

TigerRisk Transacts Secondary Reinsurance Trade Electronically using Xchanging's X-gRm Platform

14 APR 2016

London, 14 April 2016 – Xchanging plc, the provider of technology-enabled business solutions to the global commercial insurance industry, today announced TigerRisk Partners LLC, the risk/capital management and strategic advisory firm has transacted the first ever electronic secondary reinsurance trade using Xchanging's X-gRm platform.

Rod Fox, CEO of TigerRisk said: "Executing secondary reinsurance trades in 'a live market environment' provides a host of benefits. It adds liquidity, increases volume and speeds transactions - something we've been wanting to achieve in catastrophe reinsurance for a long time. In addition, it opens an easy-to-access, pre-qualified channel for buyers."

Nick Lamb, Director of Broking Services at Xchanging added: "Expanding the use of X-gRm to the secondary marketplace is a significant step for this multi-broker platform, and we're convinced this will become an integral facility of the platform."

Accessing the secondary market through X-gRm may also be attractive to buyers looking for a quick and easy way to participate in reinsurance risk. "In this case, the trade was for the last year of a three-year contract," explained Fox. "All the analytics and due diligence had already been completed. The risk was very well defined and provided on X-gRm."

Xchanging believes development of the secondary market will benefit buyers and sellers alike. Buyers gain the ability to quickly and efficiently trade in and diversify their portfolios. Sellers, meanwhile, benefit from an easy way to trade out of a position and seek a better allocation of their capital.

Since its release in March of last year, over 750 users from 130 reinsurance carriers have signed onto the multi-broker X-gRm platform which provides a simple, secure and auditable environment for reinsurance transactions.

The platform provides reinsurance markets a single online repository for brokers to distribute offers, submissions and information such as exposure data, analytics and terms and conditions all in one place. Moreover, a built-in analytics tool enables buyers to 'triage' an offering to ensure it conforms to their risk appetite.

Fox noted that creating a secondary trade marketplace on X-gRm is only the first step. "Ultimately, I believe this will lead to the development of a pure derivative market for reinsurance."