

UnipolSai and Willis Confirm Completion of Industry-first Catastrophe Bond, Azzurro Re

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€200 million deal highlights growth of catastrophe bonds for non-US perils - Azzurro Re first ever catastrophe bond to cover Italian earthquake and ensuing perils as primary risk

BOLOGNA, July 20th, 2015 - UnipolSai Assicurazioni S.p.A. (“UnipolSai”), the multi-business insurance company of the Unipol Group and Italian leader in non-life business, together with Willis Capital Markets & Advisory (“WCMA”), part of Willis Group Holdings plc (NYSE:WSH), the global risk advisory, re/insurance broking, and human capital and benefits firm, have confirmed the completion of the re/insurance industry’s first indemnity-trigger catastrophe bond primarily for Italian earthquake risk, Azzurro Re I Limited (“Azzurro Re”).

Sponsored by UnipolSai, Azzurro Re was structured and placed by WCMA in collaboration with Willis Group’s reinsurance division, Willis Re. It provides UnipolSai, one of the largest buyers of Italian earthquake cover, with €200 million of fully collateralized protection against earthquake risk and ensuing perils in Italy and neighbouring countries for three-and-a half years. The structure features an indemnity trigger on a per occurrence basis and mirrors the traditional reinsurance terms to ensure integration within the overall property catastrophe reinsurance program of UnipolSai.

Azzurro Re is the first catastrophe bond for UnipolSai. It also marks the first catastrophe bond exposed to European risk issued in 2015.

Investors welcomed the transaction. More than twenty supported the transaction, which was oversubscribed and upsized from the initial €150 million. The notes pay an annual risk spread of 2.15%, a record low for a first time European primary insurance catastrophe bond sponsor of first event indemnity-trigger principal-at-risk notes.

Commenting on the deal, Marco Sordoni, Head of Reinsurance of UnipolSai, said: “Azzurro Re is an important transaction for UnipolSai and supports our long-term development strategy across the international markets as well as in Italy. We are also proud to have sponsored Azzurro Re as an industry-first transaction for the catastrophe bond market.

“UnipolSai is establishing relationships with investors as part of our long-term strategy to access the spectrum of global capital markets should our future reinsurance capacity needs increase. With the current low penetration rate of earthquake insurance in Italy and wider international markets, we have proactively sponsored this transaction in anticipation of our potential growth in exposure. We value the reduction in post-event counterparty risk from the fully collateralized cover and we continue to work on other innovative risk transfer solutions as we to look to develop our international capabilities.”

Tony Melia, CEO of Willis Re International, said: “Azzurro Re demonstrates UnipolSai’s leadership in the international reinsurance market as well as Willis’s leadership position in structuring complex and advanced risk transfer solution for our international clients. We are delighted to have supported UnipolSai in its effort to engage successfully with insurance-linked securities investors as part of their long-term development strategy.

“Azzurro Re is a clear demonstration of the continued trend for diversified reinsurance buying, with buyers restructuring their reinsurance programs to better integrate ILS capacity, ultimately to improve performance and efficiency gains for the benefit of policyholders as well as shareholders. We look forward to delivering future results alongside WCMA across new risks and territories.”

William Dubinsky, Managing Director and Head of ILS, WCMA, said: “This transaction demonstrates the

continued investor appetite for catastrophe risk and highlights the strong interest for investment in diversifying perils. Alongside Willis Re we look forward to continue broadening the scope of products available to investors and also look forward to bringing the buyers of reinsurance more choice to diversify their sources of reinsurance capacity.”

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About UnipolSai Assicurazione S.p.a.

UnipolSai Assicurazioni S.p.A. is an insurance leader in Italy for non-life business and especially in MTPL. Also heavily involved on the life insurance side, UnipolSai S.p.a., with more than 10 million insured client, is clearly considered as one of the main Italian insurance group with a premium turnover @ 31-12-2014 around 16 billion Euro (split as follow: 8,4 for non-life and 7,6 in life). The company is currently operating through the largest agent network counting 3.000 local agent's office and more than 6.000 subagents. Aside to the traditional distribution network, UnipolSai is also involved in the bancassurance distribution model thanks to the agreement with Unipol Banca and the joint-venture with Popolare Vita (Gruppo Banco Popolare), BIM Vita (Banca Intermobiliare) and Incontra Assicurazioni (Gruppo Unicredit).

About Willis Capital Markets & Advisory

Willis Capital Markets & Advisory, with offices in New York, London and Hong Kong, 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 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 www.willisre.com.

About Willis

Willis Group Holdings plc is a global risk advisory, re/insurance broking, and human capital and benefits firm. With roots dating to 1828, Willis operates today on every continent with more than 18,000 employees in over 400 offices. Willis offers its clients superior expertise, teamwork, innovation and market-leading products and professional services in risk management and transfer. Our experts rank among the world's leading authorities on analytics, modeling and mitigation strategies at the intersection of global commerce and extreme events. Find more information at our website, www.willis.com, our leadership journal, [Resilience](#), or our up-to-the-minute blog on breaking news, [WillisWire](#). Across geographies, industries and specialisms, Willis provides its local and multinational clients with resilience for a risky world.

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