



Willis Towers Watson Securities Completes EUR 90 million ‘Hexagon Reinsurance DAC’ catastrophe bond for Covea

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LONDON, Dec. 19, 2017 (GLOBE NEWSWIRE) -- Willis Towers Watson Securities, the investment banking business of Willis Towers Watson (NASDAQ:WLTW), the leading global advisory, broking and solutions company, today announced that it has structured and placed EUR 90 million of insurance-linked securities (ILS) for Covea Mutual Insurance Group (“Covea”), France’s largest domestic P&C insurance group.

The transaction was executed in collaboration with Willis Towers Watson’s reinsurance business, Willis Re.

Hexagon Reinsurance DAC (“Hexagon”), which settled 15 December, provides Covea with two €45 million tranches of fully collateralized protection against windstorm risk in France for a four-year period. The structure features an indemnity trigger on an annual aggregate basis with terms mirroring the traditional reinsurance placement, to ensure effective integration within the overall property catastrophe reinsurance program.

Bill Dubinsky, Head of ILS at Willis Towers Watson Securities, said: “We are proud to have supported Covea in its inaugural catastrophe bond transaction. Investors were eager to support the transaction. Hexagon diversifies Covea’s sources of reinsurance capacity with competitive pricing.

“This is a unique transaction as it is the first time a European catastrophe bond has supported capacity at the bottom of a traditional reinsurance program, as well as the first time a European indemnity-trigger catastrophe bond was placed on an annual aggregate basis.”

Alkis Tsimaratos, Managing Director of Willis Re EMEA W/S said: “We are delighted at the multiple results achieved in this transaction. In addition to opening up a new source of capital for Covea’s reinsurance strategy, Hexagon offers a stable multiyear commitment at attractive terms, in the middle of a challenging renewal market, marked by future price uncertainties. The transaction also demonstrates that attachment levels usually reserved for traditional structures in Europe are equally attracting catastrophe bond investors.

“Once again, the combined expertise of Willis Re and Willis Tower Watson Securities was a key differentiator in providing leading advice to our client on the design and execution of their risk transfer strategy.”

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 is a trade name used by Willis Securities, Inc., a licensed broker dealer authorized and regulated by FINRA and a member of SIPC, Willis Towers Watson Securities Europe Limited (Registered number 2908053 and ARBN number 604 264 557), an investment business authorized and regulated by the UK Financial Conduct Authority and Willis Towers Watson Securities (Hong Kong) Limited, a corporation licensed and regulated by the Hong Kong Securities and Futures Commission.

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 40,000 employees serving more than 140 countries. 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.

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