

Princeton, New Jersey – May 11, 2010
Press release

Munich Re provides capital-markets solution for North Carolina Underwriting Associations – US\$305m Hurricane catastrophe bonds issued

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Munich Re has provided for the North Carolina Joint Underwriting Association and North Carolina Insurance Underwriting Association a US\$305m catastrophe bond transaction that transfers hurricane risk in North Carolina to the capital markets. Munich Re acted as joint lead manager in the transaction, reinsured the risk via its US operation and placed the bond with institutional investors in the EU and Switzerland via its placement entity.

Munich Reinsurance America has reinsured a portion of two catastrophe hurricane risk layers of the North Carolina Joint Underwriting Association and North Carolina Insurance Underwriting Association which have been fully retroceded to Cayman Islands-registered Johnston Re Ltd., providing coverage up to a maximum of US\$305m. Johnston Re Ltd. has issued two tranches of a principal at-risk variable rate note program with a 3-year risk period. The first tranche uses a “drop-down” feature that will replace the expiring Parkton Re 2009-1 Ltd. bond after one year. The second tranche will stay for three years at the same level directly above the first tranche. The issuance was significantly oversubscribed and due to strong demand upsized from the originally announced US\$200m.

“We are pleased to have again been able to provide our US clients with a capital markets transaction. Munich Re offers its clients the full spectrum of risk transfer solutions, and the capital markets constitute a good complementary risk carrier for specialized peak risks like North Carolina hurricane. Reinsuring the risk directly in the US means that we offer full credit for reinsurance benefit for our clients in the US market,” said Tony Kuczinski, President and CEO of Munich Reinsurance America, Inc.

In the U.S., Munich Re provides access to a full range of property-casualty reinsurance and specialty insurance products through Munich Reinsurance America, Inc., American Modern Insurance Group and Hartford Steam Boiler Group. Together, we deal with the issues that affect society and work to devise cutting-edge solutions that render tomorrow’s world insurable. Munich Reinsurance America, Inc. has been successfully addressing the key challenges of the future since 1917. Our clients trust us to develop solutions for the whole spectrum of reinsurance – from traditional reinsurance agreements to the management of complex specialty reinsurance risks. Our recipe for success: we

May 11, 2010
Press release
Page 2/2

anticipate risks early on and deliver solutions tailored to clients' needs, creating opportunities to achieve sustained profitable growth.

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Disclaimer:

This press release is prepared for the purpose of public announcement of the issuance of the bonds referred to herein (the "Bonds") and does not constitute or form part of any offer or invitation to sell or issue or any solicitation of any offer to purchase or subscribe for any securities in any jurisdiction, nor shall it (or any part of it) or the fact of its distribution form the basis of, or be relied upon in connection with, or act as any inducement to enter into, any contract or commitment therefore.

All of the Bonds have been sold and this announcement is a matter of record only. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state or foreign securities law and the issuer is not and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act").

The Bonds were offered and sold only to investors who are qualified institutional buyers in accordance with Rule 144A under the Securities Act and who, in the case of U.S. persons (as the term is defined in Regulation S under the Securities Act), are also qualified purchasers for purposes of Section 3(c)(7) of the Investment Company Act and may not be re-offered or re-sold in the United States except in compliance with all applicable transfer restrictions. Any purported transfer in violation of those restrictions will be null and void. In addition, the Bonds may be held only in certain permitted jurisdictions.

This press release contains forward-looking statements that are based on current assumptions and forecasts of the management of Munich Re. Known and unknown risks, uncertainties and other factors could lead to material differences between the forward-looking statements given here and the actual development, in particular the results, financial situation and performance of our Company. The Company assumes no liability to update these forward-looking statements or to conform them to future events or developments.

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