

# Willis Towers Watson

## ILS market grew to \$75 billion in 2016 as it continued to diversify into new products and perils

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### Latest Willis Capital Markets & Advisory insurance-linked securities (ILS) report highlights Q4 2016 activity

LONDON, Jan. 26, 2017 (GLOBE NEWSWIRE) -- Non-life insurance-linked securities (ILS) capital grew again in 2016 as the market continued to diversify into new products and perils to meet the demands of its increasingly broad group of investors, according to the [latest ILS Market Update from Willis Capital Markets & Advisory](#), the investment banking business of leading global advisory, broking and solutions company, Willis Towers Watson (NASDAQ:WLTW).

Total ILS assets under management in 2016 grew to \$75 billion, up from \$70 billion the previous year. In the fourth quarter of 2016 the ILS market saw a pick-up, with \$2 billion of non-life catastrophe bond capacity issued through five transactions, compared to \$1.4 billion issued in the same period of 2015.

All fourth quarter issuances came from repeat sponsors, they did, however, bring diversifying perils to investors. Assicurazioni Generali's Horse Capital I, covering motor third party liability risk was the first bond since 2007 to do so, while XL Bermuda's Galilei I Re was the first bond to cover Australian tropical cyclone and Australian earthquake since 2013.

**Bill Dubinsky, Head of ILS at WCMA, said:** "The size of the ILS market continued to grow in 2016, reaching \$75 billion. Growth alone was not, however, the whole story as diversification by peril became increasingly important to investors, as did different approaches to liquidity and leverage, dependent on each investor's appetite for ILS risk."

**On the market outlook for 2017, Dubinsky said:** "Our 2017 expectation is that assets under management will continue to grow at roughly the same pace as in 2016. Leverage and diversity will also increase, led by a greater level of sophistication amongst the established investor base. At the same time, newer investors will continue to seek the greater liquidity that the traditional cat bond product offers."

**For more details and to access the full WCMA ILS Market Update report, please [click here](#).**

#### About Willis Capital Markets & Advisory

Willis Capital Markets & Advisory, with offices in New York, London, Hong Kong and Sydney, provides advice to companies involved in the insurance and reinsurance industry on a broad array of mergers and acquisition transactions as well as capital markets products, including acting as underwriter or agent for primary issuances, operating a secondary insurance-linked securities trading desk and engaging in general capital markets and strategic advisory work. Willis Capital Markets & Advisory ("WCMA") is a trade name used by Willis Securities, Inc., a licensed broker dealer authorized and regulated by FINRA and a member of SIPC ("WSI"), Willis Capital Markets & Advisory Limited (Registered number 2908053 and ARBN number 604 264 557), an investment business authorized and regulated by the UK Financial Conduct Authority ("WCMAL") and Willis Capital Markets & Advisory (Hong Kong) Limited, a corporation licensed and regulated by the Hong Kong Securities and Futures Commission ("WCMAL (HK)").

#### About Willis Towers Watson

Willis Towers Watson (NASDAQ:WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 39,000 employees in more than 120 territories. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas — the dynamic formula that drives business performance. Together, we unlock potential. Learn more at [willistowerswatson.com](http://willistowerswatson.com).

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