

MS Amlin and HSZ Group target growth in 5th link up on 2025 Phoenix sidecar

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18 November 2024

International insurer and reinsurer MS Amlin has now launched the capital raise for the 2025 edition of its Phoenix reinsurance sidecar, and with the vehicle's performance consistently beating expectations, investor interest is high, according to William Ho, CEO of MS Amlin Asia Pacific.

Following our Artemis Live video interview with Ho last month, we spoke with the head of MS Amlin Asia Pacific and Tim Yip, Executive Director, HSZ Group, the parent of Hong Kong-based ILS Advisers, who has worked on all the Phoenix Re deals, about the importance of the partnership and the latest sidecar transaction.

The logo for MS Amlin, featuring the letters "MS" in a bold, blue, sans-serif font, followed by a red and blue stylized graphic element, and then the word "Amlin" in a blue, italicized, sans-serif font.The logo for HSZ Group, featuring the letters "HSZ" in a large, bold, blue, sans-serif font, followed by the word "Group" in a smaller, blue, sans-serif font.

“We’ve recently launched the 2025 iteration of the Phoenix ILS notes. With performance consistently exceeding expectations, feedback from existing investor partners has been positive and interest among prospective new investors is high,” said Ho.

“This renewal cycle has benefited from recent premium rate increases and favourable market conditions while a loss ratio of below 4% since Phoenix launched in 2021 has also captured investor interest,” he added.

Since inception, the Phoenix sidecar has become a common feature of the ILS space, and prior to the 2025 iteration, more than \$160 million has been raised.

“Our Phoenix strategy, which targets major natural catastrophes in Asia, has proven its effectiveness despite significant regional loss events, including floods, earthquakes and super typhoons,” explained Ho. “By mimicking a portfolio of catastrophe bonds, the portfolio offers premium levels of between 7.5% and 12.5%, plus risk-free rates. These returns are aligned with peak-peril cat bond levels, while benefiting from diversification across over 150 layers in 15 to 20 regions.”

Growing the Phoenix sidecar is a key focus for MS Amlin in 2025, with the company also looking to expand into non-ILS capital pools as it targets untapped interest in the Asia focused risk opportunities the vehicle offers.

“While we’ve set cautious growth targets, recognising that the portfolio’s success stems from its meticulous and disciplined underwriting, we are confident Phoenix will continue its growth trajectory in 2025,” said Ho.

With more than 150 layers annually, balanced across the APAC and MENA regions, Phoenix provides investors with strong diversification.

As explained by Yip, it functions similar to a portfolio of cat bonds, providing returns akin to a cat bond fund, rather than a single bond’s more binary risk profile.

“Asia’s diverse and fragmented nature enhances this diversification. Investors gain access to a variety of markets, from Papua New Guinea and Western Samoa to more established ones like Hong Kong and Taiwan, as well as rapidly growing economies like India and Vietnam,” said Yip.

He went on to note that MS Amlin’s APAC portfolio strategically has little to no direct exposure to the region’s more accessible markets, such as Japan, China, and Australia, which helps to minimise any potential for clash and aggregation while still maintaining the non-correlation that ILS provides.

“The transaction focuses on high-attaching, natural catastrophe reinsurance layers, avoiding attritional, non-modelled and surprise losses and targeting only those perils which are most significant to that territory.

“Its quota-share structure promotes a partnership approach, minimising traditional pricing conflicts. The structure also allows for efficient isolation of regional impacts, with unique structuring aspects tailored to ILS investor needs, ensuring more efficient collateral return and specific risk exclusions.

“With deep local market knowledge and established relationships, MS Amlin provides a gateway to parts of the Asia-Pacific region that are typically difficult for ILS funds to access,” Yip noted.

With HSZ Group’s ILS Advisers having worked on all iterations of the Phoenix sidecar, Yip discussed the ongoing partnership between the pair and how this benefits investors.

“MS Amlin, as the transaction sponsor, brings underwriting expertise and a proven track record over more than a decade. Meanwhile, HSZ serves as both structurer and cornerstone co-investor, ensuring a strong alignment with other investors. This is what makes the partnership so unique. As a co-investor, we believe our message to investors is more powerful as we have significant skin in the game.

“HSZ’s regional expertise helps to bridge communication gaps with investors, explaining risks and translating reinsurance concepts for investors less familiar with the region. Both partners also provide comprehensive resources for due diligence and risk assessment, giving investors a clearer understanding of the challenges and opportunities in underrepresented regions,” said Yip.

To end, Yip explained how the transparent and collaborative nature of the partnership between MS Amlin and HSZ Group is a differentiator.

“We work closely with MS Amlin’s experts from underwriting to modelling to understand regional risks and exposures. This partnership model fosters mutual understanding and a long-term approach, rather than a focus on short-term transactions and annual decisions. The placement is also carefully managed, not widely syndicated, aiming for long-term, collaborative co-investors,” he said.

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