwide Corporation as the modeling firm for the transaction.

RISK PROFILE

| | Expected Loss | Risk Interest Spread (to US Treasury Money Market Fund earnings) | S&P’s Rating |
|-----------------------------|----------------------|---|-------------------------|
| Europe Windstorm | 1.95% | 4.75% | B+ (sf) |

QUOTES

Cory Anger, Global Head of ILS Structuring, GC Securities

“We are pleased to be part of another successful cat bond placement with Munich Re, utilizing the same key structural features that worked so well in previous issuances. The continued use of PERILS and a dedicated U.S. Treasury bill fund were key factors in delivering a high quality, transparent risk transfer and collateral solution to the market.”

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Chi Hum, Global Head of ILS Distribution, GC Securities

“This transaction priced significantly lower than the initial price guidance while tripling in size from the initially announced transaction size, highlighting the investor demand for diversifying peril exposure away from U.S. hurricane. We found investors – none of which were reinsurers – eager to support a repeat issuer with diversifying peril risk.”

TAGS/KEYWORDS

Guy Carpenter, GC Securities, Munich Re, Queen Street III Capital Limited, MEAG, PERILS, AIR Worldwide, catastrophe bond, cat bond, windstorm, Anger, Hum

About Guy Carpenter

Guy Carpenter & Company, LLC is the world’s leading risk and reinsurance specialist and a member 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 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 AnalyticsSM 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.

GC Securities provides investment banking services to the re/insurance industry, extending the traditional reinsurance services of Guy Carpenter & Company, LLC, the world’s leading risk and reinsurance specialist and a part of the Marsh & McLennan Companies. With its team of seasoned professionals, GC Securities offers a full range of corporate finance and capital markets-based risk transfer solutions that complement Guy Carpenter’s strong industry relationships, analytical capabilities and reinsurance expertise. GC Securities’ Capital Markets group is a recognized leader in insurance-linked securities (ILS) solutions and helps clients plan, structure and issue catastrophe bonds, sidecars and other forms of ILS, thereby enabling clients to access capital markets capacity to transfer risk and maximize return on capital. GC Securities’ Corporate Finance group advises clients on mergers, acquisitions and divestitures, private debt and equity raising, as well as the development of rigorous capital plans that encompass the full array of available capital options.

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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