

Record breaking \$6.3 billion of non-life property cat issuance in Q2 sees ILS reach critical juncture

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LONDON, July 28, 2017 (GLOBE NEWSWIRE) -- Non-life insurance-linked securities (ILS) issuance reached a record breaking \$6.3 billion in Q2 2017, continuing the trend from the first quarter of the year. ILS assets under management (AUM) also continue to grow alongside fierce competition from investors. These are the findings of the [latest ILS market update](#), from Willis Towers Watson Securities, the investment banking business of leading global advisory, broking and solutions company, Willis Towers Watson (NASDAQ:WLTW).

After a better than average issuance volume in the first quarter, the second quarter of 2017 saw \$6.3 billion of non-life catastrophe bond capacity issued through 36 tranches, compared with \$1.0 billion issued through 17 tranches in Q2 2016 and the previous quarterly record of \$4.5 billion issued in Q2 2014. Q2's record issuance volume was driven by two of the largest ever catastrophe bond transactions, Kilimanjaro II Re 2017-1 and Ursa Re 2017-1. At quarter end bonds provided \$24.7 billion outstanding, up 16.5% year-on-year.

This is against a backdrop of the soft market which sees some traditional reinsurers generating reduced equity returns, government yields in Europe and Japan remaining negative and material uncertainties such as Brexit and potential changes to the US tax environment all causing concern to insurers and investors alike.

The combination of these factors, the report suggests, are leading to the ILS market reaching a positive tipping point as it manages a larger share of the world's peak cat risk and plenty of opportunities remain for new issuance in non-peak cat and more generally across the property, casualty, life and health spectrum.

Bill Dubinsky, Head of ILS at Willis Towers Watson Securities, said: "The market has possibly never been in such robust health, with record breaking issuance and competition continuing to increase amongst ILS fund managers. I believe this will create the conditions for significant innovation and development so that the benefits of the ILS product extend beyond peak property cat, where it may already be the preferred choice, and out across the wider insurance industry."

Download the Willis Towers Watson Securities ILS Market Update report [here](#)

About Willis Towers Watson Securities

Willis Towers Watson Securities, 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 Towers Watson Securities ("WTWS") 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 Towers Watson Securities (Hong Kong) Limited, a corporation licensed and regulated by the Hong Kong Securities and Futures Commission ("WTWS (HK)").

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Contacts:

Media

Annie Roberts: +44 20 3124 7080 | Annie.Roberts@willistowerswatson.com

Investors

Aida Sukys: +1 703 258 8033 | Aida.Sukys@willistowerswatson.com

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