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Appleby Bermuda sees increase in ILS market share

The global insurance-linked security (ILS) sector continued to grow in 2015, with 49 ILS transactions completed during the year, a new market high.

According to figures published by Artemis, the Bermuda (re)insurance market benefited from this booming industry, with 75% of ILS transactions completed in 2015 taking place in Bermuda. Additionally, according to reports by the Bermuda Stock Exchange, 67% of all ILS transactions completed in 2015 were listed in Bermuda.

Appleby Bermuda, which has played a significant role in the ILS sector in recent years, continued to consolidate its presence in the ILS market. In particular, Appleby Bermuda acted on over two-thirds of Bermuda's ILS transactions, including the majority of Bermuda's collateralised reinsurance (or 'cat bond lite') transactions.

Appleby has seen a marked increase in the use of collateralised reinsurance programmes in recent years. Such programmes (which are often bespoke reinsurance structures that utilise an SPI or a more traditional 'transformer' vehicle, often with segregated accounts) offer sponsors a faster, more cost-effective access point to the ILS market, particularly when compared with more traditional cat bond transactions.

Should you have any queries or wish to obtain any advice regarding ILS transactions, please do not hesitate to contact us.

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