

News Release

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Guy Carpenter Settles Connecticut Attorney General's Lawsuit

New York, January 31, 2011

Guy Carpenter & Company, LLC, the leading global risk and reinsurance specialist, announced today that it has come to an agreement with the Connecticut Attorney General to resolve litigation initiated in 2007 against Guy Carpenter and Excess Reinsurance Company, now Knightbrook Insurance Company. In addition, Guy Carpenter has issued the following statement regarding the settlement:

The Attorney General had alleged that facilities offering reinsurance to more than 150 small- to mid-sized insurance companies over decades were anti-competitive and unfair. Guy Carpenter vigorously denied these claims as contrary to both the relevant facts and law. Guy Carpenter maintains that these facilities were actually pro-competitive, offering these clients the best available terms for reinsurance among the numerous options available to them. In turn, these broader and more competitive terms for reinsurance enhanced our clients' ability to compete in the insurance marketplace.

Given our firm belief that this was and is the case, our goal always has been to ensure that the facilities remained free to operate as they previously have, in order to bring the most competitive terms to our clients. We believe the terms of this settlement accomplish that goal. In exchange for the Attorney General's dismissal of the litigation and promise not to sue the defendants and participating reinsurers regarding their past or future involvement in the facilities' operations, Guy Carpenter and eleven participating reinsurers will collectively pay the State of Connecticut \$4.25 million. Furthermore, through 2015, Guy Carpenter agreed to make certain disclosures to clients, and conduct the negotiation and placement of reinsurance for facility participants, in the manner initiated before the Attorney General commenced the investigation that led to this litigation.

In addition to the fact that the settlement requires no material change in the way the facilities operate, Guy Carpenter agreed to pay a portion of the \$4.25 million payment because the amount was substantially less than the expected legal fees and related costs to defend this case. For all of these reasons, Guy Carpenter concluded that the settlement is in its and its clients' best interests.

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;

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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 Analytics™ 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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