

News Release

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**GC Securities, a Division of MMC Securities Corp., Announces
Completion of 144A Catastrophe Bond – Shore Re Ltd.
State Residual Market Insurer Cat Bond Transaction Provides
Per-Occurrence Ultimate Net Loss Protection for Massachusetts Hurricane Peril**

New York, July 9, 2010

Guy Carpenter & Company, LLC, the leading global risk and reinsurance specialist, and GC Securities today announced the completion of a USD96 million issuance from a new 144A catastrophe bond program, Shore Re Ltd., a Cayman Islands exempted company licensed as a Class B insurer, to benefit the Massachusetts Property Insurance Underwriting Association (“MPIUA”). This program is the first-ever catastrophe bond program established via a transformer reinsurer to benefit the MPIUA.

GC Securities assisted the MPIUA in securing the transforming reinsurer and facilitating the transfer of the catastrophe risk to Shore Re Ltd. GC Securities also served as sole bookrunner and co-lead manager on the note issuance as well as joint structuring agent of the catastrophe bond program. The note issuance ultimately provides the MPIUA with USD96 million of fully collateralized, per-occurrence protection through June 30, 2013, against the effects of Massachusetts hurricane risk.

The catastrophe bond utilizes an indemnity trigger structure based on the Ultimate Net Loss of the MPIUA 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. Shore Re includes a feature originally developed by GC Securities in which the release of non-needed capital can occur if the bond is extended beyond the risk period for claims development.

The details of the catastrophe bond issuance are as follows:

Series	Size	S&P Rating	Expected Maturity	Coupon
2010-1 Notes Class A Notes	\$96M	BB	July 8, 2013	Treasury Money Market Fund Yield + 7.00%

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– Shore Re Ltd.

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QUOTES

Cory Anger, Global Head of ILS Structuring, GC Securities*

“This transaction brings a new sponsor to the ILS space and incorporates structural advances achieved in other GC Securities transactions to optimize the performance of Shore Re throughout its three-year risk period and make the structure more comparable to traditional reinsurance.”

Chi Hum, Global Head of Distribution, GC Securities*

“On Shore Re Ltd, investors welcomed the opportunity to access Massachusetts-only wind risk on a standalone basis, and support a first-time catastrophe bond sponsor. This support was evidenced by an oversubscribed book, notwithstanding USD2 billion of preceding U.S. wind exposed issuance during the 2010 calendar year.”

David Priebe, Chairman of Global Client Development, Guy Carpenter

“This is a great example of the benefits of a fully coordinated effort – in this case, between the MPIUA, GC Securities, Guy Carpenter’s broking team and Munich Re – resulting in a fully integrated multi-year cat bond layer delivered in coordination and optimized within the context of the MPIUA’s entire capacity purchase program.”

Jack Golembeski, President, MPIUA

“MPIUA’s objectives in pursuing a catastrophe bond were clearly attained through this transaction. Our goals included filling MPIUA’s entire reinsurance program with a combination of traditional reinsurance and catastrophe bond-based reinsurance, assuming the cat bond pricing proved to be comparable to traditional reinsurance rates, and securing price stability for a portion of MPIUA’s reinsurance program over a three year period. By developing relationships with the investor marketplace, MPIUA is equipped with broader capabilities to fulfill our reinsurance needs into the future.”

TAGS/KEYWORDS

Guy Carpenter, GC Securities, Shore Re Ltd., Shore Re, catastrophe bond, cat bond, hurricane, wind risk, Massachusetts, MPIUA, Anger, Hum, 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.

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