

Appleby involved in two-thirds of ILS transactions in Bermuda in 2015

International law firm Appleby's Bermuda office acted on more than two-thirds of the island's insurance-linked securities (ILS) transactions during 2015, including traditional catastrophe bonds and a significant volume of collateralised reinsurance deals.

As the ILS sector continues to attract investors and sponsors, outright market growth was again achieved during 2015, ending the year at a record high of \$25.96 billion, according to data from the [Artemis Deal Directory](#).

Appleby, which has increased its presence in the global ILS sector in recent times, has revealed that it acted on more than two-thirds of Bermudian ILS deals during 2015, "including the majority of Bermuda's collateralised reinsurance (or 'cat bond lite') transactions."

A market high of 49 ILS transactions completed during 2015, notes Appleby, although it's worth adding here that the Artemis Deal Directory recorded 60 ILS transactions throughout last year, with the difference likely attributable to the inclusion of certain private deals.

The company notes that figures from Artemis show that 75% of ILS transactions completed last year took place in Bermuda, although the Bermuda Stock Exchange (BSX) does report a slightly lower market share, of 67%.

Underlining the global law firm's commitment to the island's stance as a leading hub for ILS business, Brad Adderley, Insurance Partner at Appleby's Bermuda office commented; "Appleby is at the forefront of ILS transactions and is passionate about developing innovative solutions for our clients and the marketplace to solve their ever-changing needs."

One such change highlighted by the firm is a notable rise in the use of collateralised reinsurance transactions in recent years, which can offer sponsors a more efficient entry point to the ILS sector, in terms of costs and transactional speed, when compared to a traditional 144A catastrophe bond.

The fact that Appleby Bermuda plays an important and increasing role in the Bermuda ILS sector for both traditional and the more bespoke reinsurance structures, is testament to its continued growth in the Bermuda market.

"As a leader in ILS, we are positioned for continued success due to Bermuda's highly regarded regulatory framework, intellectual capital and drive to continually innovate. Investor confidence in ILS structures continues to grow, making ILS transactions more mainstream," said Adderley.