



## Buoyant ILS Market Hits \$70 Billion as Re/Insurer Interest and Investor Confidence Continues to Grow

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NEW YORK, Jan. 19, 2016 (GLOBE NEWSWIRE) -- Non-life insurance-linked securities (ILS) capital hit new heights in 2015 as re/insurer interest and investor confidence continued to grow, broadening their horizons to include new products and perils, 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 non-life ILS capital reached \$70 billion at year-end 2015 as net new capital continued to enter the market. This exceeded the record \$65 billion level at year-end 2014.

ILS products such as sidecars, industry loss warranties and collateralized reinsurance showed considerable growth during the year. 2015 also saw the continuation of the gradual move towards a broader array of risks transferred, with increasing interest beyond natural catastrophe perils to life, accident & health and casualty risks.

Non-life catastrophe bond issuance on the other hand, which has seen continued year-on-year growth since 2011, was down to \$6.2 billion for the full year, compared to the record \$8 billion level issued during 2014. The report concludes that this is mainly due to one-off factors such as multi-year deal inception dates; the drop does not signify a decline in appetite for such transactions. In fact, the number of deals in 2015 increased year-on-year.

**Bill Dubinsky, Head of ILS at WCMA, said:** "Looking at the headline catastrophe bond figure, a decline in issuance appears to be the case. However, this general picture fails to account for the huge \$1.5bn transaction completed in 2014 - Citizens' Everglades Re - which skews any prior year comparison.

"The number of deals in 2015, and transactions such as Azzurro Re, demonstrate that ILS is becoming a core component of many re/insurers' risk transfer strategies and investor appetite remains strong. We therefore expect continued growth in ILS assets under management in 2016, including growth in catastrophe bonds."

**On the broadening of deals transacted, Dubinsky said:** "Further expansion into new products and perils will require continued innovation and investment by all market participants. Investors are showing pricing discipline in the current soft market, yet there remains clear appetite to deploy capital across a broader array of risks and products as investors continue to become more comfortable with this maturing asset class, as long as investment standards are met.

"Overall, despite the soft market, the ILS market is healthy and of keen interest to institutional investors, insurers and reinsurers, and increasingly to corporates and governments as well."

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)").

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