

News Release

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GC Securities acts as sole structurer and placement agent for first Cat Bond to transfer standalone terrorism risk to the ILS market

London, February 26, 2019 – GC Securities*, a division of MMC Securities LLC, a U.S. registered broker-dealer and member FINRA/NFA/SIPC, today announced the placement of GBP75,000,000 Series 2019 Principal At-Risk Variable Rate Notes issued through Baltic PCC Limited, a protected cell company domiciled in the UK, on behalf of Pool Re.

The cat bond provides multi-year, indemnity retrocession protection for terrorism risk in the UK and breaks new ground on multiple fronts. The innovative transaction is the first to transfer standalone terrorism risk to the ILS market, the first ever issuance in sterling and the first issuance to use Computational Fluid Dynamic modelling for the risk analysis. Baltic PCC is also the first protected cell company to issue a cat bond under the UK Risk Transformation Regulations 2017.

GC Securities served as the sole structurer and placement agent for the transaction.

PRINCIPAL AT-RISK VARIABLE RATE NOTES – PROFILE

Size (GBP)	Covered Perils	Scheduled Maturity	Initial Annual Modelled Expected Loss	Interest Spread
£75,000,000	Terrorism Risk (UK Commercial Property)	March 7, 2022	2.71%	5.90%

QUOTES

Des Potter, Managing Director, GC Securities

“It was a privilege to work with the Pool Re team on their inaugural and innovative cat bond transaction, which was well supported by a globally diverse panel of sophisticated ILS market investors.”

Shiv Kumar, President, GC Securities

“Executing this successful placement whilst the ILS market is processing losses from 2017 and 2018 demonstrates the strength and quality of Pool Re’s proposition and their market-leading risk analysis. This type of innovation is a great example of the major role the UK market can play in broadening the ILS asset class.”

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TAGS/KEYWORDS

Guy Carpenter, GC Securities, catastrophe bond, cat bond, terrorism, UK, Potter, Kumar, Pool Re

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