

Bringing new life into life ILS

Life ILS Conference 2019: accumulation of risk panel

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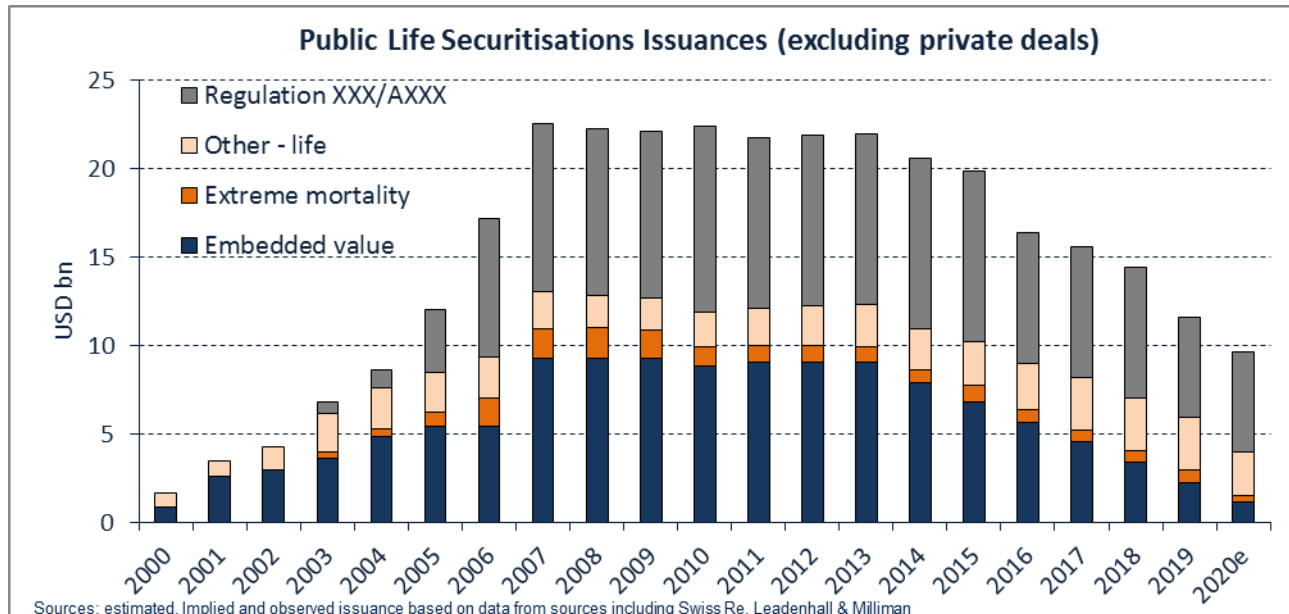
Leadenhall Capital Partners is a global investment firm specialising in insurance-linked investment strategies

- 10 years of track record (est. 2008), headquartered in London
- \$5.5bn of third-party assets under management^{*}
- Management team with 150+ years of experience in capital markets and insurance
- 20% owned by the management team
- 80% ultimately owned by Mitsui Sumitomo & Aioi Nissay Daiwa Insurance Group
 - Leadenhall was formed as a joint venture with MS Amlin, a subsidiary of MS&AD
 - The founding partners and two managing partners worked at Swiss Re together
 - MS Amlin have offices in Bermuda, Zurich, Singapore, US and Tokyo
 - The MS&AD Insurance Group is a leading Japanese corporation and the 8th largest non-life insurance group in the world, with annual income of more than \$49 billion and over 41,000 group staff[^]

^{*} As at 31 December 2018

[^] Source https://www.ms-ad-hd.com/en/ir/library/annual/main/05/teaserItems2/00/linkList/0/link/msad_report_2018e_all.pdf

Growth shifts from Public to Private Markets



- Public life ILS market has been shrinking from its peak in the early 2010's and is expected to continue falling
- In contrast aggregate AUM dedicated to life ILS has grown significantly over this period
- Privately sourced and structured transactions in the life ILS market have been key to successful delivery of a life ILS investment strategy**

New sources of risk: mortality trend

Mekyi Funding

- Winner of the 2017 Trading Risk Awards Life Transaction Of The Year Award
- Leadenhall originated and structured note featuring exposure to US annuity policies
- Transaction sponsor had not previously accessed capital from the ILS market

Mortality trend risk

- Diversifying exposure to mortality trend (risk of mortality deteriorating over time) rather than catastrophic mortality that features in the majority of other life ILS mortality transactions

Exposure to a sufficiently diversified identified pool of policies

- In contrast to other life ILS transactions the notes are exposed to an identifiable pool of annuitants where granular up to date underwriting information is present
- Many other transactions typically feature parametric population indices or in-force portfolios with only basic demographic information is available

New sources of risk: accident & health

Sutton National Insurance Company

Start up program insurer that will grow to become a leading carrier of insurance risks including short term accident and health risks

Leadenhall financing to secure AM Best A- rating for the carrier and provide investors exposure to a new source of life risks via accident & health business

Attractive growing market undergoing significant change with a shorter event horizon that is complimentary to other longer dated life insurance business

New sources of risk: embedded value

Integrity Group Holdings
start-up life insurer in Australia

