



## Core Specialty bolsters reinsurance program with \$65mn cat bond

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Core Specialty has completed the placement of its \$570mn property reinsurance program which for the first time includes support from a newly minted 144A catastrophe bond.

Called Yosemite Re, the cat bond provides Core Specialty with \$65mn of multi-year coverage.

“This placement was not only Core Specialty’s first foray into the catastrophe bond market, but it also represents one of the only standalone E&S 144A catastrophe bond issuances to date,” the carrier said.

The Yosemite Re Ltd Series 2022-1 principal at-risk variable rate notes provide Core Specialty with coverage based on an indemnity per occurrence trigger.

GC Securities acted as the lead structurer, sole bookrunner and sole initial purchaser on Yosemite Re.

Yosemite Re is just one element of Core Specialty’s newly placed property reinsurance program.

Core Specialty’s new reinsurance program attaches at \$50mn and exhausts at \$570mn. The bulk of its program is a \$495mn catastrophe excess of loss (XoL) coverage which has grown by \$120mn compared with Core Specialty’s 2021 cat XoL placement.

The new \$570mn property program’s exhaustion represents 250 Year AIR all perils return period for the company’s projected portfolio as of 30 September 2022.

The newly formed program is supported by 26 reinsurers, with a further 16 supporters of the cat bond placement. Including those that backed its 1 January 2022 incepting quota share and per risk placements, a total of 34 reinsurers support Core Specialty’s 2022 reinsurances.

Core Specialty's cat XoL program augments the 1 January quota share placement that provides the company with additional cat protection equal to 10.5 percent part of a \$305mn occurrence limit.

All of Core Specialty's reinsurers have an A- (Excellent) or better financial strength rating from AM Best and/or S&P, or they have posted collateral, the company said.

Jeff Consolino, Core Specialty's president and CEO, said the Yosemite Re deal "marks another important step" for the insurer.

"The cat bond not only further optimizes our risk transfer program, it also diversifies our existing panel of reinsurance capital providers," Consolino said.

"We are thrilled to successfully complete this strategic transaction. We continue to build a market-leading property division and our robust reinsurance program will ultimately benefit our customers and distribution partners," Consolino added.