

News Release

Contacts:

Missy DeAngelis

Guy Carpenter
1.917.937.3118

missy.deangelis@guycarp.com

Jennifer Ainslie

Guy Carpenter
44.207.357.2058

jennifer.ainslie@guycarp.com

Kate Dillon

Prosek Partners
1.212.279.3115 ext. 115

kdillon@prosek.com

GC Securities* Completes Catastrophe Bond Queen Street Re VIII Limited for Munich Re

New York, July 3, 2013 – GC Securities, a division of MMC Securities Corp., a U.S. registered broker-dealer and member FINRA/SIPC, today announced the placement of the Principal At-Risk Notes, with notional principal of \$75,000,000, through a newly formed catastrophe bond, Queen Street Re VIII Limited, to benefit Munich Re. This is the eighth Queen Street cat bond to benefit Munich Re and the seventh overall cat bond issuance benefitting Munich Re since 2011.

The Principal At-Risk Notes provide 2.5 years of per occurrence protection for named storms affecting the United States and 2.9 years of per occurrence protection for cyclones affecting Australia. This protection was the first time that Munich Re has obtained protection against Australia cyclones via the capital markets.

GC Securities served as sole bookrunner on Queen Street Re VIII Limited. GC Securities has raised \$500M of catastrophe bond protection for Munich Re since 2011 through the offering of five of the eight Queen Street catastrophe bonds issued.

RISK PROFILE

Notes	Size	Expected Maturity	Coupon
Principal At-Risk Variable Rate Notes due June 8, 2016	\$75,000,000	June 8, 2016	TMMF Earnings + 6.50%

QUOTES

David Priebe, Vice Chairman of Guy Carpenter and Head of GC Securities

“Munich Re’s ability to recognize market conditions to expand capital markets hedging opportunities to diversifying perils was exemplified by the Queen Street VIII Re Limited cat bond issuance. The convergence of capital markets and (re)insurance sectors is applicable to diversifying perils as well. GC Securities is honored to have assisted Munich Re in the offering of the Notes.”

Cory Anger, Global Head of ILS Structuring, GC Securities

“Munich Re took advantage of current favorable market conditions to hedge with broad investor support for the first time its Australia cyclone risk in the cat bond market in addition to also hedging its US hurricane exposures. Using a modeled weighted industry loss trigger for Australia cyclone risk allows Munich Re to manage any basis risk while achieving liquidity through a speedy resolution. The annual reset mechanism allows Munich Re to adjust the cat bond protection to best match its

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underlying exposures. Munich Re's consistent cat bond issuance has allowed it to achieve flexibility in applying this protection to regional and/or broad exposures across various lines of business within such covered areas."

Chi Hum, Global Head of ILS Distribution, GC Securities

"Large investor flow this past year has presented a market opportunity for catastrophe bond issuers that was very much to the benefit of Munich Re's Queenstreet Re VIII deal. Strong investor interest and a deep book facilitated good execution at an attractive price for this capacity. The market recognizes and continues to support the Queen Street series of catastrophe bonds from this sophisticated capital markets issuer and we at GC Securities are pleased to have brought this to market on behalf of Munich Re."

TAGS/KEYWORDS

Guy Carpenter, GC Securities, Queen Street Re VIII, catastrophe bond, cat bond, Munich Re, Priebe, Anger, Hum

About Guy Carpenter

Guy Carpenter & Company, LLC is a global leader in providing risk and reinsurance intermediary services. 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 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. For more information, visit www.guycarp.com.

Reactions magazine named Guy Carpenter Best Global Reinsurance Broking Company Overall and Best Reinsurance Broking CEO of the year in 2012. At the *Reactions* London Market Awards, Guy Carpenter was also named Reinsurance Broker of the Year and took home Reinsurance Broking Team of the Year honors for both Property and Aviation. In the past year, Guy Carpenter has also won: Global Best ILS Advisor (GC Securities*), US Best ILS Advisor (GC Securities*) and US Best Broker for Casualty Reinsurance from *Intelligent Insurer*, *Insurance Day's* 2012 ILS Transaction of the Year (GC Securities*), and Reinsurance Broker of the Year for the Asia-Pacific region at the 16th Annual Asia Insurance Industry Awards.

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