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Press Releases

Beazley closes $140m cyber catastrophe bond

January 02, 2024

New bond builds on Beazley's 2023 launch of the market's first ever cyber catastrophe bond - which delivered $81 million of cyber catastrophe protection.

Beazley, the leading specialist insurer, today announced it has closed its first 144A cyber catastrophe bond providing cover of $140 million. This is Beazley's inaugural 144A bond and builds on its groundbreaking $81.5 million cyber catastrophe bond programme of 2023.

Named PoleStar Re Ltd, the Series 2024-1 Class A notes are designed to cover remote probability catastrophic and systemic events. Structured on an indemnity trigger and per-occurrence basis, the bond runs for a two-year term through to the end of 2025.

Beazley is a leader in the global cyber market, where its expertise has enabled new solutions to the challenge of cyber risk and its robust risk management and pre-underwriting approach continues to win investor confidence. Developing a dynamic cyber market and effective solutions for catastrophe risk is vital to increasing the supply of capacity to the cyber (re)insurance market to meet growing demand for cover from business and society.

Paul Bantick, Global Head of Cyber Risks, Beazley, said: "The cyber market is predicted to treble in size over the next four years. To get there we must keep evolving as a market to ensure we can provide cover for catastrophic events as demand and risk grows. Catastrophe bonds and the ILS market are vital to this.

"Investor interest in our issuance has been strong and their support is testament to the confidence they have in our ability to effectively manage cyber risk. Building on the success of the market's first cyber catastrophe bond programme in 2023, we expect to continue scaling our presence in the cyber insurance linked securities market, encouraging others to do the same."

Gallagher Securities was the sole structuring and book building agent. Risk modelling was provided by Moody’s RMS and a second view of risk by CyberCube. Mayer Brown served as the deal counsel on the transaction.

For further information, please contact:

Beazley Group
Sam Whiteley

Samantha.whiteley@beazley.com

MHP Group
Brian Norris/Simon Evans

Beazley@mhpgroup.com

Note to editors:

About Beazley

Beazley plc (BEZ.L) is the parent company of specialist insurance businesses with operations in Europe, United States, Canada, Latin America and Asia. Beazley manages seven Lloyd’s syndicates and, in 2022, underwrote gross premiums worldwide of $5,268.7m. All Lloyd’s syndicates are rated A by A.M. Best.

Beazley’s underwriters in the United States focus on writing a range of specialist insurance products. In the admitted market, coverage is provided by Beazley Insurance Company, Inc., an A.M. Best A rated carrier licensed in all 50 states. In the surplus lines market, coverage is provided by the Beazley Excess and Surplus Insurance Inc. and the Beazley syndicates at Lloyd’s.

Beazley’s European insurance company, Beazley Insurance dac, is regulated by the Central Bank of Ireland and is A rated by A.M. Best and A+ by Fitch.

Beazley is a market leader in many of its chosen lines, which include professional indemnity, cyber, property, marine, reinsurance, accident and life, and political risks and contingency business.

For more information please go to: beazley.com

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