

## ILS growth to \$93bn in 2018 bodes well for a continued healthy market

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LONDON, Jan. 29, 2019 (GLOBE NEWSWIRE) -- Growth of the ILS market continued in 2018, to reach \$93 billion of outstanding non-life capital, despite a slow-down during the final quarter of the year, according to the new [ILS Market Update](#) from Willis Re, the reinsurance division of Willis Towers Watson, the leading global advisory, broking and solutions company (NASDAQ:WLTW).

In the face of multiple smaller catastrophic events in 2018 and a meaningful series of catastrophes in 2017, non-life cat bond issuance remained strong. About \$9.2 billion of new capital was delivered, marking the second most active calendar year ever. Of \$535 million in bonds issued during Q4, \$125 million provides protection from California wildfire liability, \$200 million grants peak multiperil protection, and \$210 million covers U.S. earthquake (workers' compensation).

Lines of demarcation within the ILS space are blurring, according to the report, as ceding companies and intermediaries look to the range of cat bonds, sidecars, and other collateralized ILS, to identify the best tools to meet specific challenges, continue to develop new solutions, and refine existing structures. This blurring of categories should help the ILS market to overcome concerns including prompt loss reporting, valuation accuracy, collateral release and rollover, and increasing volatility, the report contends. Two-way transparency both for ceding companies and investors is key, and solutions to many specific challenges seem close at hand.

"We are seeing the convergence of convergence," says William Dubinsky, Managing Director & Head of ILS at Willis Towers Watson Securities. "The overall ILS figure is today a much more meaningful measurement of market size than focusing on cat bond and sidecar issuance alone. ILS capacity and products are growing organically and dynamically as gaps between different products and subsectors fill in, and innovation and market necessity create new capacity and products. Our confidence in the speed that new solutions will emerge gives us a favorable outlook for ILS in 2019."

The complete report is available for download [here](#).

### About Willis Re

One of the world's leading reinsurance brokers, Willis Re is known for its world-class analytics capabilities, which it combines with its reinsurance expertise in a seamless, integrated offering that can help clients increase the value of their businesses. Willis Re serves the risk management and risk transfer needs of a diverse, global client base that includes all of the world's top insurance and reinsurance carriers as well as national catastrophe schemes in many countries around the world. The broker's global team of experts offers services and advice that can help clients make better reinsurance decisions and negotiate optimum terms. For more information, visit [willisre.com](#).

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

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