Q4 2025 Catastrophe Bond & ILS Market Report

Record Q4 and full year issuance lifts outstanding market 24% to more than $60bn

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INTRO

The Artemis Q4 and full year 2025 catastrophe bond and related insurance-linked securities (ILS) market report explores the most active year in the sector's history, as an impressive and record $25.6 billion of new issuance across full 144A and private transactions took the outstanding market to a record $61.3 billion at year-end.

2025 is the year all headline catastrophe bond records fell, and the first time annual issuance has exceeded $20 billion, rising by 45% year-on-year, supported by record fourth quarter issuance of over $7 billion, the fifth-largest quarter ever, from 27 transactions comprised of 45 tranches of notes.

The majority of Q4 issuance came from repeat sponsors, although four carriers did enter the market for the first time, taking the number of new sponsors in 2025 to 15, which is another annual record for the space as insurers and reinsurers increasingly turn to the capital markets to support their reinsurance and retrocession needs.

Q4 2025 cat bond issuance was driven by more than $6.4 billion of rule 144A property cat bonds, which, combined with the first nine months of the year, pushed full year 2025 issuance for these types of deals to a record $23.9 billion. As this report shows, 2025 is also a record year for total 144A issuance, so including deals covering other, non-cat risks such as cyber, which totalled $25 billion. Private ILS issuance was also strong this year, although not a record.

In total, the cat bond market achieved outright growth of $11.9 billion, or 24% in 2025 to the aforementioned $61.3 billion, as the huge level of issuance more than offset maturities in the year. It's also very impressive that, at the end of 2025, the outstanding market for rule 144A transactions is also above $60 billion for the first time, at $60.7 billion, while the outstanding market for 144A property cat bonds stands at a record $57 billion.

On the following pages, this report breaks down numerous metrics of quarterly and full year cat bond issuance, including triggers, perils, maturities, and pricing dynamics as the market continues to soften from the highs of 2023, but remains very attractive to the growing sponsor and investor base.

Transaction Recap

This table details all of the cat bond and related ILS transactions issued in the quarter, as tracked by the Artemis Deal Directory. The vast majority of deals came from repeat sponsors, with One William Street, Migdal Insurance, the California FAIR Plan, and Germania Insurance the four first-time market entrants, who together brought a combined $1.1 billion of new risk capital to market.

This quarter, 23 rule 144A property cat bonds dominated quarterly issuance, but were supported by two privately placed, or cat bond lite transactions, and two rule 144A cyber cat bonds, including the largest cyber deal ever from specialist insurer Beazley, and a mortgage ILS issuance from Arch Capital.

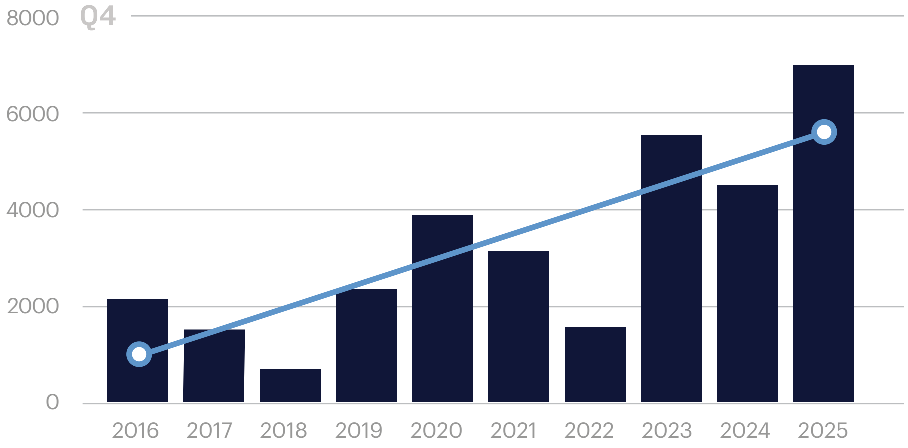
ISSUER / TRANCHE	SPONSOR	PERILS	$M	DATE
Skyline Re II Ltd. (Series 2025-1)	Cincinnati Insurance	US multi-peril	150	Dec
East Lane Re VII Ltd. (Series 2026-1)	Chubb	Cyber risks	150	Dec
Handshake Re Ltd. (Series 2025-1)	Germania Insurance	Texas multi-peril	100	Dec
Bridge Street Re Ltd. (Series 2025-2)	QBE Insurance	International multi-peril	400	Dec
Mona Lisa Re Ltd. (Series 2026-1)	RenaissanceRe	International multi-peril	400	Dec
Quercus II Re DAC	Groupama	Convective storm (France only)	141.4	Dec
3264 Re Ltd. (Series 2025-3)	Hannover Re	International multi-peril	250	Dec
Montoya Re Ltd. (Series 2025-2)	Inigo Insurance	International multi-peril	255	Dec
Mystic Re IV Ltd. (Series 2026-1)	Liberty Mutual	International multi-peril	150	Dec
London Bridge 2 PCC Limited (Fuchsia 3 – 2025-1)	Beazley	International multi-peril	100	Dec
Four Lakes Re Ltd. (Series 2025-1)	American Family Mutual	US multi-peril	200	Dec
Bonanza Re Ltd. (Series 2025-1)	Progressive	US multi-peril	125	Dec
Topanga Re Ltd. (Series 2025-1)	Farmers Insurance	US multi-peril	400	Dec
Blue Ridge Re Ltd. (Series 2025-1)	North Carolina Farm Bureau	North Carolina multi-peril	500	Dec

ISSUER / TRANCHE	SPONSOR	PERILS	$M	DATE
Golden Bear Re Ltd. (Series 2026-1)	California FAIR Plan	California wildfire	750	Dec
Galileo Re Ltd. (Series 2025-1)	XL Bermuda	International multi-peril	175	Dec
Foundation Re IV Ltd. (Series 2026-1)	Hartford Fire Insurance	US multi-peril	270	Dec
PoleStar Re Ltd. (Series 2026-1)	Beazley	Cyber risks	300	Dec
Turris Re Ltd. (Series 2025-1)	Migdal Insurance	Israel earthquake	100	Dec
Recoletos Re DAC (Series 2025-1)	MAPFRE Re	European windstorm	144.3	Nov
Ursa Re II Ltd. (Series 2025-2)	CEA	California earthquake	770	Nov
Meadows Ltd. (Series 2025-1)	One William Street	US named storm	135	Nov
Eclipse Re Ltd. (Series 2025-8A)	Unknown	Unknown property cat risks	100	Nov
Bellemeade Re 2025-1 Ltd.	Arch Capital	Mortgage insurance risks	199.3	Nov
Hexagon IV Re Ltd. (Series 2025-1)	Covéa Group	European multi-peril	287.44	Nov
Residential Reinsurance 2025 Limited (Series 2025-2)	USAA	US multi-peril	400	Nov
Acorn Re Ltd. (Series 2025-1)	Hannover Re	US earthquake	240	Oct
LI Re (Series 2025-2)	Unknown	Unknown property cat risks	15	Oct

Q4 issuance by year ($M)

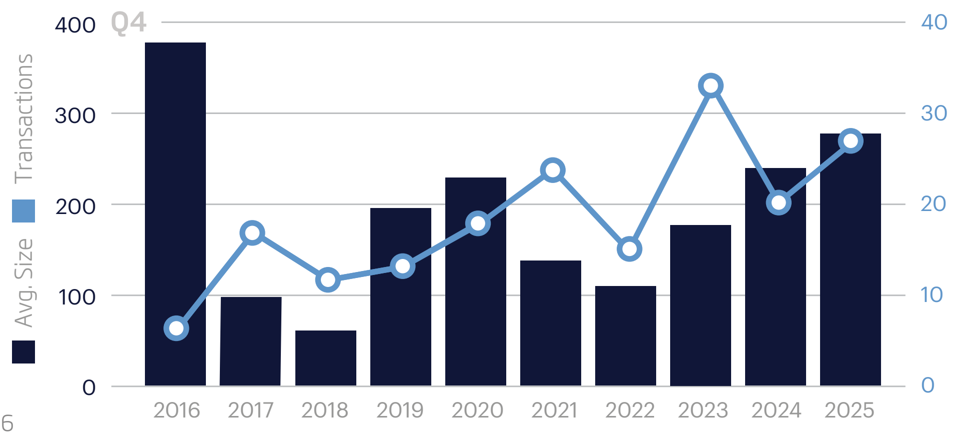
At just over $7 billion, Q4 2025 catastrophe bond and related ILS issuance sets a new record for the final quarter of the year, and is 116% above the 10-year average for the quarter of $3.3 billion, and $1.5 billion higher than the previous Q4 record set in 2023.

It's the fifth time since Q2 2023 that quarterly issuance has surpassed $7 billion, and Q4 2025 issuance is actually the fifth largest single quarter in the market's history, as sponsor and investor demand remained very strong in the closing months of the year. Issuance this quarter is approximately $3.5 billion below Q2 2025's quarterly record of $10.5 billion.



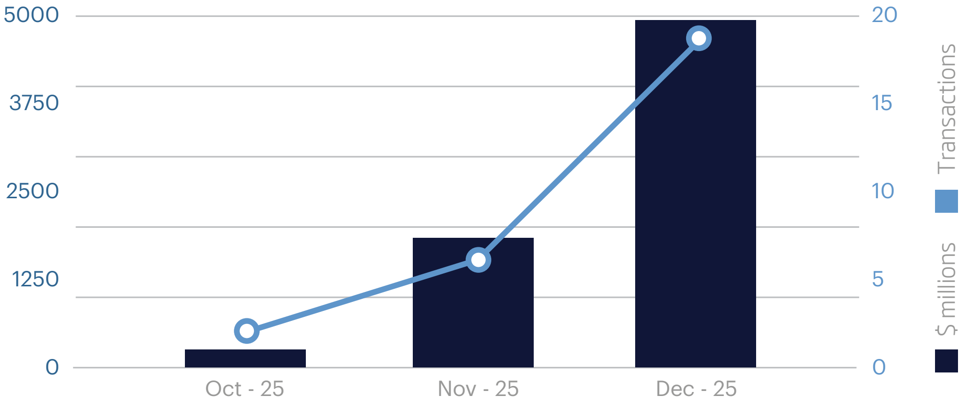
Q4 average transaction size & number of transactions by year ($M)

Back in 2016, just six transactions were issued in the final quarter of the year, but in every year since at least 12 transactions have featured, and in Q4 2025, 27 deals were successfully placed. This is an increase on last year's 20 deals, but below the record 33 issued in Q4 2023. The average size of transactions issued in Q4 2025 is the second highest of the past decade at $259.6 million, up from last year's $225.4 million and above the 10-year average by 45%.



Number of transactions and volume issued by month ($M)

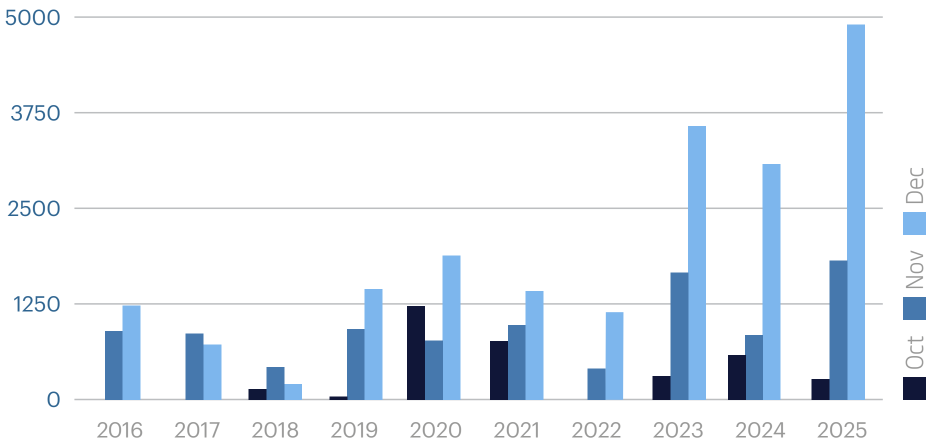
Despite the record level of issuance, the fourth quarter got off to a particularly quiet start with $255 million of issuance in October from just two transactions, one of which was a $15 million private deal. It's below the 10-year average for the month, and down on last year's October by $309 million.



Q4 issuance by month & year ($M)

However, once the Atlantic hurricane season passed, issuance really picked up and set new monthly records in both November and December. Six transactions were issued in November, including one particularly large private deal and five 144A property cat deals, which brought a combined amount of more than $1.8 billion of risk capital to market, $874 million above the 10-year average for the month.

In May 2025, cat bond issuance in a single month surpassed $5 billion for the first time, and at over $4.9 billion, December 2025 issuance almost reached this milestone. It's the second largest month on record for cat bond market issuance, and only the third time issuance has been above $4 billion. December is also the second month of 2025 to witness 19 transactions, and issuance is $3 billion above the 10-year average for the month.



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CAT BOND ISSUANCE WELL-PLACED TO REACH $20BN AGAIN IN '26, FUELED BY MOMENTUM & PROVEN SUCCESS: BRAD ADDERLEY, APPLEBY

Annual catastrophe bond issuance hit record heights for the third consecutive year in 2025, and as Brad Adderley, Managing Partner at law firm Appleby's Bermuda office highlights, given the significant activity and momentum observed in the market, it would not be unexpected for the market to achieve $20 billion once more in 2026.

During the fourth quarter of 2025, new cat bond issuance managed to reach and surpass the $20 billion milestone, setting a new record for total cat bond issuance seen within a calendar year.

This marked an impressive increase from 2024, where cat bond issuance managed to increase by over $1 billion year-on-year to what was at the time a new annual high of $17.7 billion.

It's the third consecutive year in which annual cat bond issuance has set a new record, and also another year which saw activity levels swell in the final quarter ahead of the key January 1st renewals.

Reflecting on the market managing to hit and surpass the $20 billion milestone in issuance, Adderley explained to us whether he anticipates that this momentum will continue into 2026.

"Since September we've seen a number of large new ILS deals, clients raising capital, and a number of new cat bonds being issued in the market, as well as casualty sidecars too. All of this is happening at the same time, which shows how much momentum the market is continuing to gain," Adderley said.

"The cat bond market is in roller coaster mode at the moment, that I can't see why it would not reach $20 billion again next year. When I think of the noise I've been hearing within the market, I don't have any reason why I think at least the first half of the year will be equally as good. There's nothing we've been taught this year which has been negative."

Adderley also shared a key perspective regarding the number of cat bond deals that are maturing, compared to every new deal that's being issued.

"An interesting question to think about is how many deals are coming off risk compared to every new cat bond deal that's been issued. The ratio could be quite eye-opening for the market. So, if we think about it, the beginning of next year could look even better for the market just because of having new cat bonds replacing ones that have matured, as well as newer deals being issued too."

A key trend that's been observed within the cat bond market in recent years has been the increasing number of new sponsors that are venturing into the space, largely thanks to the attractive risk-return profiles that these instruments provide, as well as increasing market acceptance and familiarity.

In light of this, Adderley expressed how this wave of new sponsors is likely to continue throughout 2026 and beyond.

"We're seeing more new sponsors coming into the market which showcases how much more comfortable companies are becoming with dealing with catastrophe bonds and ILS.

"As I've said before, I really think that the education surrounding cat bonds has improved vastly over the last year. I think we will continue to see new sponsors enter the market, and I would argue that we have reached a new norm now. And I think that's going to be the case going forward," Adderley told us.

While public catastrophe bonds have grown substantially throughout 2025, private ILS deals have experienced deep momentum, with 2025 private cat bond issuance exceeding the full-year amounts of several recent years.

Interestingly, Adderley suggests that there may be some correlation between the increase in private ILS deals and the number of new sponsors entering the cat bond market.

"Is it the case that a new sponsor starts with a private ILS deal, finds success with it, and then goes into the process of sponsoring a property catastrophe bond?

"I think the two go hand in hand. Whether sponsors take that step, I don't know. But the fact that there are more new sponsors makes it reasonable to assume that there are also more private ILS deals being made, because the market as a whole is becoming more familiar with them."

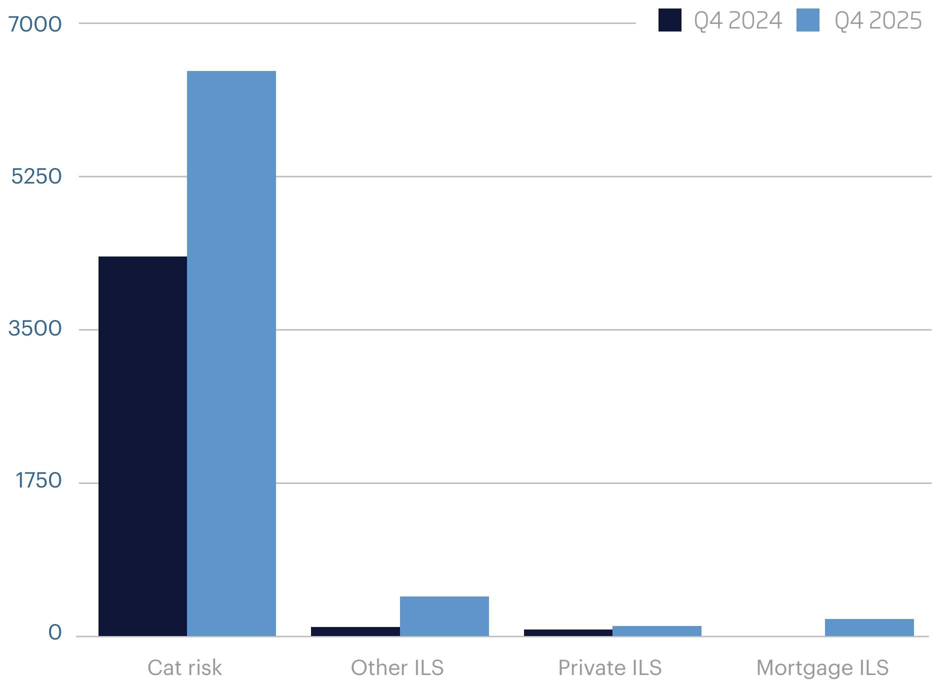
BRAD ADDERLEY

BERMUDA MANAGING PARTNER

Q4 issuance by type

Once again, traditional 144A property catastrophe bonds dominated Q4 2025 issuance, accounting for over $6.4 billion, or 92% of the quarter's total, making it the fourth-largest quarter ever for this type of deal. Year-on-year, Q4 2025 144A property cat bond issuance increased by $2.1 billion, or 48%. As we explore later in this report, 2025 has also set a new annual record for 144A property cat bond issuance.

This quarter, two 144A cyber cat bonds were issued, including the largest ever from Beazley at $300 million, and a $150 million transaction from Chubb. Together with the property cat deals, total 144A cat bond issuance hit $6.9 billion in Q4 2025, becoming the fifth largest quarter ever for these types of deals, and $2.4 billion, or 55% higher than the prior year.



Just two cat bond lites, or private deals, were issued in the final quarter of the year, although one was particularly large at $100 million, with the other sized at $15 million. Year-on-year, private cat bond issuance is up by $57 million, or 97%.

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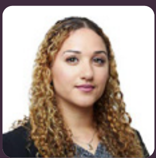
KEY CONTACTS

BRAD ADDERLEY
Bermuda Managing Partner
Head of Corporate
+1 441 298 3243
badderley@applebyglobal.com

MATTHEW CARR
Partner
+1 441 298 3594
mcarr@applebyglobal.com

MAX TETLOW
Partner
+1 441 298 3242
mtetlow@applebyglobal.com



CATHRYN MINORS
Counsel
+1 441 298 3288
cminors@applebyglobal.com

JOSEPHINE NODDINGS
Counsel
+1 441 298 3553
jnoddings@applebyglobal.com

applebyglobal.com

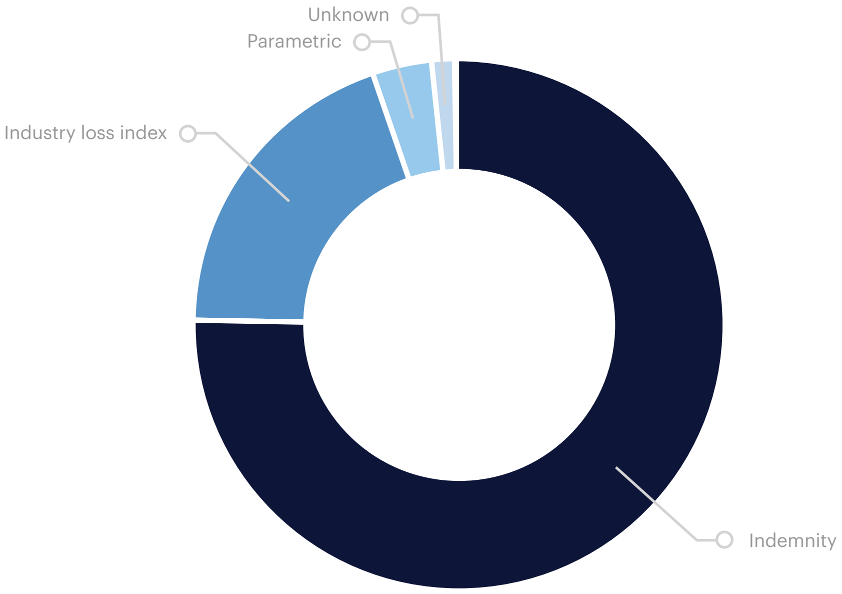
Q4 issuance by trigger

Q3 2025 issuance was unusually dominated by industry loss trigger structures, but in Q4 2025, issuance returned to the norm as indemnity deals accounted for 76%, or $5.3 billion of issuance.

However, the use of industry loss structures remained strong, with $1.4 billion, or 19% of transactions issued in the fourth quarter utilising this type of trigger.

The parametric trigger also returned in the final quarter of the year, leveraged by global reinsurer Hannover Re for its $240 million US earthquake deal, accounting for 3% of issuance in the period.

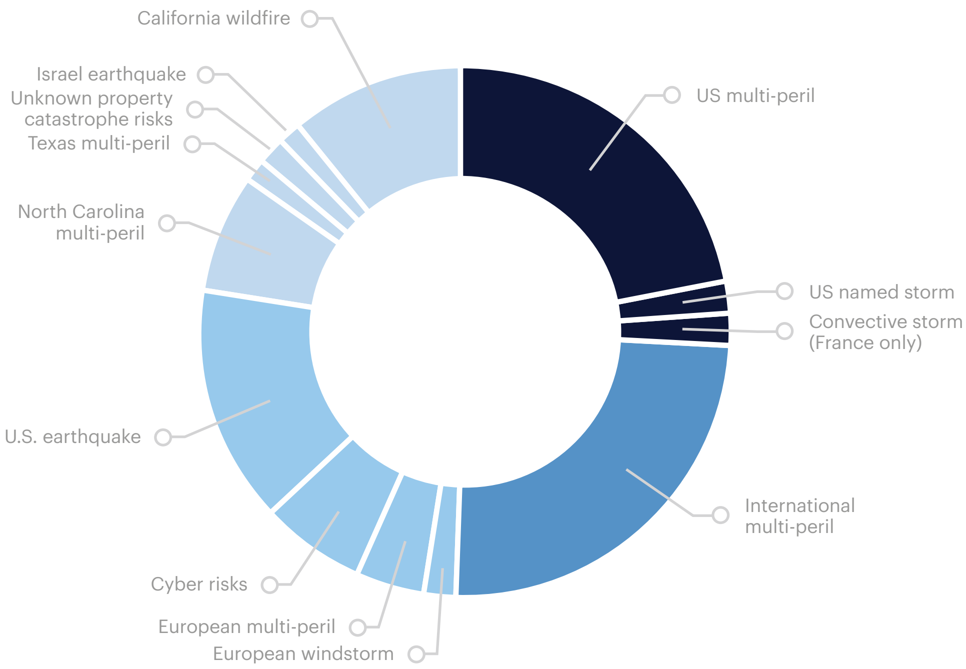
We do not have trigger information for the $115 million of privately placed deals in the fourth quarter, accounting for just 2% of quarterly issuance.



Q4 issuance by peril

In Q4 2025, transactions covering just US risks accounted for more than $4 billion, or 58% of issuance, while all of the international multi-peril deals, which together brought $1.73 billion of new risk capital, also featured US risks, as well as Australia, New Zealand, Canada, and Caribbean quake, and Caribbean and Canada named storm, severe weather, and wildfire exposures. First-time sponsor, the California FAIR Plan, issued the largest ever wildfire deal in Q4, a $750 million California wildfire transaction, while multi-peril deals covering risks in Texas and North Carolina also featured.

It's also been a strong quarter for issuance covering perils outside of North America. Debut sponsor Migdal Insurance brought a new peril to the cat bond market with its $100 million Israel quake issuance. Spanish reinsurer MAPFRE Re returned in Q4 with a $144.3 million European windstorm deal, and Covéa sponsored another European multi-peril deal, covering France, Monaco, Andorra windstorm, hail, and other events. Groupama also featured this quarter, sponsoring a $141.4 million convective storm deal covering only France.

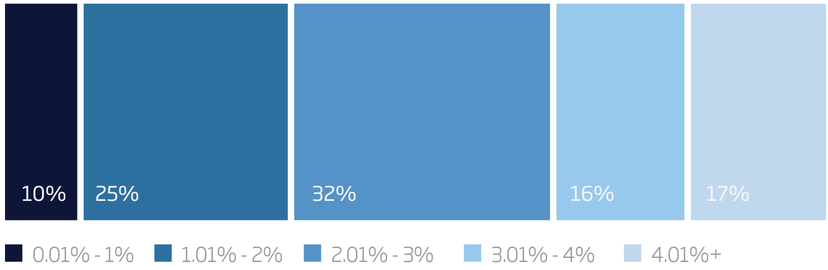


Cyber risk returned this quarter, providing investors with some welcomed non-cat diversification. Beazley sponsored the largest ever cyber deal, a $300 million transaction and the third under its PoleStar platform. Chubb sponsored its second cyber deal, again sized at $150 million.

The two private deals brought $115 million of unknown property cat risk to market.

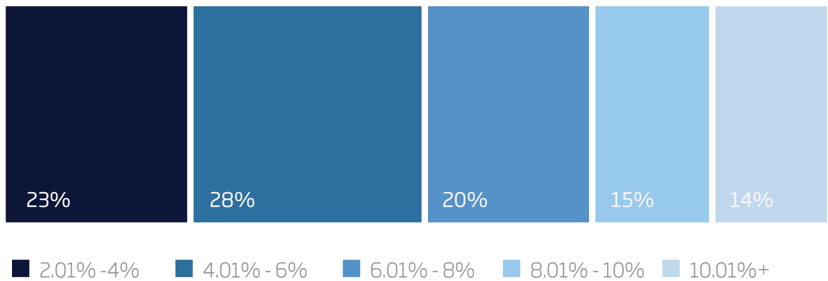
Q4 issuance by expected loss

The majority, $4.6 billion or 67% of Q4 issuance that we have full pricing data for, had an expected loss of below 3%, with most of this, or $3.9 billion, having an expected loss of between 1.01% and 3%. $655 million, or 10% of quarterly issuance, had an expected loss below 1%, and $2.3 billion of issuance had an expected loss of more than 3%, with $1.2 billion having an expected loss of more than 4%. The highest expected loss of the quarter came from the Class B tranche of Meadows Ltd. (Series 2025-1) notes at 7.77%. The lowest expected loss was 0.27%, from the Class A tranche of Turris Re Ltd. (Series 2025-1) notes.



Q4 issuance by spread pricing

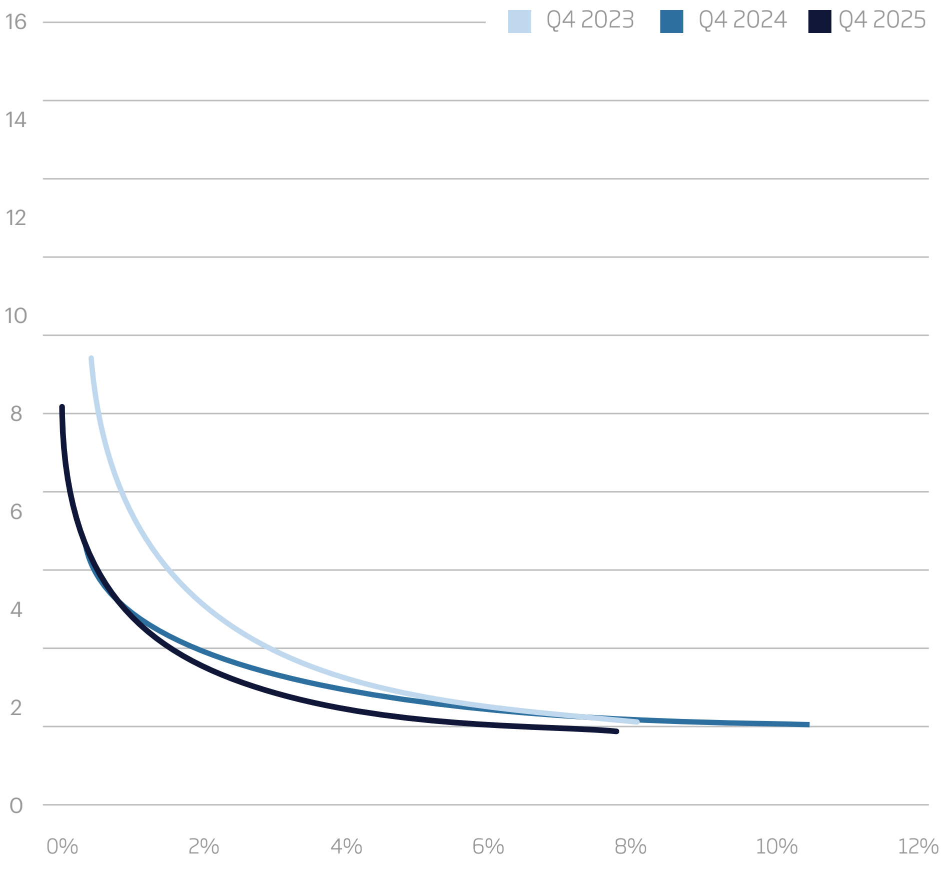
51%, or $3.5 billion of Q4 issuance that we have full pricing data for paid a spread of 6% or less, with most of this paying investors a spread of between 4.01% and 6%. $2.4 billion, or 35% of issuance, paid a spread of more than 6% but less than 10%, while 14%, or $981 million of quarterly issuance, paid a spread of more than 10%. The highest spread on offer in the quarter, at 16%, came from the Class A tranche of Bonanza Re Ltd. (Series 2025-1) notes. The lowest spread of the quarter was 2.35% from the Acorn Re Ltd. (Series 2025-1) notes.



Q4 expected loss & multiple year-on-year

This chart plots the expected loss against the multiple (spread divided by expected loss) of Q4 issuance over the past three years, with the lightest blue line representing Q4 2023, the next Q4 2024, and the dark blue line Q4 2025. It clearly shows that since the highs of cat bond pricing in 2023, the market has softened with the multiple coming down, on average, the lower the expected loss, although there is some overlap with the least risky deals in Q4 2024 and Q4 2025. Clearly though, the cat bond product remains an attractive risk-return proposition for investors, while sponsors have continued to achieve strong execution on many deals.

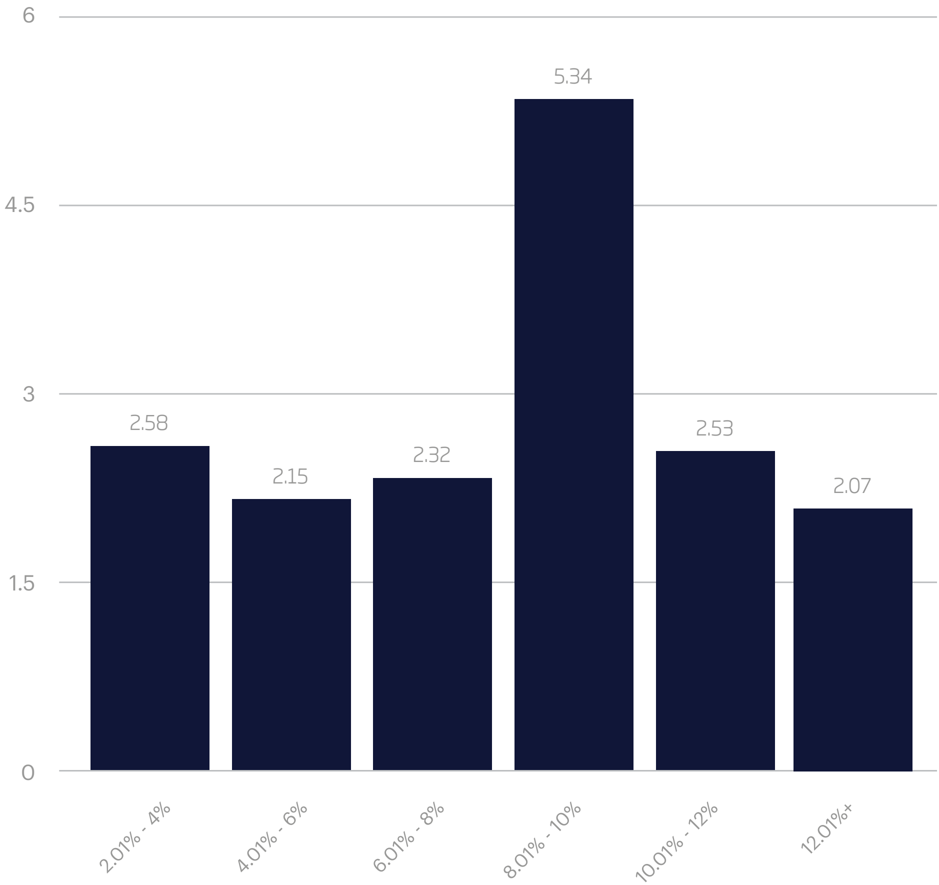
The average multiple of Q4 2025 issuance is the lowest of this year's quarters at 2.44, and is lower than Q4 2024's 2.78 and Q4 2023's 3.68, and far below the high of 6.87 in Q3 2023.



Q4 average multiple by spread pricing

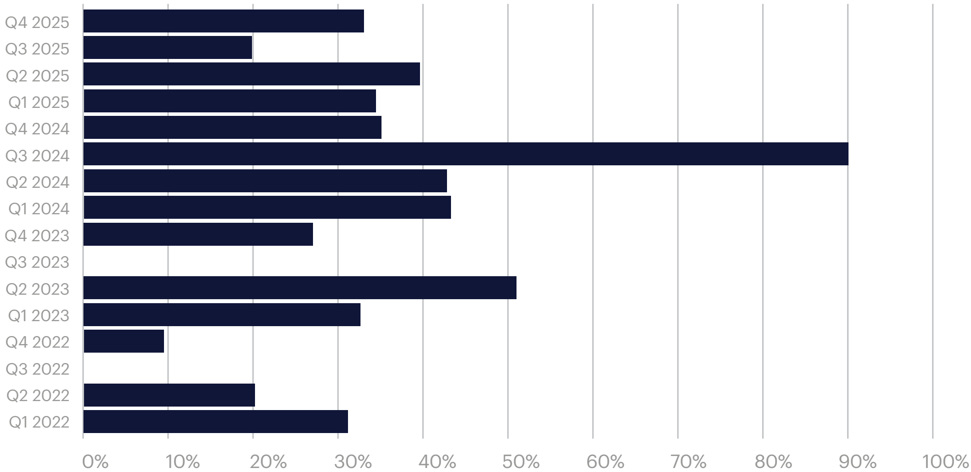
For the three spread ranges (2.01%-4%, 4.01%-6%, and 6.01%-8%) with more than $1 billion of issuance from the tranches of notes placed in Q4 2025, the average multiple was pretty consistent, peaking at 2.58 for the lowest spread range. In Q4 2024, only three tranches of notes had a spread below 4%, but this year, 11 tranches offered a spread of less than 4%.

The spread range 8.01%-10% had the highest average multiple of 5.34, but it's important to note that this only includes three tranches of notes. For the higher spread ranges, 10.01%-12% and 12.01%+, the average multiple is consistent with the lower ranges between 2 and 3, with the 12.01%+ range having the lowest of all at 2.07.

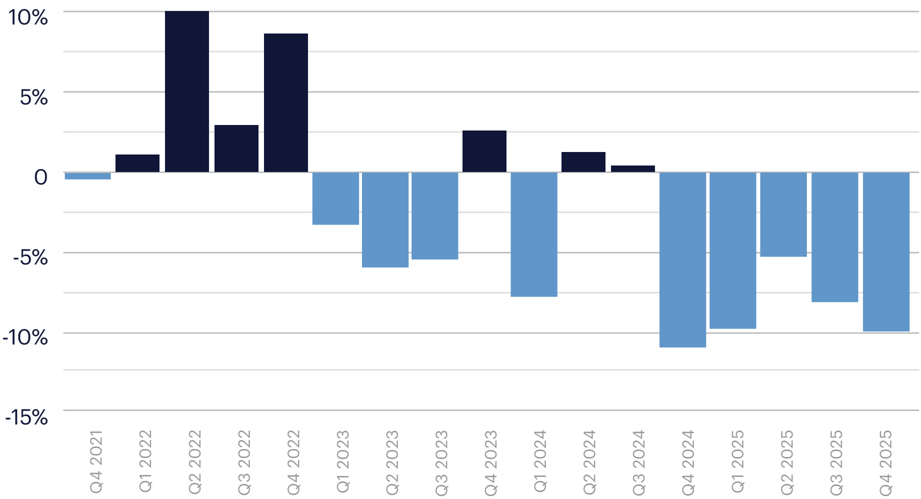


Issuance size and spread changes

The 41 tranches of notes that were issued in the quarter for which we have full pricing data increased in size by an average of 32.1% while marketing. 27 of these tranches of cat bond notes grew from their initial target size. The most significant increase was 200% as Golden Bear Re grew from $250 million to settle at $750 million, the largest transaction of Q4 2025. This quarter, no tranches shrank in size while marketing, and 14 were placed at their initial target size.



Examining final spreads for the same tranches of notes reveals that, in Q4 2025, 35 tranches priced below the mid-point of initial spread guidance, resulting in an average price change of -9.8%, which is steeper than Q3's -8%, Q2's -5%, and Q1's -9.6%. Three tranches of notes that were issued this quarter priced at the mid-point of initial guidance, while three tranches were priced above. Artemis' data shows that it's been yet another quarter of strong deal execution for sponsors of cat bonds, although given how active issuance has been and the arrival of a record 15 new sponsors this year, the risk-return profile is still adequate for investors.



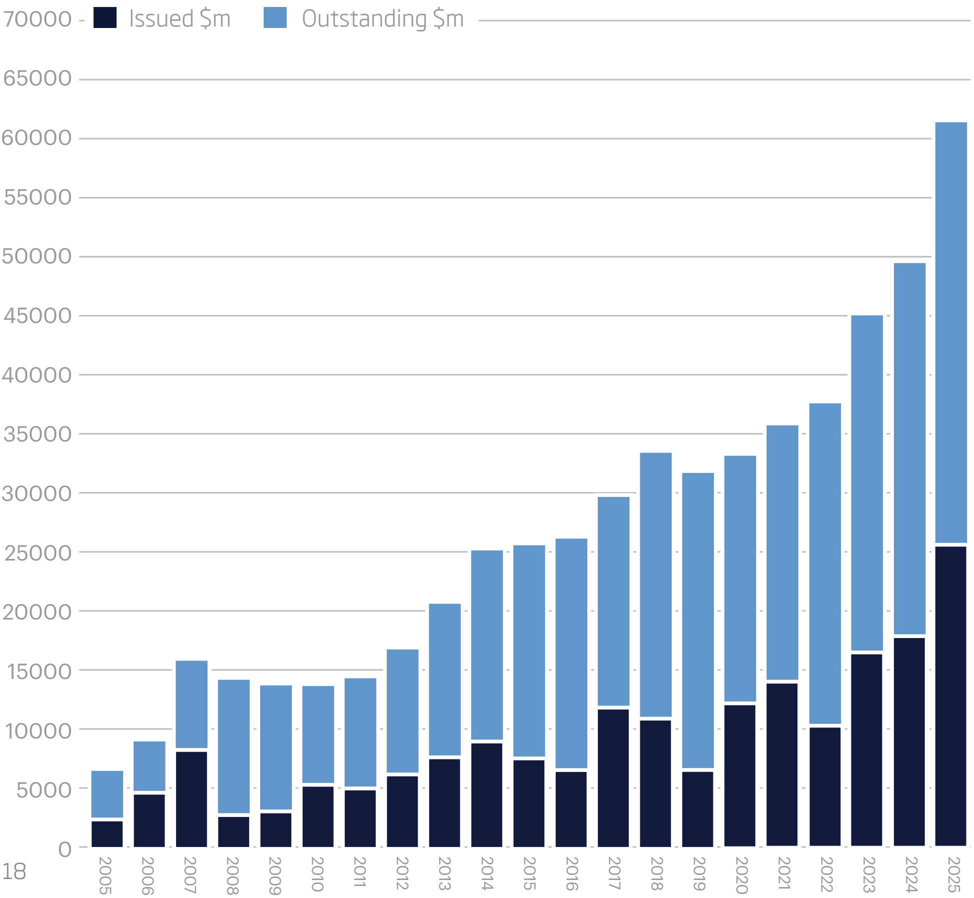
Issued / outstanding

The annual catastrophe bond and related ILS issuance record was broken in the third quarter of 2025, but after record fourth quarter issuance of more than $7 billion, annual issuance has surpassed $20 billion for the first time, and by some margin, reaching a huge $25.6 billion from a record 122 transactions. Annual issuance increased by 45% year-on-year, and 2025 is the first time more than 100 transactions have been issued in a single year, above the previous high of 95 deals in 2023.

2025 has also set records for traditional 144A property cat bond issuance at almost $24 billion, and total 144A issuance, which includes non-cat deals, which grew to $25 billion. This year's issuance was boosted by more than $626 million of privately placed deals.

At the end of 2025, the outstanding size of the cat bond market reached a massive $61.3 billion, the first time in the market's history that the outstanding market has ended a quarter at this size. Impressively, the outstanding market for 144A property cat bonds has also set a new record at $57 billion, while the market size for total 144A transactions increased to a record $60.7 billion. On the following pages, this report examines these full year issuance records in more detail.

Year-on-year, the cat bond and related ILS market achieved outright growth of more than $11.9 billion, or 24% to the end of 2025, and is 134% larger than it was at the end of 2016.



If you want to see full details of every catastrophe bond and ILS transaction included in the data in this report please visit www.artemis.bm/deal_directory/

Other ILS

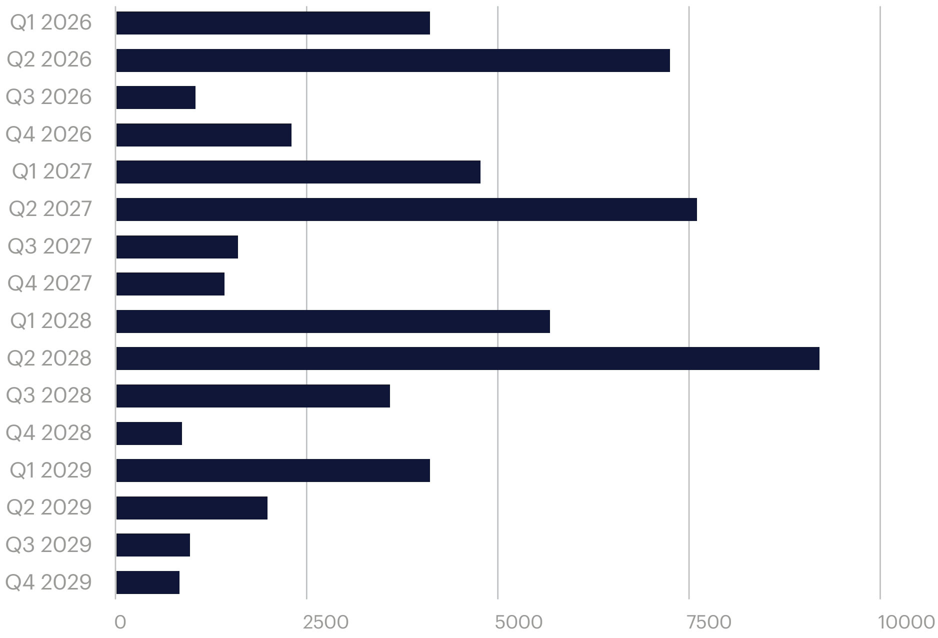
Upcoming maturities by quarter

Based on data from the Artemis Deal Directory, this chart shows upcoming cat bond and related ILS maturities by quarter, so it is a good way to gauge how much fresh issuance is required to sustain market growth, and also highlights the amount of cash liquidity from these maturing deals that is set to enter the marketplace.

In the third quarter of 2025, maturities outpaced the volume of new deals by around $660 million, meaning the market size contracted by this much during the quarter. However, in the fourth quarter, while 15 tranches of notes totalling $1.76 billion matured, this is far below the more than $7 billion of issuance seen in the period, driving robust quarter-on-quarter growth.

Across all of 2025, 123 tranches of notes matured, totalling a significant $13.7 billion, which is more than the annual level of issuance in six of the last 10 years. In fact, Artemis' data shows that the average level of full year issuance over the past decade is roughly $13.3 billion, meaning an average year in 2025 would have seen the market contract year-on-year. Of course, this didn't happen, and 2025's record $25.6 billion of issuance drove outright growth of almost $12 billion.

Looking to 2026, the level of scheduled maturities is even higher than this year, at almost $14.7 billion. Most of this, $11.4 billion, occurs in the first half of the year, driven by the second quarter, although maturities in the first quarter of 2026 are fairly high at $4.1 billion. In both 2024 and 2025, Q1 issuance exceeded this level, and with average Q1 issuance of $3.6 billion over the past decade, there's every chance the market grows further in the opening three months of next year.



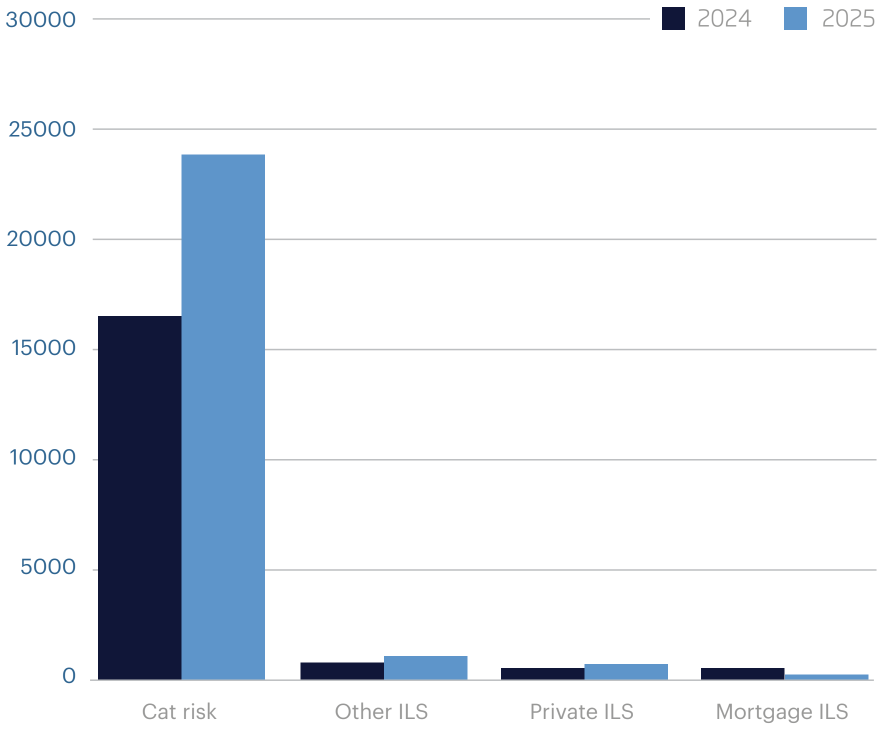
Full-year issuance by type

As we've discussed throughout this report, 2025 smashed the issuance records set in the previous year for total, rule 144A, and 144A property cat bonds. Total cat bond and related ILS issuance increased to $17.7 billion in 2024, beating 2023's previous high of $16.4 billion, and has increased by more than $7.9 billion, or 45% year-on-year, to 2025's $25.6 billion.

While very strong, it's perhaps even more impressive that traditional 144A property cat bond issuance has also set a new annual record in 2025, rising by $7.3 billion, or 44% year-on-year, to a massive $23.9 billion, so easily above any prior year's total cat bond and ILS issuance figure. It's a similar story for total 144A issuance, so including deals covering non-cat risks, which after setting an annual record of $17.2 billion in 2024, has risen by $7.7 billion, or 45% to $25 billion. Year-on-year, other ILS issuance increased from $675 million to $1.1 billion in 2025, driven by cyber deals.

Private ILS, or cat bond lite issuance, is also up year-on-year by roughly $171 million, or 38% to over $626 million, as 29 privately placed deals, some of which were particularly large, featured in the year.

In the closing months of 2025, the year's first mortgage ILS transaction appeared, a $199.3 million transaction from repeat sponsor Arch Capital, which is down on 2024's $526.6 million of mortgage ILS notes.



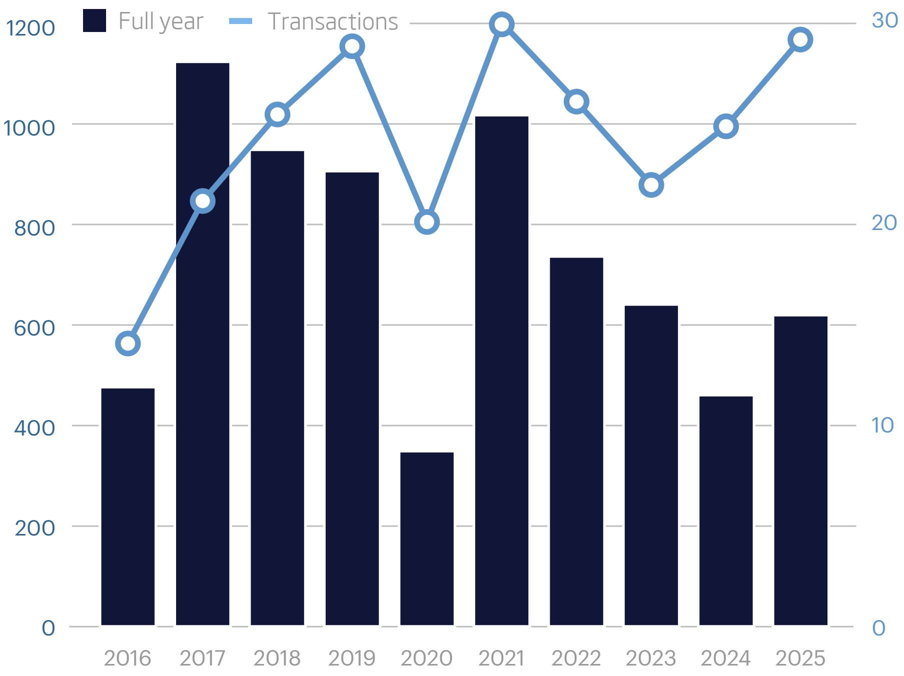
Private ILS issuance

Private ILS issuance has only surpassed $1 billion in a single year on two occasions, in 2017 and 2021, and has averaged $728 million over the past decade. In 2025, issuance from these streamlined, typically smaller deals totalled $626.5 million, which is below the 10-year average but higher than 2024's total of $455.5 million.

The 2025 cat bond lite issuance came from 29 individual transactions, which is up from last year's 25 and in line with 2019, but just below the record 30 deals seen in 2021. Highlighting how much cat bond lites can vary in size, with some as large as $100 million and others in the single-digit millions, the most active year for these deals in terms of issuance, $1.12 billion in 2017, only saw 21 deals, which is below the 10-year average of 24.

The majority of cat bond lite issuance in 2025 covers unknown or US property catastrophe risks, although Hannover Re did sponsor its second and largest private cloud outage deal, while Japanese perils also featured. This year, US named storm risks also featured in a $30 million private deal.

Some sponsors opt to issue a private cat bond to test market appetite before entering the 144A market in the following months or years.



Cyber cat bond issuance

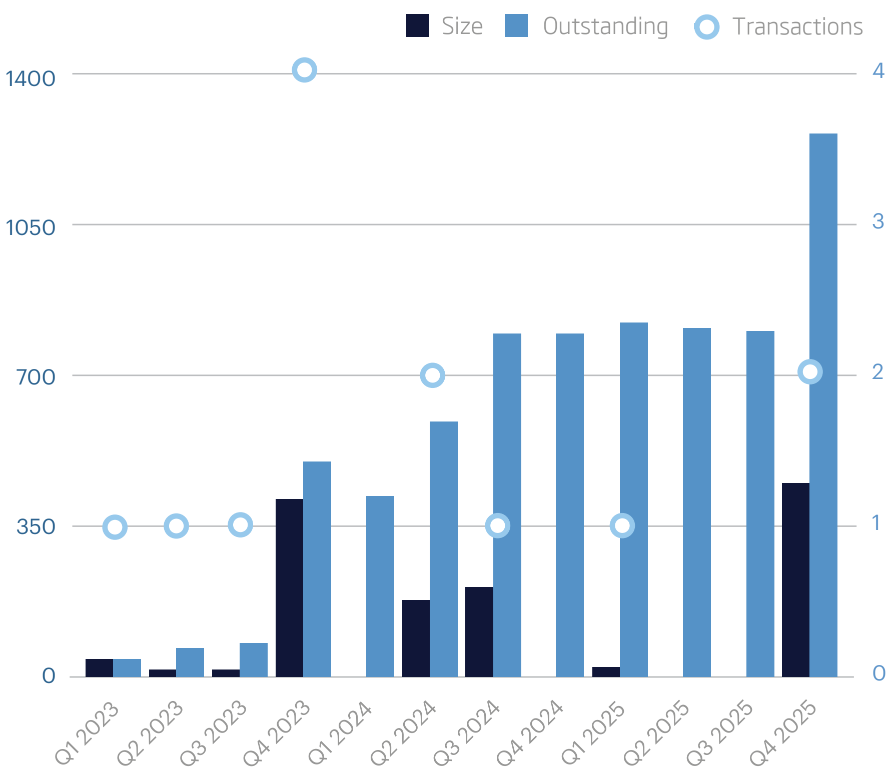
Since the first cyber cat bonds entered the market in the first quarter of 2023, there have been 13 transactions, five of which were privately placed, including the first three from Beazley, with the remaining eight being rule 144A cyber catastrophe bonds.

Specialist, London-headquartered insurer Beazley is the most prolific sponsor of cyber cat bonds, and is one of the largest cyber underwriters in the world. In 2025, the firm sponsored its seventh cyber bond in total, and fourth 144A deal under its PoleStar Re platform. Impressively, this year's is the largest ever cyber cat bond at $300 million, with the firm's other 144A issuances sized at $210 million, $160 million, and $140 million.

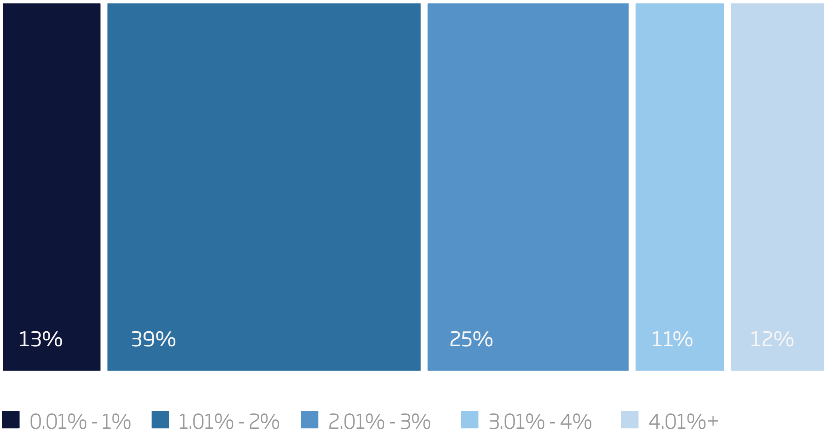
Also, this year, Chubb returned with its second 144A cyber cat bond under its East Lane Re VII platform, another $150 million deal, but what's notable is that this is the first cyber cat bond to feature an aggregate tranche of notes, which the global insurer chose to pursue after seeking feedback from investors.

The only other cyber deal to feature this year was Hannover Re's $20 million, privately placed cloud outage deal, the second under its Cumulus Re platform, after a $13.75 million issuance in 2024.

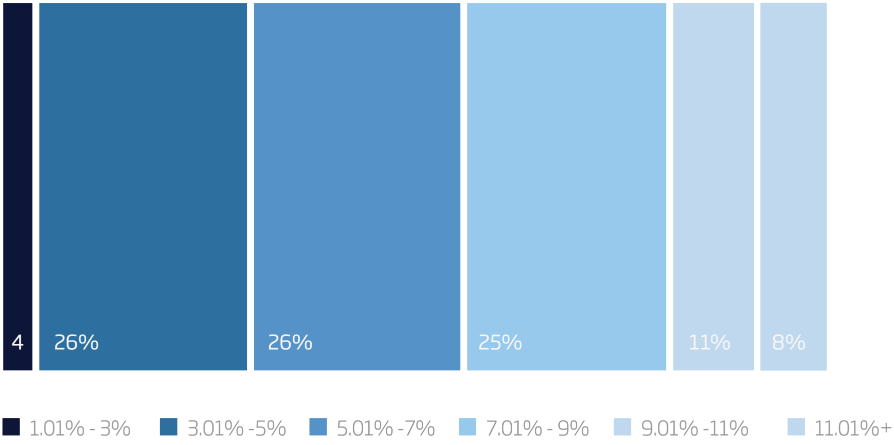
As you can see from the chart, while issuance of cyber bonds has fluctuated since 2023, the outstanding market for these deals has increased thanks to the multi-year nature of 144A transactions, ending 2025 at a record $1.255 billion.



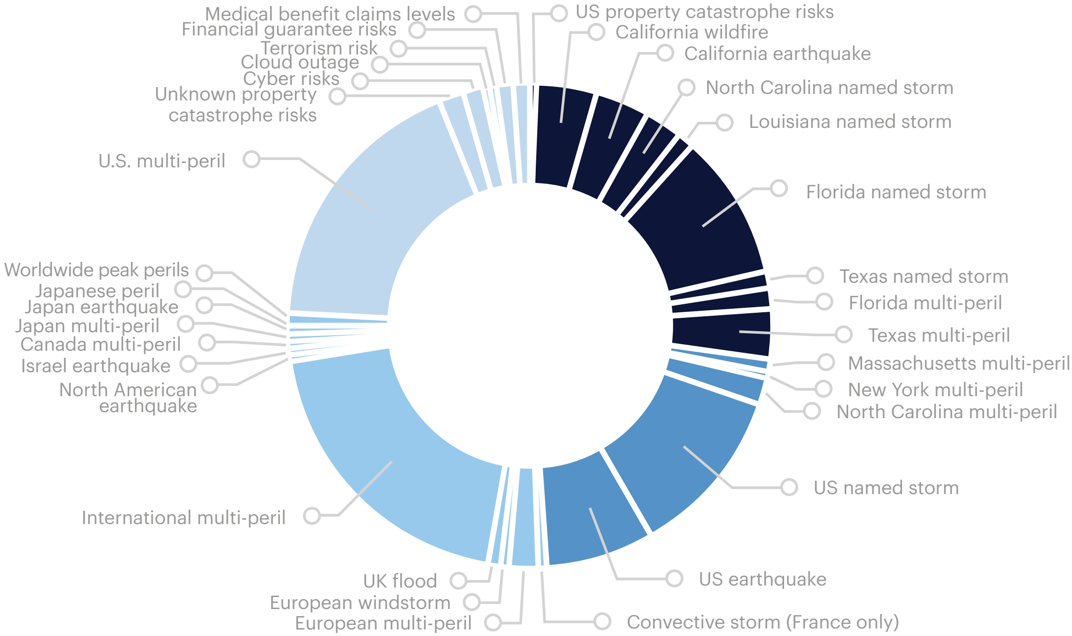
Full-year issuance by expected loss



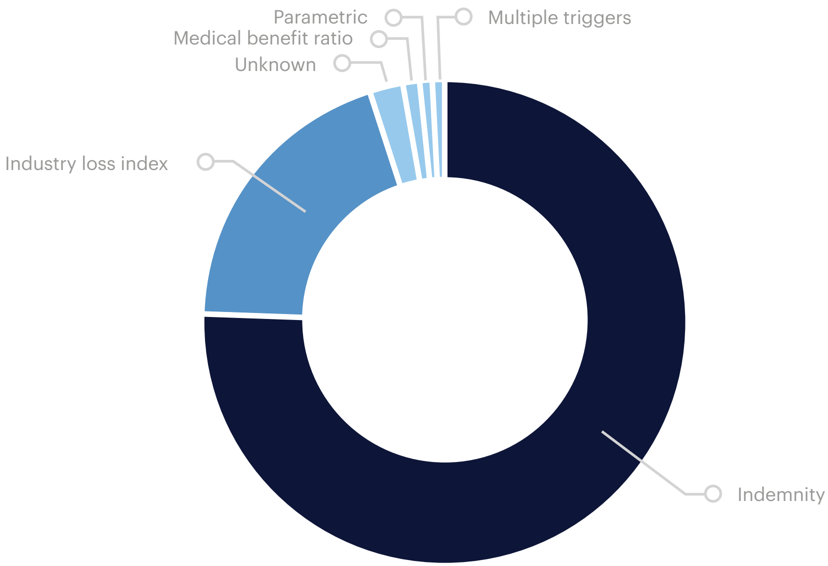
Full-year issuance by spread pricing



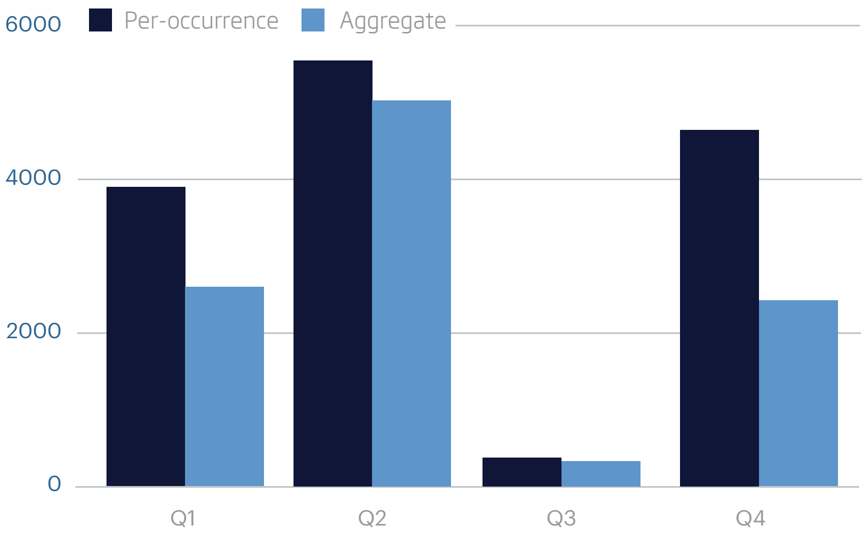
Full-year issuance by peril



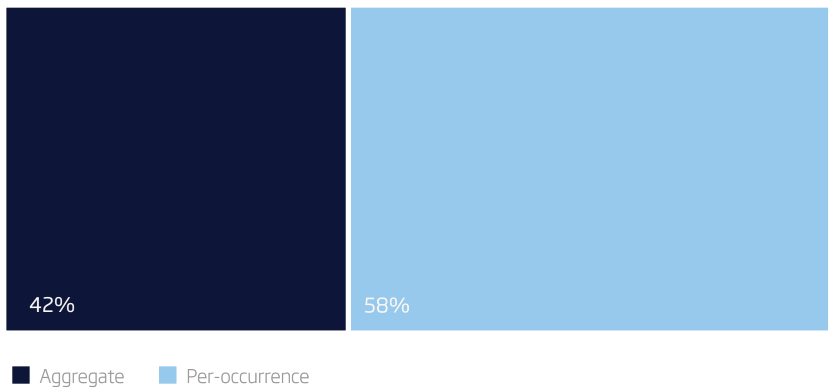
Full-year issuance by trigger



2025 Issuance per-occurrence vs aggregate split by quarter



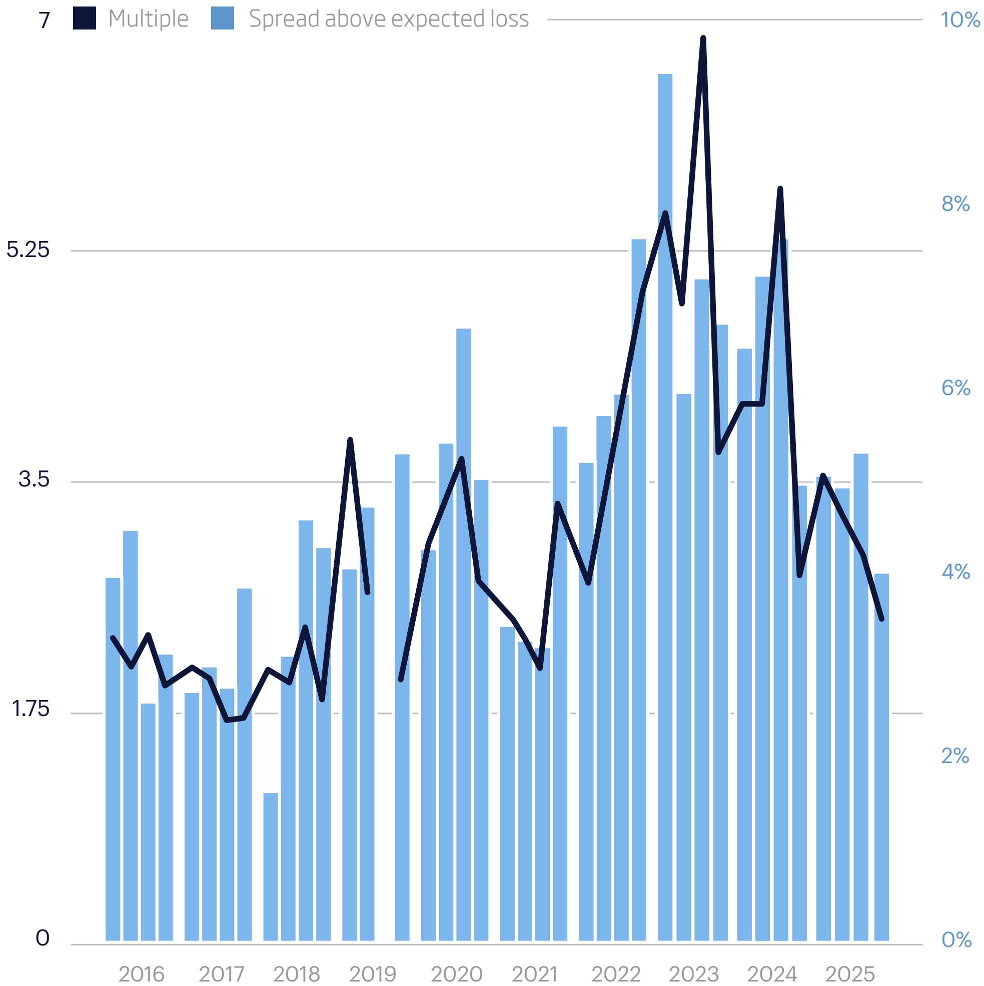
Full-year issuance per-occurrence vs aggregate split



Multiple and spread above expected loss by quarter

A deeper look at the pricing dynamics of fourth quarter 2025 issuance further highlights continued market softening quarter-over-quarter, as the average multiple declined from 3.54 in Q1 to 3.14 in Q2, 2.84 in Q3, and down to 2.44 in Q4, which is the lowest quarterly average multiple of cat bond issuance since 2.05 in Q3 2021 during the tail of the last soft market. While it is some fall from the highs of 2023, it's important for investors that the multiple remains above 2, and worth noting that this is from a large number of deals placed in the final quarter of the year.

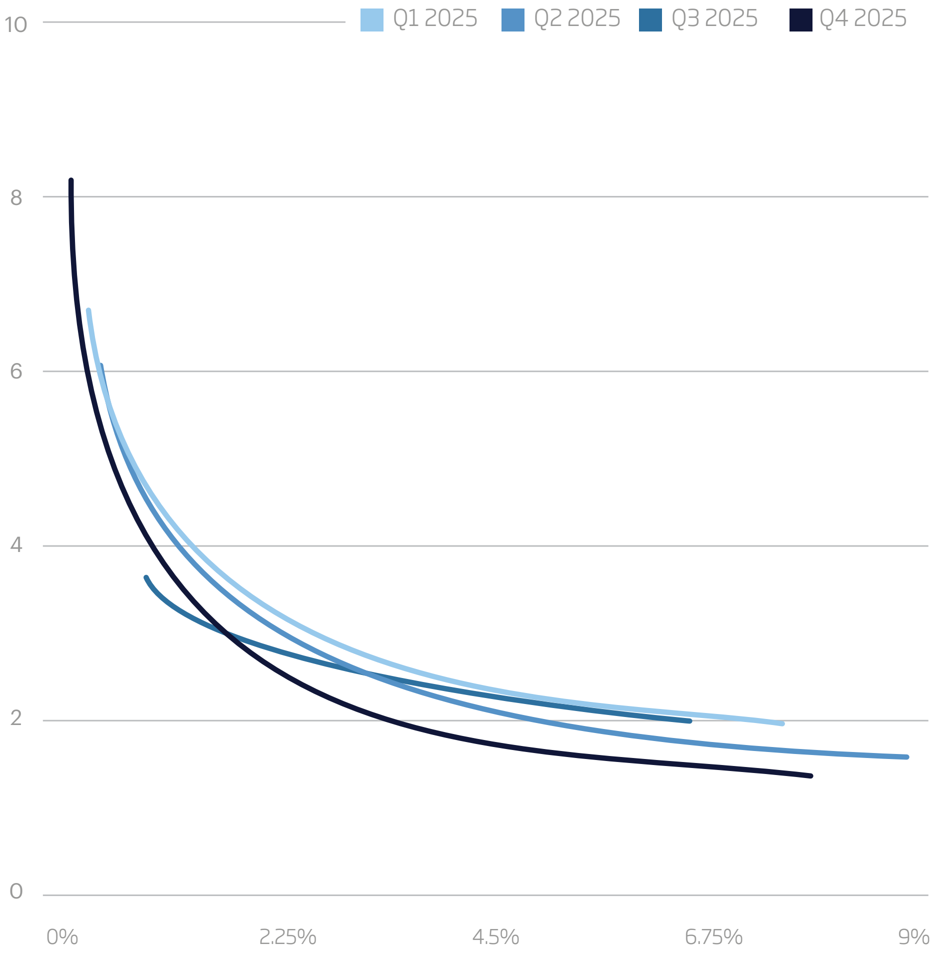
The average spread above expected loss of Q4 2025 issuance has also fallen to its lowest level since the 3.19% seen in Q3 2021, to 4%. This is down on Q1 2025's 5.07%, Q2's 4.93%, and Q3's 5.31%. Between Q3 2023 and Q3 2024, the average spread above expected loss remained above 6%, hitting 7.63% in Q3 2024, so it has come down by 3.63 percentage points in a little over a year.



Quarter by quarter expected loss & multiple

The lightest blue line represents Q1 2025, the next lightest Q2, then Q3, and the darkest line Q4, and plots the expected loss against the multiple of issuance of 2025's quarters. The softening trend throughout the year is clear, with the bottom line, which represents Q4, showing lower multiples regardless of the expected loss, when compared with Q1.

While there is some overlap between the quarters for some tranches of notes with the lower expected loss, it's clear that, for the most part, the multiple has come down quarter over quarter, the lower the expected loss.



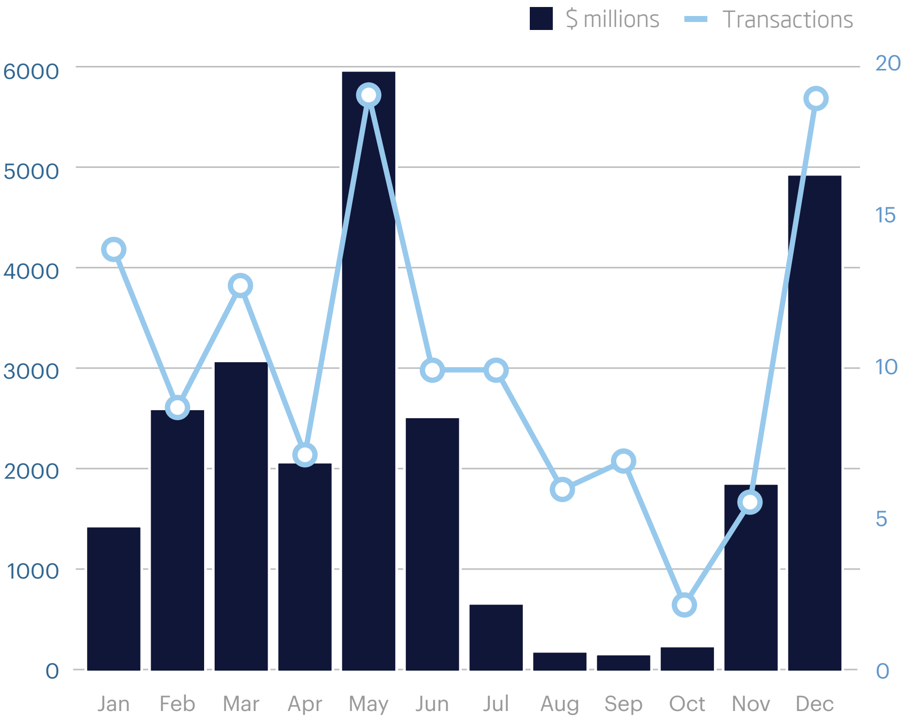
Full-year number of transactions and volume issued by month

Six months of 2025 cat bond issuance set new records, with highs recorded in February, March, May, June, November, and December. May remains the largest single month in the market's history at more than $5.9 billion, and December 2025 is now the second largest month ever with issuance of over $4.9 billion. Both May and December saw a joint monthly record of 19 transactions come to market.

Approximately 69%, or $17.6 billion of 2025 issuance, was brought to market in the first half of the year, from 72 transactions. The year started strong with $1.4 billion in January from 14 deals, followed by a record $2.6 billion in February from seven deals, a record $3.1 billion in March from 13 deals, a busy April when nine deals brought $2.1 billion to market, and then the aforementioned record May, and record June, which saw $2.5 billion from 10 deals.

While H2 2025 issuance wasn't as strong as H1, Artemis' data shows that it's still the most active second half of the year on record at more than $8 billion from 50 transactions. In fact, H2 2025 issuance is almost $3 billion, or 58% higher than last year, and 32% above the previous record set in H2 2023. Average H2 issuance over the past decade stands at roughly $4.1 billion, so the 2025 total is almost double this.

July issuance was above average at $663 million from 10 deals, while August was also an above average month at $203 million from six deals. Both September and October issuance was below average at $171 million from seven transactions and $255 million from two transactions, respectively. But the year ended with a flurry of activity, with record November issuance of over $1.8 billion from six transactions, followed by the second busiest month in the market's history to end the year. 122 deals were issued in 2025, which is far above the previous high of 95 in 2023.



All catastrophe bond and ILS issuance data sourced from the Artemis Deal Directory.

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CONTACT ARTEMIS:

Steve Evans, Owner/Editor
steve@artemis.bm
+44 (0) 7711 244697

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