



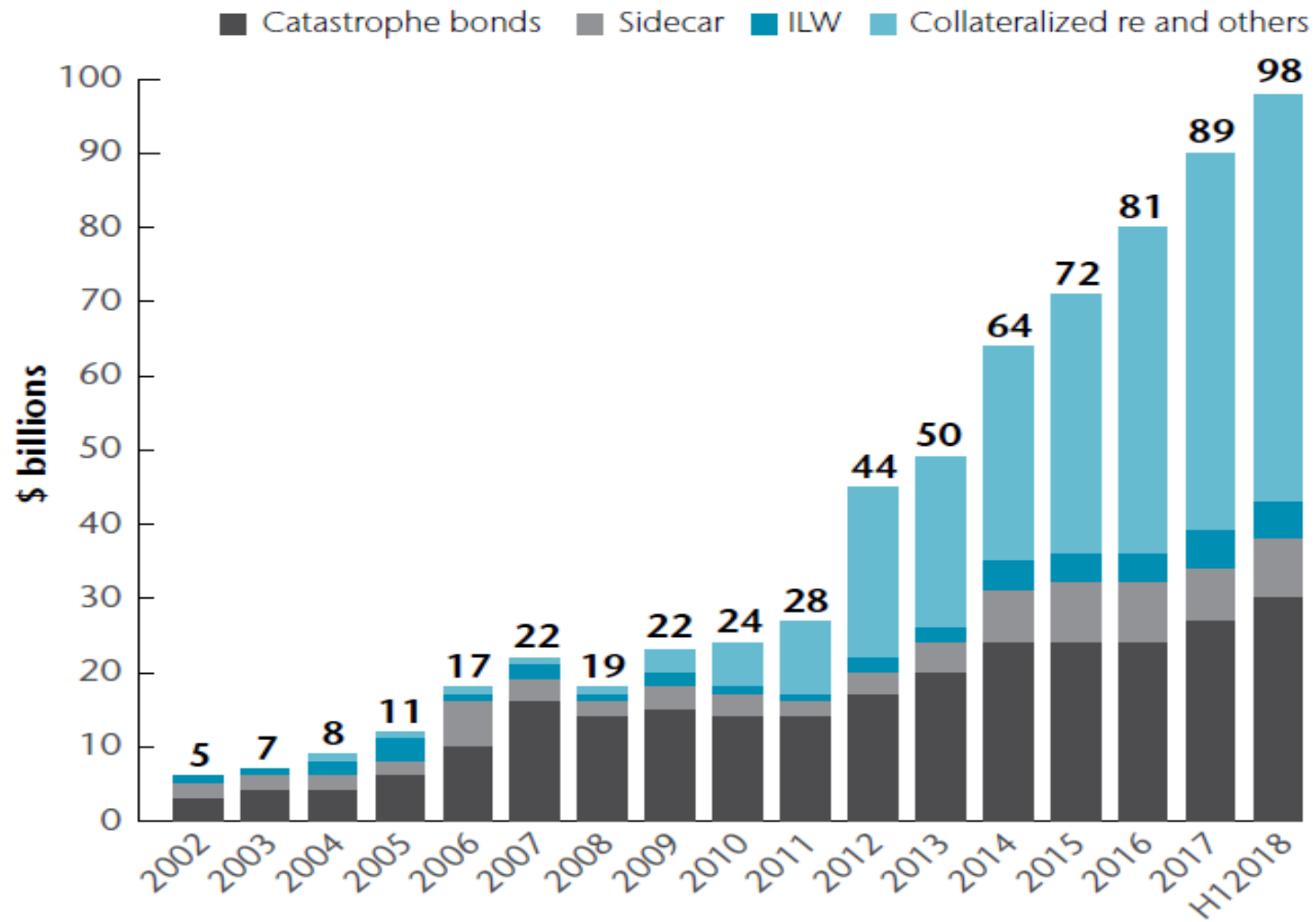
Insurance-Linked Securities (ILS)

27th September 2018

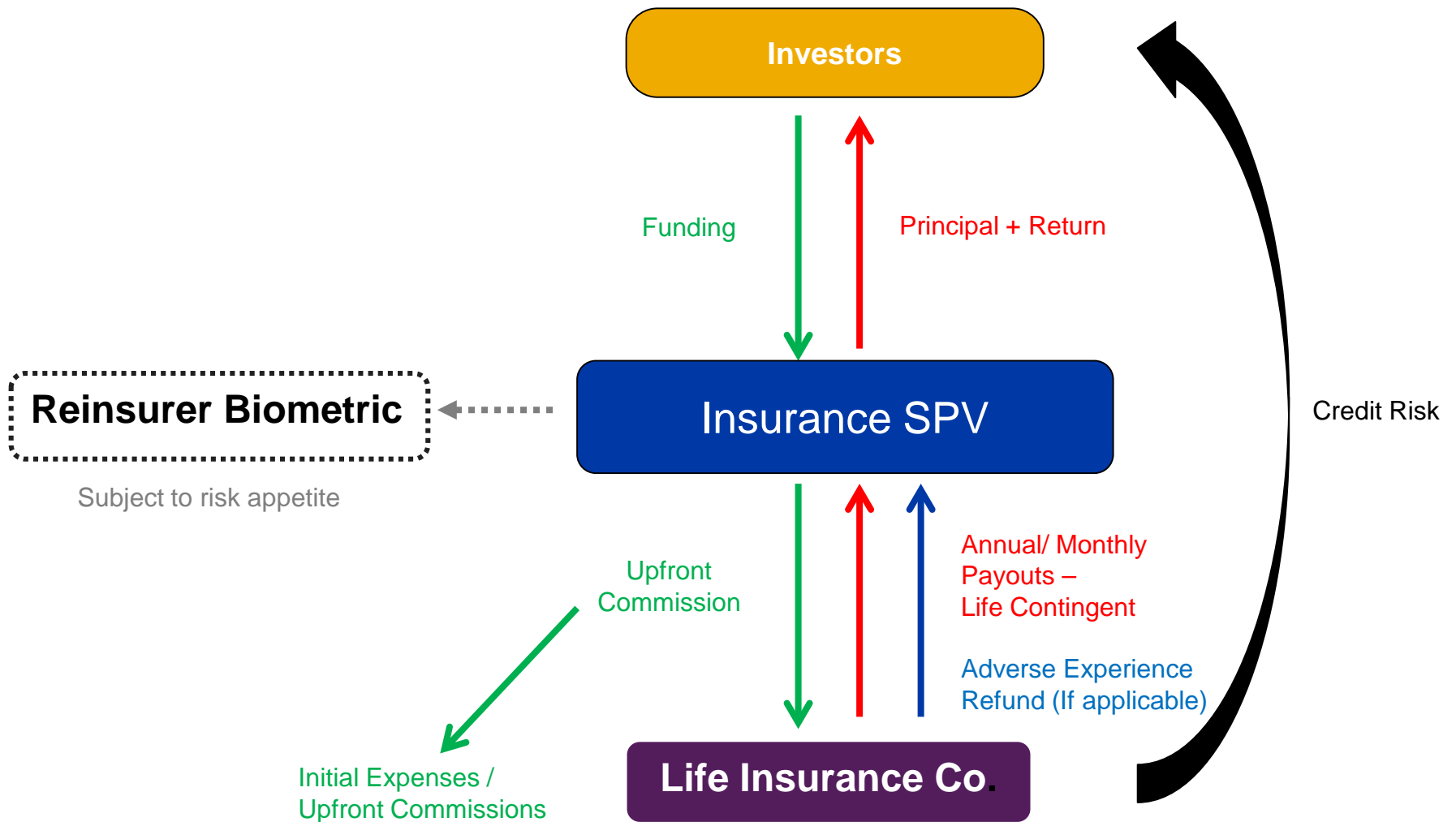
Agenda

- Introduction of the Panel
- ILS Market & Life ILS Fund
- Case Study 1 – VIF Securitisation
- Longevity Risk Transfer
- Case Study 2 – Longevity Swap

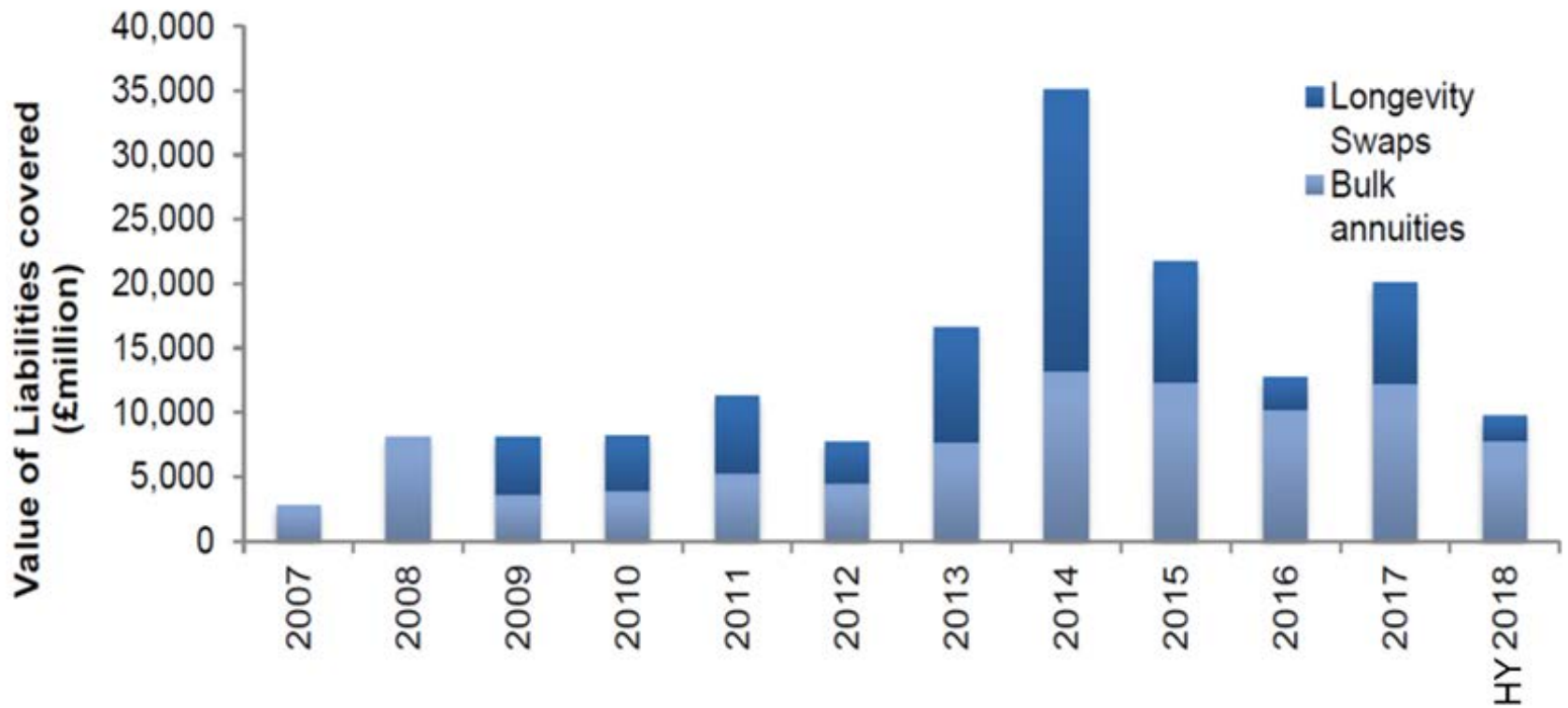
Introduction to ILS Market



Case Study 1 – VIF Securitisation



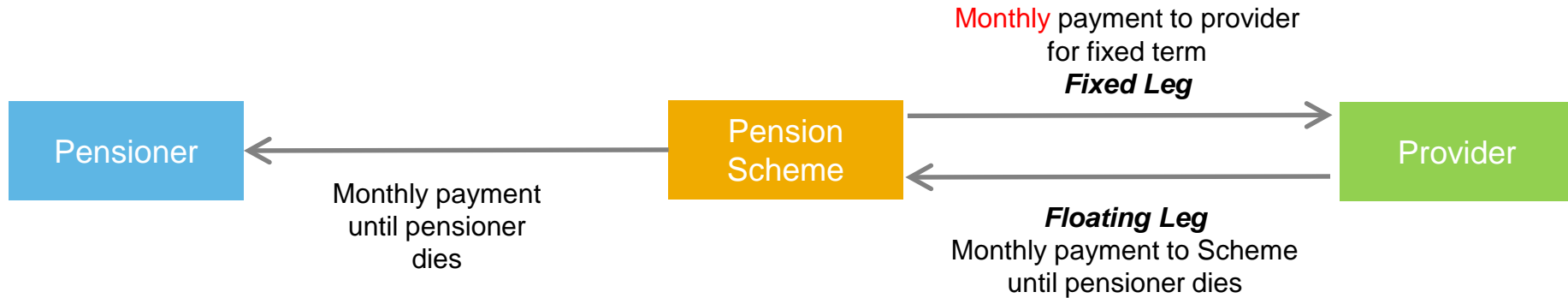
Longevity Risk Transfer – UK Market



Case Study 2 – Longevity Swap

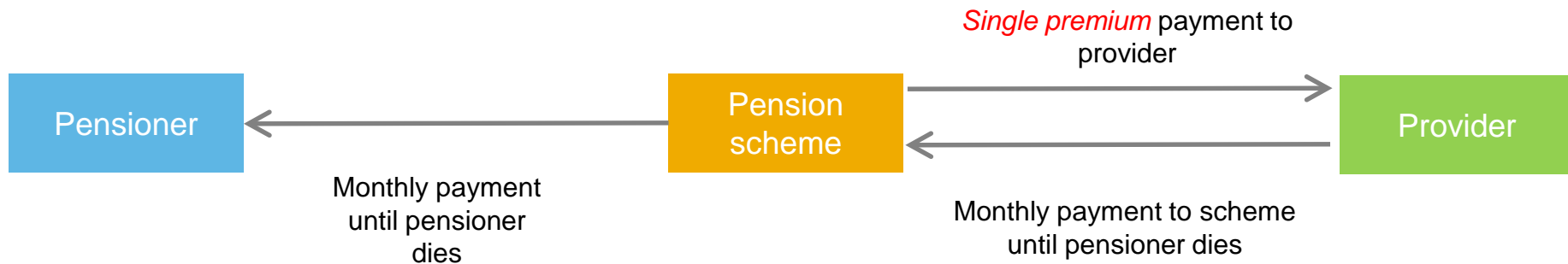
Longevity swap

Unfunded structure: no up-front asset payment to the provider, structure is a cash flow swap

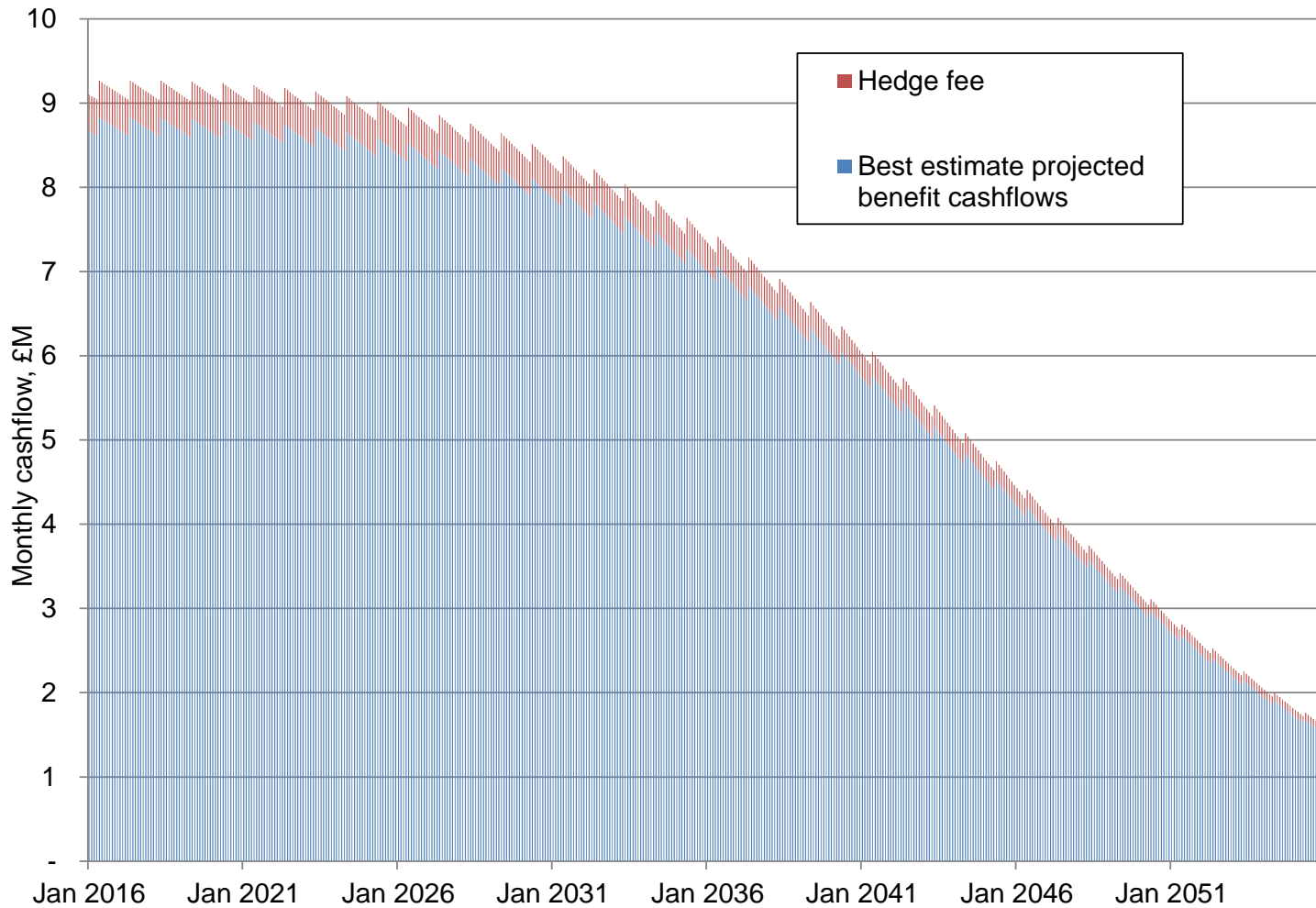


Buy-in

Funded transaction where scheme makes up front premium payment to the insurance provider



In practice – Longevity Swap Cashflows



Fixed leg
(payable by the scheme to the provider)
= best estimate projected cashflows (at outset) + fee

Floating leg
(payable by the provider to the scheme)
= actual cashflows, reflecting scheme experience

Actual payments made on net basis

THANK YOU