

News Release

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GC Securities* Completes Catastrophe Bond Johnston Re 2011-1 Class A and Class B Notes for State of North Carolina's Windpool Builds on Successful Cat Bond Shelf Program Established for Hurricane Protection

New York, May 18, 2011

GC Securities, a division of MMC Securities Corp., a U.S. registered broker-dealer and member FINRA/SIPC, a provider of investment banking services to the re/insurance industry and affiliate of Guy Carpenter & Company, LLC, today announced the placement of the Series 2011-1 Class A and B Notes, with notional principal at \$201,835,000, through an existing catastrophe bond shelf program, [Johnston Re Ltd.](#), to benefit the North Carolina Joint Underwriting Association and the North Carolina Insurance Underwriting Association (collectively, the NC JUA/IUA). This is the third consecutive year that the NC JUA/IUA has utilized the cat bond market to manage its hurricane risk.

The new bonds will sit alongside the dropdown layer from Johnston Re's Series 2010 Class A Notes and alongside the static layer of Johnston Re's Series 2010 Class B Notes, providing the NC JUA/IUA with a combined \$506,835,000 in catastrophe bond protection.

GC Securities served as sole bookrunner and co-lead manager.

RISK PROFILE

Series 2011-1 Notes	Size	S&P Rating	Expected Maturity	Coupon
Class A Notes	\$70,000,000	BB- sf	May 8, 2014	TMM + 7.60%
Class B Notes	\$131,835,000	BB- sf	May 8, 2014	TMM + 6.90%

QUOTES

Steve Carroll - Chairman of the NC JUA/IUA and Member Company Board Representative, Executive Vice President and General Manager of NC Farm Bureau Mutual Insurance Co., Inc.

"The consistency and competitiveness of capital markets capacity that the NC JUA/IUA has been able to access for the third year in a row demonstrates one aspect of the flexibility and strength of the NC JUA/IUA's hurricane loss financing program. Maintaining strong claims-paying ability for our policyholders in the event of a major hurricane while also lessening the post-event financial impact to member insurers and statewide policyholders is an important attribute of the NC JUA/IUA's hurricane loss financing program."

Cory Anger, Global Head of ILS Structuring, GC Securities

"Structuring this transaction as a takedown from the existing Johnston Re shelf saved our client time and money, while providing them with the protection they seek. We are pleased how this new

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issuance builds upon the success of the Johnston Re Series 2010-1 Notes and re-utilizes the Johnston Re program, which was structured to work alongside the landmark 2009 cat bond program, Parkton Re.”

Chi Hum, Global Head of ILS Distribution, GC Securities

“This issuance is an important extension of our client’s capability to finance hurricane loss. It is also a continued endorsement of cat bonds as a key component in catastrophe risk management by both issuers and investors.”

TAGS/KEYWORDS

Guy Carpenter, GC Securities, Johnston Re, Parkton Re, catastrophe bond, cat bond, North Carolina Joint Underwriting Association, North Carolina Insurance Underwriting Association, NC JUA/IUA, 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. 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, 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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