

INSURANCE-LINKED SECURITIES ISSUED TO COVER HURRICANE RISKS

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Swiss Re Capital Markets Corp. said it has structured and placed the issuance of \$100 million of insurance-linked securities by Laetere Re Ltd. on behalf of St. Petersburg, Florida-based United Property & Casualty Insurance Co. and its Family Security Insurance Com. Inc., and Interboro Insurance Co. subsidiaries.

Swiss Re Capital Markets underwrote the transaction via three classes of principal at-risk variable rate notes issued by Laetere Re, the Swiss Re Ltd. unit said Thursday in a statement.

Each of the \$30 million Class A notes, the \$40 million Class B notes and the \$30 million Class C notes has a one-year risk period starting June 1 and was structured as a discount note. The respective reinsurance agreements provide United Property & Casualty with cascading per-occurrence indemnity protection against named storms and earthquakes affecting certain American states.

A Form 8-K filed Thursday with the SEC said that UPC Insurance entered into reinsurance agreements with several private reinsurers and with the Florida State Board of Administration, which administers the Florida Hurricane Catastrophe Fund.

“For the treaty year beginning June 1, 2016, and ending on May 31, 2017,” the form said, “UPC Insurance has obtained reinsurance protection of \$1.52 billion, excess \$10 million, providing protection for a 1-in-100 year hurricane event and a second 1-in-50 year hurricane event in the same year as calculated using a blended model result predominantly based on our licensed modeling software, AIR model version 17, using long-term event rates including demand surge.”

The total cost of the 2016-17 catastrophe reinsurance program is estimated to be \$191.5 million, the form said.

Swiss Re Capital Markets acted as the sole structuring agent and sole bookrunner.