

# News Release

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## **GC Securities and Marsh Captive Solutions Introduce Cerulean Re**

**New York, September 8, 2017** – GC Securities, a division of MMC Securities LLC, a U.S. registered broker-dealer and member FINRA/NFA/SIPC, today announced the establishment of Cerulean Re SAC Ltd. (Cerulean), a private syndicated collateralized reinsurance platform and Bermuda registered segregated account company (SAC) and licensed special purpose insurer.

The joint venture between Marsh & McLennan Companies business units GC Securities (as arranger) and Marsh Captive Solutions (as insurance manager to Cerulean) provides an efficient and cost-effective placement process for collateralized reinsurance and private catastrophe bond deals. The solution will help insurers access the necessary capital to enter new markets while initiating relationships with capital markets investors. By standardizing many aspects of the placement process and documentation, the platform will generate significant operational and expense efficiencies while still providing cedents with bespoke, fully-collateralized products.

“Insurers, reinsurers, corporations and governments accessing long-term capital markets-based protection can now receive unparalleled support and expertise that brings the right capital to their risks,” said Cory Anger, Global Head of ILS Origination and Structuring for GC Securities. “This collaboration offers an expansion of collateralized reinsurance opportunities, matching a more diverse range of capital sources seeking non-correlating investments to the unique risk profile of clients, thereby creating more efficient solutions.”

By investing the collateral supporting risk in appropriate assets, Cerulean eliminates credit risk while maintaining compliance with credit-for-reinsurance requirements. A documented post-event collateral retention mechanism ensures a transparent and efficient claims development and collateral release process, while a single-firm execution process with the ability to bundle investor participation streamlines documentation.

The use of the proven SAC mechanism allowed development to focus on better risk solutions, rather than on delivery platforms, and the client base within Marsh Captive Solutions provides an opportunity to introduce elements of primary corporate risk to insurance-linked securities (ILS) transactions. A wide range of triggers, including indemnity, industry index and parametric, are available, ensuring the correct type and level of coverage.

“ILS is an established part of the reinsurance and capital markets, and its participation is not wholly dependent on the (re)insurance cycle,” said David Priebe, Vice Chairman, Guy Carpenter. “It is here to stay. Cerulean leverages this capacity to support uninsured and underinsured risks, including emerging risks such as cyber and the ‘Internet of Things’, and we are excited about its ability to help our clients bring opportunity to risk to grow profitably.”

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### TAGS/KEYWORDS

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