



Media release

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Marsh and Munich Re team up to offer NexPower the first product guarantee cover for solar panel manufacturers in Asia

(1st Sept, 2009) Marsh, the world's leading insurance broker and risk adviser, and Munich Re, one of the world's leading reinsurers, have joined forces to launch a new product guarantee insurance solution tailored for the booming solar panel manufacturing sector in Asia – the first of its kind in the region.

Leading Taiwanese solar manufacturer NexPower, a client of Marsh Taiwan, is the first company to purchase this innovative solution.

This unique insurance product, underwritten by Munich Re's unit MARP, covers the warranties given by NexPower against the risk of performance deterioration in photovoltaic modules for a period of 25 years. The warranty guarantees that the modules will perform to at least 90 per cent capacity in the first ten years and to at least 80 per cent in the remaining 15 years.

Mr Huichih Ko, Chairman of Marsh Taiwan, said: "This solution offers solar module producers a greater degree of business certainty and allows operators of solar parks to finance photovoltaic installations more easily and with increased flexibility. The solar panel manufacturing sector in Asia is burgeoning, with Taiwan, China and Japan leading the way. This insurance policy is designed specifically to meet the needs of this critical renewable energy sector, and fills a much needed gap in the regional marketplace."

In preparing the ground for this concept, Munich Re's Special Enterprise Risks experts played a leading role in developing the product, which involved a detailed examination of the standards and manufacturing processes used by NexPower.

"Measures to counter climate change – in particular the specific expansion of new energy production technologies – open up major business opportunities for insurers, said Christian Scharrer, Risk Analyst at MARP. "MARP has developed unique risk-transfer products especially for complex risks connected with renewable energies, including the performance guarantee cover for which we were able to win over NexPower as our first client in Asia."

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NexPower

The solution provides business certainty to the solar manufacturer's end customers, with minimum performance guarantees – a powerful differentiator in a competitive marketplace.

Mr Semi Wang, CEO of NexPower, said: "For our clients, this insurance solution is a major stepping-stone in financing photovoltaic projects. It ultimately gives operators of solar parks additional economic security in the event of an unforeseen loss in performance of the modules. I am particularly pleased that, in Munich Re, NexPower now has the backing of a renowned and strong partner to support our guarantee of thin-film modules with a product service life of 25 years."

This solution was brought to Asia using the expertise of Bowring Marsh, the specialist international placement division of Marsh.

About Marsh

Marsh, the world's leading insurance broker and risk advisor, has 23,000 employees and provides advice and transactional capabilities to clients in over 100 countries. In Asia, Marsh has nearly 1400 employees across 12 countries. Marsh is a unit of Marsh & McLennan Companies (MMC), a global professional services firm with more than 54,000 employees and annual revenue exceeding \$11 billion. MMC also is the parent company of Guy Carpenter, the risk and reinsurance specialist; Kroll, the risk consulting firm; Mercer, the provider of HR and related financial advice and services; and Oliver Wyman, the management consultancy. MMC's stock (ticker symbol: MMC) is listed on the New York, Chicago and London stock exchanges. MMC's Web Site is www.mmc.com. Marsh's Web site is www.marsh.com.

About Munich Re

The Munich Re Group operates worldwide, turning risk into value. In the financial year 2008, it achieved a profit of €1,528m on premium income of around €38bn. The Group operates in all lines of business, with around 44,000 employees at over 50 locations throughout the world and is characterised by particularly pronounced diversification, client focus and earnings stability. With premium income of around €22bn from reinsurance alone, it is one of the world's leading reinsurers. Please visit: www.munichre.com

About NexPower

NexPower Technology Corporation is a world leader in silicon thin film PV manufacturing. Founded by the UMC Group (NYSE: UMC) in 2005, NexPower is proud to be the first Taiwanese company to begin thin-film PV mass production; the first to attain IEC 61646, IEC 61730 certification; the first to attain UL 1703 listing. NexPower sees itself as the pioneer in the silicon thin-film industry, driving product efficiency improvements from 7% in 2008 to 10% in 2010. With 87.5MW of capacity on line, NexPower is a serious participant in the worldwide PV supply chain. Fast execution at all levels allows NexPower to grow faster than the market to maintain their strong position.