

# News Release

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## **GC Securities\* Completes Catastrophe Bond Bosphorus 1 Re Ltd. Series 2013-1 Notes for the Turkish Catastrophe Insurance Pool First Event Turkey Earthquake Only Catastrophe Bond**

**New York, April 30, 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 Series 2013-1 Notes, with notional principal at \$400,000,000, through a newly formed catastrophe bond shelf program, Bosphorus 1 Re Ltd., to benefit the Turkish Catastrophe Insurance Pool (TCIP). This is the first time that the TCIP has directly utilized the cat bond market to manage its earthquake risks in the Istanbul region.

The bond provides three years of per occurrence earthquake protection to earthquakes affecting the Istanbul region and is triggered based on certain ground motion measurements captured at certain ground motion seismometers that are part of the Istanbul Early Warning and Rapid Response System operated by Boğaziçi University Kandilli Observatory and Earthquake Research Institute (KOERI) with logistical support from the Istanbul Governorate, Istanbul Metropolitan Municipality and First Army Headquarters.

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

### **RISK PROFILE**

<b>Series 2013-1 Notes</b>	<b>Size</b>	<b>S&amp;P Rating</b>	<b>Expected Maturity</b>	<b>Coupon</b>
Class A Notes	\$400,000,000	BB+ sf	May 3, 2016	TMM + 2.50%

### **QUOTES**

**Suha Cele, Executive Vice President, Eureko Sigorta A.Ş., responsible for reinsurance affairs of TCIP**

“TCIP was pleased with the capital markets’ receptivity to a Turkey earthquake cat bond issuance. As TCIP continues to grow due to recent legislation changes, diversifying the source of our risk transfer capacity at a competitive price is necessary. Additionally, the parametric trigger can allow TCIP to receive payment quickly in order to bolster our claims paying capacity.”

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

“This transaction highlights the acceptability and flexibility of capital markets-based risk transfer capacity to accept and strongly support bespoke trigger solutions (including for relatively new regions / perils for the capital markets) to meet the specific needs of cedents – in this case, TCIP. The parametric trigger structure was tailored to correlate with TCIP’s exposures and estimated losses from

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earthquakes affecting the Istanbul region. The transaction flexibly allows TCIP to annually update the triggering formula to reflect changes to TCIP's exposures and expand the coverage within the Istanbul region."

**Chi Hum, Global Head of ILS Distribution, GC Securities**

"The capital markets investor support for Bosphorus Re/TCIP was deep enough to enable an issuance upsize to \$400,000,000 at favorable pricing. The breadth of investor composition will give TCIP the support it needs to determine how best to integrate and optimize capital markets capacity into its total reinsurance purchase program. We are honored to have been instrumental in assisting the TCIP in arranging this alternative capacity for the benefit of the policyholders and citizens of Turkey."

**Nick Frankland, CEO of Guy Carpenter, EMEA**

"This transaction is a testament to the groundbreaking and collaborative work that has been carried out by the TCIP and its local partners. By entering the capital markets with such a significant and well received first issue, TCIP has clearly demonstrated its credentials to the reinsurance and capital markets as well as its determination and desire to further privatize its earthquake risk. GC Securities, Guy Carpenter's broking team is proud to have partnered TCIP with this game changing transaction and to have been able to deliver a solution that best meets TCIP's growing risk transfer needs."

**TAGS/KEYWORDS**

Guy Carpenter, GC Securities, Bosphorus, Bosphorus 1 Re, catastrophe bond, cat bond, Turkish Catastrophe Insurance Pool, TCIP, Sele, Anger, Hum, Frankland

**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](http://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 16<sup>th</sup> Annual Asia Insurance Industry Awards.

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