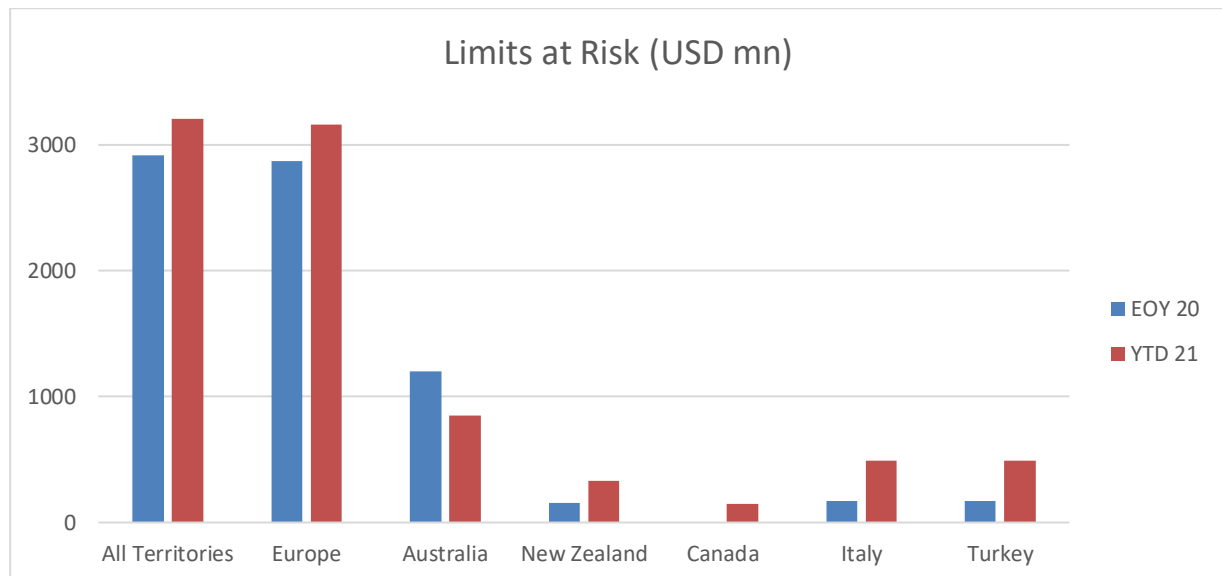


## PERILS-BASED LIMITS AT USD 3.2BN – YEAR TO DATE +11% DRIVEN BY INCREASED INTEREST IN MULTI-TERRITORY INDUSTRY LOSS RISK TRANSFER

**Zurich, 1 September 2021** - PERILS AG, the independent Zurich-based company providing industry-wide catastrophe insurance data, today announced that PERILS-based limits at risk as at 31 August 2021 were USD 3.2bn. This figure is up from USD 2.9bn at year-end 2020, an 11% increase, and is primarily due to greater interest by protection buyers in multi-territory industry loss risk transfer via Insurance Linked Securities (ILS) and Industry Loss Warranties (ILW) using PERILS as the reporting agency for industry loss triggers.

Of the total USD 3.2bn of PERILS-based limits at risk, USD 3.16bn (up from USD2.9 bn) cover Europe, USD 850mn (down from USD1.2bn) cover Australia, USD 330mn (up from USD 155mn) cover New Zealand, USD 490mn (up from USD170mn) cover Turkey and Italy respectively, and USD 150mn (up from USD 0mn) covers Canada. **Note that in the overall figure of USD 3.2bn, multi-territory limits are only counted once.**



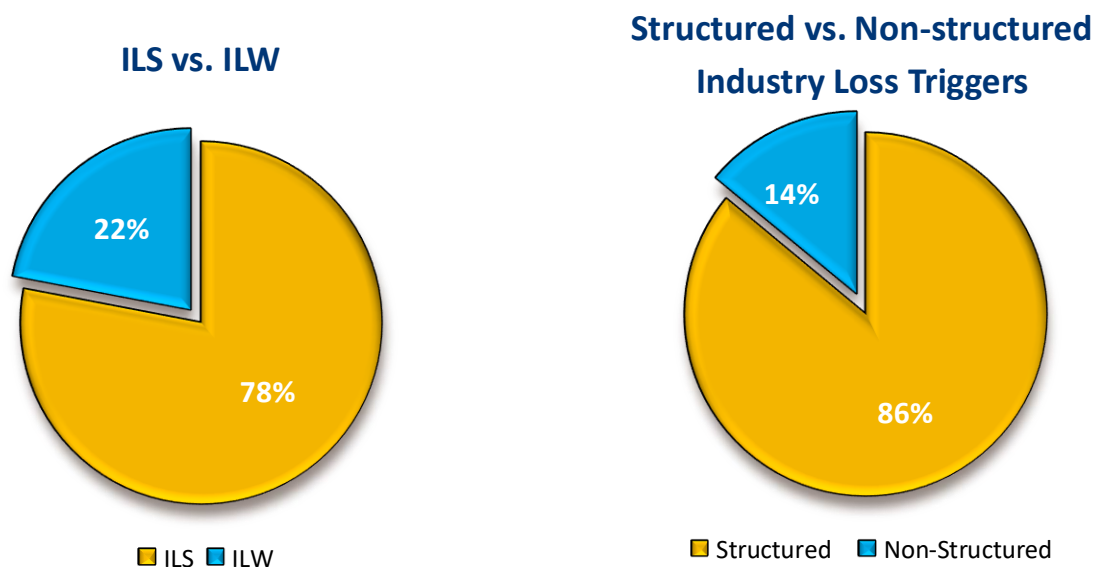
**PERILS-based Limits at Risk:** As at 31 August 2021, there was a total of USD 3.2bn of limits at risk where PERILS was used as the reporting agency for industry losses. This represents an increase of 11% compared to year-end 2020.

The increase in European Windstorm limits at risk is primarily due to more ILW transactions now representing 24% of total Europe limits at risk, up from 20%. The reduction in limits at risk for Australia relates primarily to the expiry of a large multi-year ILS transaction which was not renewed by the sponsor. This was partly offset by several new ILS and ILW transactions. For the remaining markets, increases in limits at risk were mainly due to new ILS transactions. In Canada, PERILS saw the issuance of the first ILS transaction to use its data since the acquisition of CatIQ by PERILS in 2019.

Of the USD 3.2bn at-risk capacity, 78% is in the form of ILS (144A), while 22% is in the form of private ILW placements. The majority of transacted capacity (86%) uses structured industry loss triggers which

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involve applying different weights to industry losses per geographical zone or line of business. This results in lowered basis risk compared to conventional, non-structured industry-loss-triggered protections.



**ILS vs. ILW and Structured vs. Non-Structured Industry Loss Triggers:** Of the USD 3.2bn PERILS-based limits at risk as per 31 August 2021, 78% is in the form of ILS (144A) and 22% is in the form of private ILW placements. The clear majority of the transacted capacity (86%) uses structured industry loss triggers, providing an efficient means to lower the basis risk in industry-loss-based risk transfer.

PERILS also announced that the total amount of PERILS-based limits issued since 1 January 2010 currently stands at USD 20.2bn. This amount is comprised of 340 individual ILS and ILW transactions.

Luzy Hitz, CEO of PERILS, said: “We have continued to expand our market coverage in recent years with the addition of New Zealand and Canada. This is the first time for Canada and New Zealand that PERILS data has been used in ILS transactions since we started covering these markets. It is particularly pleasing to observe growth in new multi-territory transactions where PERILS is being used for new as well as existing markets. This aligns with our strategy to facilitate industry-loss-based risk transactions across those regions exposed to major natural catastrophes by expanding territories and natural peril coverage over time.”

Darryl Pidcock, Head of Asia-Pacific at PERILS, added: “It has been an active period for new issuances year-to-date for both the ILS and ILW markets, which has driven the overall increase in limits at risk. We have observed new multi-territory, multi-peril ILS issuances as protection buyers benefit from more favourable market conditions. Some protection buyers have accessed the ILS market rather than issuing ILWs as investor capital and pricing have improved. ILW markets also continue to be active with

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an increase in new issuances, while most expiring ILWs have renewed so far this year, particularly in Australia and Europe. There has also been a marked increase in the proportion of limits at risk using structured industry loss triggers, which demonstrates the value such triggers can bring in facilitating industry loss risk transfer.”

**About PERILS**

PERILS is an independent Zurich-based organisation providing industry-wide natural catastrophe exposure and event loss data. The PERILS Industry Exposure & Loss Database is available to all interested parties via annual subscription. The database contains industry property sums insured and event loss information on a CRESTA zone level and per property line of business. PERILS industry loss estimates provided via the PERILS Industry Loss Index Service can be used as triggers in insurance risk transactions such as industry loss warranty contracts (ILW) or insurance-linked securities (ILS). The service currently covers the following 17 countries: Australia, Austria, Belgium, Canada, Denmark, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, New Zealand, Norway, Sweden, Switzerland, Turkey, and the United Kingdom. In addition, PERILS industry exposure data are available for Indonesia, the Philippines and Thailand. The use of PERILS exposure and loss data other than in conjunction with a valid PERILS License and according to its terms, by a Licensee or an Authorized User as defined in the License, is illegal and expressly forbidden.

More information can be found on [www.perils.org](http://www.perils.org)

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