

Reinsurance backed by Insurance Linked Securities

Collateralised reinsurance, financed through the sale of Insurance Linked Securities (ILS) to specialist investment funds.

Standard collateralised reinsurance policy

- Collateral for limit is held in trust – using a Reinsurance Trust Agreement

Competitively priced

- Investors compete during the book-building process to achieve the lowest clearing price

Flexible

- ILS Funds frequently provide multi-year transactions and other attractive structuring options

Delivered quickly and efficiently

- AHJ's process provides streamlined placement, administration and documentation

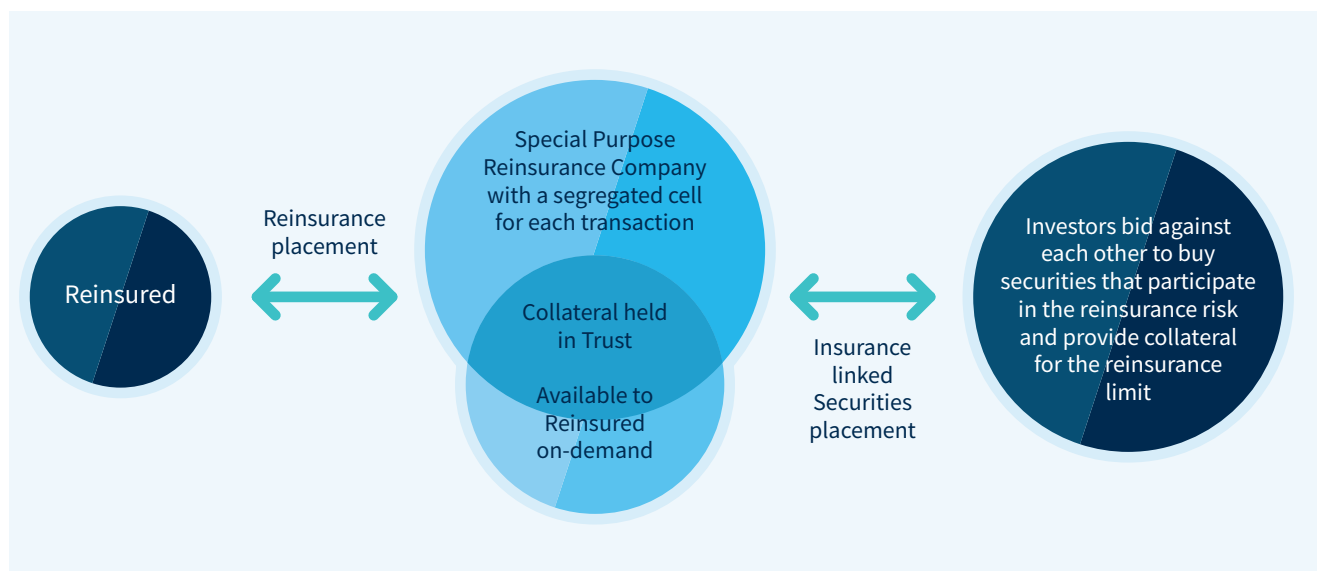
Based on conventional wordings and loss triggers

- Fits into a conventional reinsurance programme

ILS Funds are growing rapidly

- Provided by new capacity sources with significant assets

AHJ's Insurance Linked Securities placing mechanism efficiently delivers collateralised reinsurance policy to the reinsured and investment contracts to the investors



Achieving the best results for your reinsurance

- Alwen Hough Johnson Limited and AHJ Capital Markets Limited combine to place reinsurance contracts backed by Insurance Linked Securities
- The reinsurance policies are underwritten by an authorised special purpose reinsurance company, owned and managed by an independent administration company and located in a recognised reinsurer domicile
- Risk taking capacity is provided by investors: specialist reinsurance funds based in major financial centres
- Legal, accounting, calculation, reporting, securities clearing and other technical services are provided by independent third parties, as appropriate
- Collateral backing the reinsurance policy limit is held by a leading international bank, as trustee. Through a Reinsurance Trust Agreement, the reinsured is the beneficiary of an on-demand instrument allowing it to draw on funds in the event of claims

For more information

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Alwen Hough Johnson is an independent, privately owned, Lloyd's broking company. Founded in 1973, it employs over a hundred people at its London headquarters. It intermediates insurance and reinsurance business worldwide and across many sectors of the market, combining personal service with the highest levels of analysis, advice, placement and administration. It established AHJ Capital Markets to provide clients with access to risk transfer and capital products available in the financial markets.



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