



Non-life catastrophe bond issuance hits \$2.8 billion

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Latest Willis Capital Markets & Advisory insurance-linked securities (ILS) report highlights Q2 2016 activity

LONDON, July 11, 2016 (GLOBE NEWSWIRE) -- \$1 billion of non-life catastrophe bond capacity was issued across six transactions in the second quarter of 2016, taking total market issuance for the first half of 2016 to \$2.8 billion, according to the [latest ILS market update from Willis Capital Markets & Advisory](#) (WCMA), the investment banking business of the leading global advisory broking and solutions company, Willis Towers Watson (NASDAQ:WLTW).

Three out of the six catastrophe bond sponsors were new issuers: Security First, United Insurance and Credit Suisse. Repeat sponsors included well-known market participants such as USAA and Munich Re, as well as Allianz Risk Transfer.

Bill Dubinsky, Head of Insurance-Linked Securities (ILS) at WCMA, said: "Despite the strong Q1 2016 issuance, second-quarter take up has not been as fervent compared to previous years. However, sponsors continue to engage with ILS investors through various other products. Decreased outstanding volume created tighter risk spreads in Q2 for this type of ILS and better relative value for ceding companies versus private deals. We expect this relative value gap to drive increased issuance of liquid ILS in response in the coming quarters.

"With hurricane season now underway, combined with the expectation that 2016 will be a La Niña year, there is unshakeable sentiment among quite a few involved in this year's June and July 1 U.S. property catastrophe renewals that reinsurers and ILS investors will both take significant cat losses. What happens next if this comes to pass depends upon whom you ask, but we expect capital will rush into the market post the next event. The historic pricing cycle will not disappear altogether but temporary capacity shortages and payback will significantly reduce impact compared to the past."

The Q2 2016 WCMA report also includes an interview with James Vickers, Chairman of Willis Re International. He provides his views on the role of capital markets in reinsurance placements outside of North America, trends in catastrophe bond issuance globally and how the reinsurance intermediary role is evolving as the ILS market develops.

For more detail and 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)").

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 39,000 employees in more than 120 territories. 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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