

Reinsurance Transaction of the Year



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Peak Re's Hong Kong-domiciled US\$150 million catastrophe bond issued in June 2022 was a landmark for the region's nascent insurance-linked securities (ILS) market. The offering, though the second Hong Kong ILS offering, was the biggest in size and the first Rule 144A issuance.

The issuance securing multi-year risk protection against Japan typhoon risk was issued through a special purpose insurer Black Kite and garnered strong market interest and ended doubling the initial announced size. The offering saw demand from a diverse group of more than 20 international high-quality institutional investors.

The Black Kite transaction was also the first expected to utilise the Hong Kong Pilot ILS Grant Scheme, which covers up to 100% or HK\$12 million of upfront costs per issuance.

The bond offering, the first time Peak Re sponsored a cat bond transaction and via the Rule 144A market, demonstrates the Hong Kong-based reinsurer's strong capability to bring financial innovations to the market, structure complex transactions efficiently, and deliver novel solutions to tackle risk and capital market challenges.

Franz Josef Hahn, Chief Executive Officer of Peak Re, said: "It is a great honour to receive the Reinsurance Transaction of the Year Award on behalf of Peak Re. In June 2022, we launched our first catastrophe bond, which significantly exceeded market interest. Black Kite Re was the first Rule 144A catastrophe bond issued from Hong Kong and the largest to date. Its issuance demonstrates Peak Re's ability to bring financial innovation to the market, structure complex transactions and provide novel solutions to tackle risk and capital market challenges."

Since 2018, Peak Re has tapped the insurance-linked securitisation (ILS) market to extend the insurability frontier in Asia. The Black Kite Re is a risk and capital management tool and provides risk protection for one of Peak Re's largest peak perils. This cat bond provides risk protection on an index triggered, excess of loss basis for a single region (Japan) and peril (typhoon).

The cat bond is essential for Peak Re's diversification of retro capacity and products. It is also expected that the bond will engage capital markets to augment and create competitive tension with traditional reinsurance capacity.

The issuance will help augment Peak Re's ILS capabilities and support Hong Kong's development as an international risk management centre.



Franz Josef Hahn