

Princeton, New Jersey – July 12, 2010
Press release

MUNICH RE ANNOUNCES FURTHER ALIGNMENT OF SPECIALTY PRIMARY INSURANCE PLATFORM

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Munich Re announced today its intent to further align its U.S.-based specialty primary insurance operations to create a more robust specialty insurance platform under the leadership of Doug Elliot, President and CEO of Hartford Steam Boiler. The management teams of Hartford Steam Boiler, which was purchased by Munich Re in 2009, and the Specialty Insurance Division, which includes American Modern Insurance Group and Munich Reinsurance America's Specialty Markets unit, will report to Doug Elliot under this new structure.

"This alignment will further promote resource sharing to better serve our business partners, and will allow us to more efficiently deliver new specialty products," said Tony Kuczinski, President and CEO of Munich Reinsurance America, Inc., who heads Munich Re's US property & casualty operations. "Although they will be more closely aligned, however, HSB and the Specialty Insurance Division will continue to be standalone business operations," Kuczinski added.

"This new structure will facilitate the continued expansion of our specialty insurance business, thereby supporting one of the three pillars of Munich Re's US strategy - of building a dominant presence in niche primary insurance segments," said Peter Röder, member of Munich Re's Board of Management responsible for business in North America. "This is an important and attractive market segment for Munich Re, as it leverages our core reinsurance risk know-how; is typically characterized by little competition from mass market insurers; and achieves attractive combined ratios due to specialization and less exposure to the insurance cycle. It is an area in which we anticipate significant profitable growth in the future," said Röder.

Doug Elliot has served as President and CEO of Hartford Steam Boiler Group, Inc. since July, 2007. He joined HSB in January 2007 as president and chief operating officer for The Hartford Steam Boiler Inspection and Insurance Company. During 2006 he was senior advisor for Aspen Insurance Holdings, a global reinsurer and specialty line insurer. From 1987 to 2005, Doug held a variety of senior manager jobs at The Travelers, including chief operating officer.

John Hayden, who has been serving as President of the Specialty Insurance Division since 2008, has announced his plans to retire from the company,

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effective October 15, 2010. During John's nearly 30-year tenure at Midland, and for the past 13 years as its President and CEO, he worked with his management team to successfully grow the company from a single-product company to one with a multiproduct line and an excellent track record of profitability.

"I am grateful to John for all he has accomplished in growing our primary specialty platform. I understand his decision to move on to new challenges outside Munich Re, and know he is looking forward to the many possibilities the future holds," said Tony Kuczinski.

Over the next several months, John Hayden will work closely with Doug Elliot to transition responsibility for management of the Specialty Insurance Division. "I am confident that Doug Elliot has the broad market knowledge and outstanding management skills to bring us to the next stage in building out a world-class specialty primary insurance platform," Kuczinski said.

For media questions please contact:

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Munich Re

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. For more than 100 years, Munich Re has been successfully addressing the key challenges of the future in the US. 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 anticipate risks early on and deliver solutions tailored to clients' needs, creating opportunities to achieve sustained profitable growth.

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