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## **ILS market growth continues as investor risk-return appetites diversify**

**London, 25 April, 2017** – Non-life insurance-linked securities (ILS) capital grew again in Q1 2017, continuing the trend from 2016, according to the latest [ILS Market Update](#) from Willis Towers Watson Securities, the investment banking business of leading global advisory, broking and solutions company, Willis Towers Watson (NASDAQ:WLTW).

Following a strong Q4 2016, the market maintained momentum in the new year as the first quarter of 2017 saw US\$1.7 billion of non-life catastrophe bond capacity issued through five transactions (record Q1 2016 saw \$2 billion issued through nine deals).

ILS funds continue to raise capital while sponsors respond to the attractive spread environment by seeking new protection backed by liquid ILS (cat bonds) as well as continuing to work up protection in other forms. In the meantime spread levels and margins continue to decline as investors increase their capital and gain market share.

The report says that as returns decline, ILS market participants need to find new structures to enhance returns, whether from more efficient collateral or otherwise.

Bill Dubinsky, Head of ILS at Willis Towers Watson Securities, said: “As expected, assets under management have continued to grow at roughly the same pace as in 2016. This is against a backdrop of challenging market conditions as competition among various players intensifies. Looking ahead we can be confident that the ILS market will continue to expand and grow as reinsurers and other players invest in this space.

“The breadth of the ILS market continues to expand not only by products and perils but also through increasingly differentiated risk-return appetites among the various investors.”

**Download [Willis Towers Watson Securities ILS Market Update Q1 2017](#)**

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### **About Willis Towers Watson Securities**

Willis Towers Watson Securities, 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 Towers Watson Securities 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**

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**Contacts:**

**Media**

Annie Roberts: +44 20 3124 7080 | [Annie.Roberts@willistowerswatson.com](mailto:Annie.Roberts@willistowerswatson.com)

**Investors**

Aida Sukys: +1 703 258 8033 | [Aida.Sukys@willistowerswatson.com](mailto:Aida.Sukys@willistowerswatson.com)