MediaRoom

Farmers Insurance Group® Closes $160 Million Multi-Year, Multi-Peril Catastrophe Bond

WOODLAND HILLS, Calif., Dec. 23, 2021 /PRNewswire/ -- Farmers Insurance Exchange today announced that it and its subsidiaries and affiliates comprising the Farmers Insurance Group® ("Farmers"), have successfully closed a $160 million 144A catastrophe bond completed through Topanga Re Ltd. ("Topanga Re"). Farmers entered into a multi-year reinsurance arrangement with Topanga Re, a newly established special purpose insurer in Bermuda which provides Farmers with indemnity-based coverage. The catastrophe bond was designed to integrate into Farmers' existing traditional catastrophe reinsurance program.

Topanga Re issued two tranches of notes as part of the offering, $100 million of Series 2021-1 Class A Notes and $60 million of Series 2021-1 Class B Notes. The Class A Notes offer four years of per-occurrence protection and the Class B Notes offer two years of annual aggregate protection. Both Classes provide protection against the perils of U.S. named storms, earthquakes, severe weather and fire.

"Farmers is pleased to access the capital markets via this catastrophe bond issuance which allows us to diversify our capital sources by distributing different levels of risk," said Thomas Noh, chief financial officer of Farmers Insurance Exchange. "Obtaining multi-year collateralized capacity from Topanga Re is an important addition to our risk management strategy."

Swiss Re Capital Markets and TigerRisk Capital Markets & Advisory acted as joint structuring agents. Swiss Re Capital Markets acted as sole bookrunner and TigerRisk Capital Markets & Advisory as co-manager.

"Swiss Re is proud to have advised Farmers in structuring and placing its first-ever catastrophe bond. Investors welcomed the innovative subrogation extension mechanism as it better aligns potential ILS recoveries with those of traditional reinsurance. This innovation was essential to allow Farmers to efficiently complement its per-occurrence and aggregate reinsurance programs with an ILS issuance," said Jean-Louis Monnier, head of retro & ILS structuring at Swiss Re Capital Markets.

Added, Philipp Kusche, global head of ILS and capital solutions at TigerRisk Capital Markets & Advisory, "TigerRisk is delighted to have supported Farmers in its inaugural catastrophe bond transaction expanding their risk transfer options further. We were pleased to advise in the establishment of Topanga Re which provides Farmers comprehensive reinsurance coverage on a per-occurrence and aggregate basis."

About Farmers Insurance

"Farmers Insurance®" and "Farmers®" are tradenames for a group of insurers providing insurance for automobiles, homes and small businesses and a wide range of other insurance and financial services products. For more information about Farmers Insurance, visit Farmers.com, follow on Twitter @WeAreFarmers, Instagram @ThisIsFarmers or follow on Facebook.com/FarmersInsurance.

About Swiss Re Capital Markets

In the US, securities products and services are offered through Swiss Re Capital Markets Corporation, a registered broker dealer and a member of FINRA and SIPC. In the European Union, securities products and services are offered through Swiss Re Capital Markets Limited and Swiss Re Capital Markets Europe S.A. Swiss Re Capital Markets Limited is authorized and regulated in the UK by the Financial Conduct Authority. Swiss Re Capital Markets Europe S.A is authorized and supervised in Luxembourg by the Commission de Surveillance du Secteur Financier and the Commissariat aux Assurances and benefits from a passport into certain Member States of the European Union pursuant to the Markets in Financial Instruments Directive 2004/39/EC. Swiss Re Capital Markets Corporation, Swiss Re Capital Markets Limited and Swiss Re Capital Markets Europe S.A, together "Swiss Re Capital Markets", are wholly owned subsidiaries of Swiss Re Ltd.

About TigerRisk

TigerRisk Partners LLC is a leading risk, capital and strategic advisor to the insurance and reinsurance industries founded in 2008. TigerRisk Capital Markets & Advisory (TCMA), a broker dealer registered with the U.S. Securities and Exchange Commission, a member of FINRA and a member of SIPC, is a wholly owned subsidiary providing clients strategic advice on mergers, acquisitions, and capital markets products and transactions. Headquartered in Stamford, CT, TigerRisk has offices in Stamford, New York, Bermuda, London, Hong Kong, Minneapolis, Chicago, and Raleigh. For more information, visit www.TigerRisk.com.

# # #

Contact: **External Communications**
Farmers Insurance
818-965-0007
reporterhotline@farmersinsurance.com

SOURCE Farmers Insurance

Additional assets available online: **Photos** (1)

https://newsroom.farmers.com/2021-12-23-Farmers-Insurance-Group-R-Closes-160-Million-Multi-Year,-Multi-Peril-Catastrophe-Bond