

## Toa Re Europe Issues USD 25mn of “Silver Crane” Catastrophe Notes

Zurich, 10 JAN 2022 - In line with the strategic ambition to foster its ties to the capital markets, Toa Re Europe have successfully placed USD 25'000'000 of ‘Silver Crane’ three-year Catastrophe Notes with a handful of selected institutional investors.

‘Silver Crane’ underlines Toa Re Europe’s intention to develop its collaboration with capital market partners further, along with the successful renewal of its predecessor ‘Blue Crane’, an ISDA-derivative with a one year term placed bilaterally in 2021 for the first time. Sharing the same underlying risk, both transactions come with a novel, modular structure in the form of a synthetic quota share, bundling quite a unique and diversifying set of independent natural catastrophe scenarios into a transparent index. Furthermore, the international investor base from North America, Europe, and Asia also benefited from the transactions being sold in a ‘zero-coupon’ format at a discount to their nominal value, thus providing for a small leverage. “From a strategic perspective, ‘Silver Crane’ adds an innovative and complementary pillar to the traditional retrocession approach for supporting our European treaty portfolio”, as Philippe Regazzoni, the CEO of Toa Re Europe in Zurich, explains.

The index used in the underlying Loss Warranty is derived from seven per occurrence layers offering protection against European winterstorms, as well as a number of earthquake scenarios, e.g. from around the Mediterranean Sea and continental Europe. All those layers are geared towards an annual expected loss of around 1.0% each, and risk metrics for the index were assessed by Risk Management Solutions (California, USA). Jin Shah, Director at RMS, said: “RMS is pleased to provide the risk analytics and services Toa Re needed in securing capacity in the Capital Markets with this unique placement.”

The structuring and the distribution of the notes was supported by the independent consultant RHA Advisory (Tel Aviv, Israel) in collaboration with Bank Vontobel (Zurich, Switzerland), who also serves as an Arranger for the transaction.

Rom Aviv, CEO of RHA Advisory commented: “It has been an absolute pleasure working with Bank Vontobel to support Toa Re and its energetic and innovative team in placing this clearly differentiating instrument, thus both enhancing Toa Re’s risk management tool kit as well as offering a unique proposition to the ILS community”. The notes were issued on December 30, 2021 by a segregated account of ARTEX SAC LIMITED, a Bermuda-based Class 3 insurer, under its ILS Note Program II, and are listed on the Bermuda Stock Exchange.

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