

**Ross Webber, CEO, BDA
Bermuda Insurance Market Conference (BIMC)
Thursday, October 8, 2015
O'Hara House, Hamilton**

Thank you for inviting me here to speak to you today.

It's a real privilege to see so many industry movers and shakers in the same room, and to have the pleasure of addressing you all on behalf of the Bermuda Business Development Agency.

I've been CEO of the BDA for the past year, and as many of you know, we've made big strides in connecting with our industry stakeholder community and put together some impressive programmes to help attract and retain business here in Bermuda.

I'm of the opinion that as a jurisdiction, we can achieve far more in our overseas business outreach as "Team Bermuda" than we can as individual companies or separate vested interests.

Before I dive into my remarks today, I'd first like to thank those of you who have already gotten involved with the BDA—thank you for working in our shared mission to raise GDP, create jobs in Bermuda, and support this unique, world-class marketplace every way we can.

Well, folks, what is it about *October*? (And no, I'm not just talking about the hurricane that hit poor old Brendan Rodgers at Liverpool!) Wasn't it enough to endure a double-whammy this *exact* time last year? I figured that walloping we received back in 2014 would have been enough to set the odds in our favour for at least a little while longer. But, then—I'm not a modeller or actuary, so what do I know?!

Joaquin certainly tested our community once again this past weekend—not to mention our budgets for batteries... and black rum. There's something very existential about hurricanes. Even in the 21st century, they are the great equalizer; they reduce us, within the confines of our shutters, our Causeway, and our storm-slapped coastline, to the basic elements our forebears experienced.

The howling squalls. The shuddering limestone of our sturdy homes. The salt bath that lashes our roofs and gardens.

As Bermuda residents, in the industry you're in, you are in the ironic position of experiencing your own business from the inside out. You price it and pay claims on it...but you also live through it!

Hopefully everyone got through the storm okay on the home front this time around. We're certainly incredibly fortunate to live in a place with the kind of robust infrastructure, demanding building code and time-honoured architecture that keeps us sheltered and safe.

As islanders, we're accustomed to being the arbitrary target of these mid-Atlantic bullies. There was 1987's Emily. And 2003's Fabian. Not to mention last year's odd couple, Fay & Gonzalo. You, more than anyone else, know the intricate details of the human and physical toll these storms exert—as well as their *fiscal* consequences.

Increasingly, though, as a jurisdiction, it is global *human* elements—not natural ones—that put us most at risk. More and more, we are having to contend with being made the whipping boy of something far more insidious and damaging than any hurricane. It comes from all angles and it's a far greater menace to tackle:

I'm talking about being the bullseye for politicians whose priorities are puppeteered by NGOs and “interest groups.” Politicians from countries which are far bigger and far more influential on the world stage than Bermuda. And it comes from both sides of the Atlantic. Larger nations—world powers—are resorting to taking cheap shots at Bermuda because we happen to be an offshore international financial centre.

A very successful one.

As business leaders for whom Bermuda is home base, you know the island's strengths: Our convenient geographic location that sets us between time-zones and relevant markets. Our sophistication. Our world-class talent. Our well-respected regulation that's both business-friendly and has teeth. Our one-stop shop offerings—underwriting, broking, claims handling, auditing, tax and legal advice—all within a few square miles inside our capital city. That combination of assets puts us among the forefront of financial districts worldwide. It's both a blessing and a curse.

Because, in spite of our achievement—or perhaps *because* of it—we are condemned for our success.

You—physical, live human beings in this room: You are not just files in a drawer or nameplates on a door. You have offices and valued employees. You do real business from Bermuda—substantive economic activity that generates innovation and skilled jobs, and has quantifiable global impact. You contribute locally. You pay payroll taxes and health insurance and pensions. You heavily support our Island’s community and charities.

There’s nothing “shady” about that. And yet they paint us as tax dodgers, secretive entities, complicit members in an uncooperative system to rip off the world.

You know, and I know—that is simply not true.

As I look around this room today, I see executives of global companies who are engaged in the reputable business of insuring against the worst disasters nature and bad luck can wield. As an industry, you are likely well aware of the impressive statistics that describe the tangible, nation-saving benefits Bermuda’s insurance and reinsurance companies provide.

Our companies contributed an estimated 35 billion dollars to US catastrophe losses over the past dozen years.

We paid 22 billion to rebuild the US Gulf and Florida coasts after horrific hurricane seasons in 2004 and 2005. That included paying nearly 30 percent of insured losses from Hurricanes Katrina, Rita and Wilma.

We paid nine percent of US 9/11 claims.

We support some 25 percent of the US medical liability insurance and reinsurance market. And we contribute more than a quarter of capacity for Lloyd's of London.

And Bermuda's worth goes way beyond the reinsurance industry. Our entire business model facilitates economic globalisation, supporting close to a half-million jobs. It creates and supports jobs not only on the Island, but also in the economies of our onshore trading partners. An estimated 350,000 jobs in the US and more than 100,000 in the UK—through trade, foreign direct investment, and portfolio investment capacity.

Bermuda is a significant economic partner for the world, particularly the US, UK, Canada and Europe.

These are incredible selling points for Bermuda to the world at large. So what's the problem?

The problem is that many governments, media and NGOs find it just too convenient to lump all offshore centres, particularly British Overseas Territories, together when talking about secrecy, evasion and corruption. They use a broad brush to stereotype us all with the same sweeping indictments and accusations.

Bermuda's record on the strength of our regulator, beneficial ownership, transparency and tax information exchange is well-known—but is too often ignored. We've had a beneficial ownership registry for 70 years, decades before it became expedient to talk about.

We have 41 TIEAs signed and 87 multi-lateral partnerships. We were the first offshore jurisdiction to make the OECD's white list—and we don't have banking-secrecy like many other nations that we are lumped together with.

These facts underscore the strong values that have guided the business of this jurisdiction for more than a half-century. Our transparency, regulatory compliance and cooperation are our biggest assets, and Bermuda should be recognised for them in a positive light.

It bears remembering that in 1998, the OECD—the top body for overseeing global economic coordination—identified four factors that should *all* be met to earn the coveted title of tax haven:

- 1) lack of transparency
- 2) lack of information exchange
- 3) no substantial activity
- 4) no or nominal tax on income

Bermuda ticks only one of those boxes – we have a nominal tax on income that we call payroll tax. A decade later, in a 2009 report, the OECD reiterated that, "*No or nominal tax is not sufficient in itself to classify a country as a tax haven.*"

We even received backing from a sitting US administration on this. When US Attorney General Eric Holder visited the Island in 2010, he was firm and forthright when he stated categorically that he did not consider Bermuda a tax haven.

And yet the badmouthing continues. We are targeted by politicians and NGOs. We get labelled and libelled in certain newspapers and we wind up on bizarre blacklists—without a shred of fact.

There is not a good enough understanding about the aspects that differentiate Bermuda from those jurisdictions which may actually be guilty of the transgressions we're accused of.

But we can fight back. However, we can't do this on our own. Collaboration, cooperation and buy in is what we need. At the BDA, we work very closely with government, with the regulator, with industry representatives, and prospective business, gathering and sharing information; ensuring we're armed with facts; leveraging our synergies and trying to make sure we're all working from the same playbook.

We are re-developing the popular Bermuda Market Solutions website as a dynamic industry-search platform, and we are creating strategies to try to attract more global insurers. Our business development teams are out there—often including many of you—in Latin America, in Canada, in New York, London and Singapore. We're presenting Bermuda's value proposition and encouraging influencers and decision-makers to choose our Island as their base for business.

The negative PR and tax haven moniker doesn't help us one iota to do that job. We can go to great lengths to win over new companies, industries or high-net-worth clients with a long list of Bermuda's greatest features—only to get hamstrung by reports fuelled with hypocrisy, misconceptions... or out-and-out mudslinging at our jurisdiction.

We need your support in this arena. You are Bermuda's goodwill ambassadors.

You represent real – live – substantive companies with an actual physical presence here. You are in the best position to be our partners in this mission to counter "tax-haven" claims and other inaccuracies.

Up to now, most have been saying: "don't get involved", "don't put your head above the parapet", "Let someone else take care of this" – "Why isn't the government, BDA, ABIR, doing something...?"

As a jurisdiction, we're in this together—and we can't afford *not* to be. Sure, if it gets too hairy—some of the companies can just up sticks and relocate. Many people can just move on to the next location. But I really do not think that is what the majority of people in this room want.

Surely it benefits all of us to take the stand in our own defence? If we are, indeed, proud of Bermuda's quality record on global compliance and corporate governance, shouldn't we say so?

At the end of the day, our reputation—our Bermuda brand, our Bermudian livelihood—is at stake.

Some of our competitors are proactively protecting their locale quite effectively—Jersey, Guernsey, Singapore—and we must not be left behind.

Collaboration is critical to meet the challenges ahead, and it will take a concerted team effort on the part of all of us to overcome these obstacles.

I guarantee that every one of you will be at a dinner table or in a meeting room. The topic of Bermuda will come up and someone is going to say “that’s a tax haven.”

Do you know what to say?

Advocating for our jurisdiction is one of your most important jobs. At the BDA, we are happy to drive the effort, with your input, buy-in and participation. We can help by providing you with factual updates and talking points. We can work with you to counter the naysayers. So that when misinformation is thrown at Bermuda, we can defend our domicile together with a single voice—and with accuracy and conviction.

Shifting geopolitics are only set to exacerbate the situation. We are all aware of the changing regulatory and legislative landscape. Changing business models. Changing economies on a global scale. Perhaps most fundamentally, changing methods in how business, itself, is actually done, with technology and big data and cyber issues. The digital revolution is diminishing national borders and making the world smaller.

For a tiny jurisdiction like Bermuda, that can be a big plus. Our physical isolation no longer separates us from the larger world and the business that gets done in these 21 square miles can wield a far greater impact than ever before.

The flip side is that greater connectivity also opens the door for more substantial and far-flung attacks on a small place like ours.

So, just as hurricanes are proving to us every single autumn, preparedness and collaboration are key. And just as we overcame Joaquin, we can also weather the storms of international scaremongering, stereotyping and double standards that would try to diminish Bermuda's value.

Countering such attitudes won't be easy. Or quick. It will require consistency, diligence and vigilance by all of us. But we are all in this together—and that's really the only way we can truly succeed.

Thank you.