

Listing ILS on TISE

Insurance Linked Securities (ILS) have become increasingly popular with both insurers and investors and TISE is ideally placed to facilitate this convergence.

Key offering

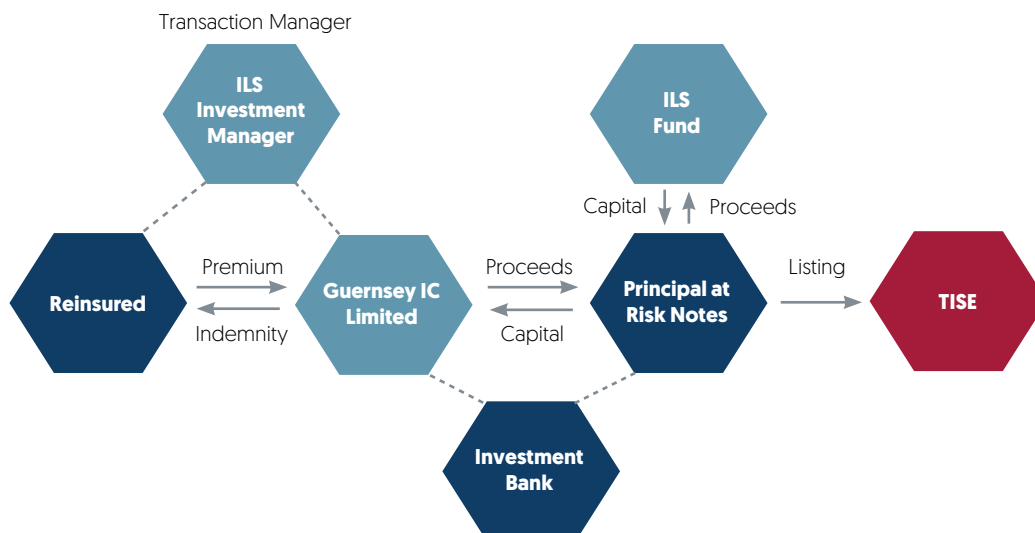
TISE's sensible rules, speedy turnaround times and competitive fee regime, as well as international recognitions which widen the investor base, have helped it attract significant ILS business, including some highly innovative listings.

In 2018, TISE became the venue for what is believed to be the first ever listing on a regulated exchange of notes digitised on a blockchain. Dom Re IC Limited, which is a cell of Solidum Re (Guernsey) ICC Limited, has issued notes digitised on a private blockchain; referred to as 'ILSBlockchain', the mechanism replaces the role of a traditional settlement system for the note issue.

Below is a structure used for listed ILS. The ILS investment firm underwrites a reinsurance programme on a fully collateralised basis which means that even in the worst case then claims are fully funded. It then transforms this through a Special Purpose Vehicle (SPV), the Guernsey Incorporated Cell (IC), fronting for their ILS investment funds and a partnering co-investor, into a private cat bond with transferable features.

Key benefits

- » Experienced in world first ILS listings
- » Meets capital market needs of reinsurers
- » Location of convergence structures



The Exchange has also become home to other innovative ILS listings.

In 2011, Solidum Re Eiger IC Limited was admitted to the Exchange's Official List in what was the first private cat bond transaction to be listed on any exchange worldwide. In 2014, the Exchange became home to another pioneering listing in the form of European insurance group FWU AG's Salam III Limited - US\$100 million Covered Sukuk al-Wakala Trust Certificate Issuance Programme. The unique deal, transacted as an Islamic bond, or sukuk, was the first ever securitisation of takaful (Sharia compliant) insurance policies.

Other ILS listings include €60 million notes issued by SQ ReVita I Limited, where the Transaction Manager is Secquaero Advisors AG, a member of and exclusive advisor to the Schroder Group regarding ILS investments.

TISE is also open to listing ILS funds. For example, Securis has two funds listed on the Exchange, Securis Non-Life Fund and Securis I Fund, with the latter a feeder fund of a master fund which has the specific objective of investing into ILS.

In 2018, Solidum Re (Guernsey) ICC Limited, a wholly owned subsidiary of ILS manager Solidum Partners AG, became the first ILS specialist to be admitted as a Member of TISE. It was approved to arrange and sponsor the listing of debt securities and investment vehicles on the Exchange.

Major reinsurers also have debt listed on TISE and the Exchange is also able to facilitate listings of equities issued by these groups.

In summary, TISE is able to meet an extremely wide range of the capital market needs of the global reinsurance community.

Why ILS?

ILS have become popular with investors as an alternative asset class and with insurers as a means of accessing greater quantities of affordable risk transfer capacity. Investors are attracted to ILS because returns are non-correlated with the general financial markets.

ILS permit an insurer to purchase additional protection for low frequency high severity losses, including natural and non-natural perils, typically in the form of cat bonds, collateralised reinsurance or Industry Loss Warrants.

Why TISE?

- » Responsive approach
- » Competitive pricing
- » Global standards
- » Wide international recognition
- » Premier location

TISE key credentials

- » Market capitalisation: > £300bn
- » Listed securities: > 2,000
- » International marketplace
- » Globally recognisable clients
- » Growing product range

Products

- » Trading companies
- » Specialist debt
- » Investment vehicles
- » SPACs
- » Extractive industries

Contact

Cameron Craine
cameron.craine@tisegroup.com

Mark Oliphant
mark.oliphant@tisegroup.com

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The International Stock
Exchange Group Limited

Registered Office
PO Box 623, Helvetia Court,
Block B, 3rd Floor,
Les Echelons, St Peter Port,
Guernsey, GY1 1AR
T: +44 (0) 1481 753000

Jersey
No.3 The Forum,
Grenville Street,
St Helier,
Jersey, JE4 4UF
T: +44 (0) 1534 737151

Isle of Man
Merchants House,
24 North Quay,
Douglas,
Isle of Man, IM1 4LE
T: +44 (0) 1624 675907

follow @tisegroup
follow us on LinkedIn
E: info@tisegroup.com
www.tisegroup.com

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The International
Stock Exchange