



**Tradition Re Hosts Dutch  
Market Auction for CME-Cleared Hurricane Index Contract**

**New York, NY, March 3, 2010** – Tradition Re, the U.S. reinsurance division of Tradition, a leading interdealer broker and a subsidiary of Compagnie Financière Tradition, today announced that it completed a Dutch auction on behalf of a reinsurance market participant wishing to hedge their risk for the 2010 hurricane season in Florida (BHF). Additional capacity was placed subsequent to the auction.

Offers were submitted in the form of point price levels, as traded on the Chicago Mercantile Exchange (CME), for a Florida CME Hurricane Index (CHI) Seasonal Accumulated Binary Option with a strike of 22. The total amount cleared on the CME was 400 lots equaling USD 4,000,000 at a price of 11.43. Formal proposals were submitted to Tradition and executed on March 2, 2010. Participants in the auction encompassed a variety of participants from the reinsurance and financial markets.

Historical CHI values for land falling storms on the Eastern Seaboard of the USA over the last ten years:

<u>Year</u>	<u>Storm</u>	<u>Landfall</u>	<u>CHI Value (Saffir-Slimpson)</u>
1999	Brett	Gulf	10.4 (Cat 4)
	Floyd	Southern Atlantic	9.6 (Cat 2)
	Irene	Florida	1.8 (Cat 1)
2000			
2001			
2002	Lili	Gulf	5.2 (Cat 2)
2003	Claudette	Gulf	1.8 (Cat 1)
	Isabel	Southern Atlantic	7.7 (Cat 2)
2004	Charley	Florida	10.4 (Cat 4)
	Frances	Florida	6.6 (Cat 2)
	Ivan	Gulf	13.5 (Cat 3)
	Jeanne	Florida	8.0 (Cat 3)
2005	Dennis	Florida	6.9 (Cat 3)
	Katrina	Florida	1.4 (Cat 1)
	Katrina	Gulf	19.0 (Cat 4)
	Rita	Gulf	9.9 (Cat 3)
	Wilma	Florida	11.2 (Cat 3)
2006			
2007	Humberto	Gulf	1.7 (Cat 1)
2008	Dolly	Gulf	3.6 (Cat 2)
	Gustav	Gulf	7.2 (Cat 2)
	Ike	Gulf	9.9 (Cat 2)
2009			

Note: Gulf landfall is between TX and AL; Southern Atlantic landfall is between GA and NC

“While our core business is traditional reinsurance placements, we are pleased to have tried and succeeded in bringing this innovative auction approach into the (re)insurance market,” commented Patrick Gonnelli, Executive Vice President for Tradition Re.

On March 2, Tradition Re also completed another CHI trade for a Second Event Binary Texas-Florida (GF2) contract with a CHI strike of seven for 1,000 lots equaling USD 10,000,000 at a price of 24.42.

Notes to Editors on Dutch Auction:

For the Florida (BHF) auction, offers were accepted in a minimum bid size of USD 1,000,000 (100 lots), with increments of USD 50,000 (50 lots) thereafter. When a level was deemed to be acceptable, no less than a minimum transaction size of USD 2,000,000 (200 lots) was executed through the auction. The levels were posted on the CME.

-Ends-

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**About Tradition**

Tradition is one of the world's largest interdealer brokers in over-the-counter financial and commodity related products. Represented in 27 countries, Tradition employs 2,450 people globally. Tradition is owned by Compagnie Financière Tradition (CFT) and listed on the Swiss stock exchange.

For more information, please visit [www.tradition.com](http://www.tradition.com).