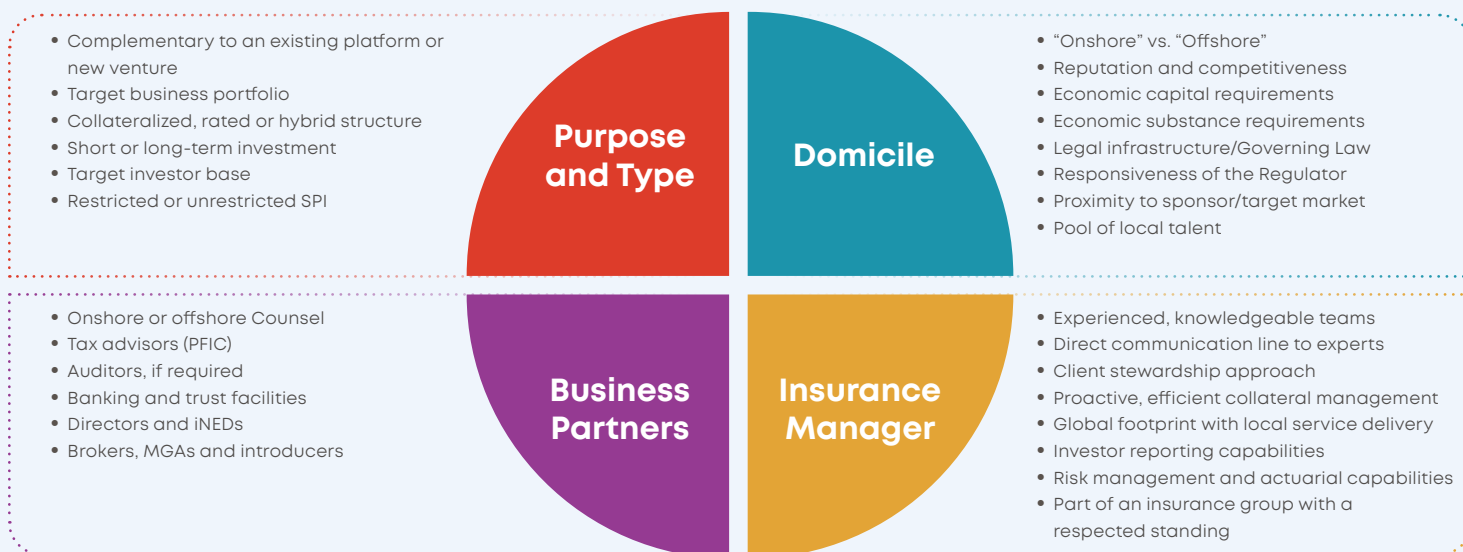


Key Considerations When Establishing an Insurance-Linked Securities (ILS) Vehicle

Selecting the right type of insurance-linked securities (ILS) structure, its optimum location and the service providers needed to achieve success are key strategic decisions that a sponsor needs to make when establishing their ILS vehicle. Here we outline several of the main considerations.

ILS structures such as segregated accounts companies (SAC), protected cell companies (PCC), catastrophe bonds or collateralized (re)insurers are predominantly established for the purpose of risk transfer within the (re)insurance market. Structuring options are continually evolving which influences the rationale for selecting one solution over another. Many of the higher-level considerations are similar while the nuances will differ by type of business venture and intended speed-to-market:

KEY CONSIDERATIONS WHEN ESTABLISHING AN ILS VEHICLE



The right choice of domicile is critical to success and we explore this in a separate article, **Selecting the appropriate domicile to establish an insurance-linked securities (ILS) vehicle**.

Artex Risk Solutions has experienced, knowledgeable teams located in various domiciles to support the successful launch of a new ILS venture.

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