

Bermuda:Re+ILS

GLOBAL RE/INSURANCE AND ILS FROM A BERMUDA PERSPECTIVE



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Engage and differentiate

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Lands of opportunity

How Bermuda players can maximise the potential of the MENA region





With a renewed focus

Bermuda BDA

Ross Webber, the new CEO of the Bermuda Business Development Agency, gives his thoughts on the positive steps the agency is taking to attract business to Bermuda's shores.

As an agency the Bermuda Business Development Agency (BDA) is instituting a very different model when it comes to marketing our jurisdiction. The approach taken by our predecessor organisations revolved mostly around domicile brand building, awareness and marketing. While this was fine, particularly during boom times, when the world of jurisdictional competitiveness increased and the global recession started to kick in, the model of generic marketing was found to be wanting.

We were very successful—and we remain so. Business was coming to us regardless of whatever our competition was trying. However, when the recession arrived, there was a realisation that merely attempting to generate brand awareness did not go far enough and we needed to change our approach.

Moving forward, we are becoming much more focused and proactive in our approach in terms of targeted business development. It is no coincidence that we have business development in our name: we are a business development agency. We are on the ground, knocking on and opening doors with a specific business development mandate.

A multi-pillar approach

We have segmented our business development approach into four strategic pillars: insurance (including insurance, reinsurance, captives and alternative risk transfer), asset management, trusts and wealth management and offshore commerce. Within the insurance pillar we have specific focus groups that are working to spur business development in particular segments of the market. These groups explore opportunities and avenues for Bermuda within that space.

We have also made significant strides in boosting our human resources, hiring business development managers to complement the work of industry. They will take over a large chunk of the workload currently being borne by the BDA board, focus group leaders and those members from private business working with us on various committees to implement measures to attract business to the Island.

We have an incredible amount of intellectual capital within the square mile of Hamilton and those people constitute the think-tanks of our

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focus groups. They sit around the BDA table, take off their individual company hats and put on a Bermuda hat. They are embraced for their ideas regarding how Bermuda can get more business. We are tapping into their contacts, knowledge and institutional acumen to develop strategies and products that will be attractive for firms to set up in Bermuda—be it a branch, subsidiary or headquarters.

From an insurance perspective it is just as much about encouraging product diversification as it is about attracting new companies. While we are enthusiastic about welcoming new start-ups, I suspect that there will still be some consolidation. I am not entirely convinced we will see a glut of new companies, but I think we will continue to see Bermuda acting as the incubator for new products, which will in turn create new business and jobs.

Some of the global re/insurers that call Bermuda home or have a significant Bermuda presence have, in the not too distant past, moved some of their business and their people elsewhere, for a variety of reasons. We are actively encouraging them to bring some of those jobs to Bermuda and, in some instances, to move the bulk of the companies themselves back to the Island. Currently, with the conducive business environment that we are continually augmenting, we are confident of seeing a lot of that business back here.

Responsive government

There had been some discontent within the business community in recent years regarding the issue of work permits, immigration policy and term limits. The BDA is working with the government to overcome some of the issues that have discouraged international business. One of the first things that the One Bermuda Alliance government did when it came to power in 2012 was abolish term limits, a move that makes it more attractive for international companies to set up a physical presence here in Bermuda.

Other work permit reforms included the new business permit allowance, which means that a new operation setting up in Bermuda receives five work permits for senior employees right off the bat. A global work permit has also been established whereby if you set up a Bermuda operation and someone has been working for

your organisation for at least a year, you can move that person on-Island without the need to advertise the position. The process is more streamlined and definitive, with one-year, five-year and 10-year permits available.

The government has also passed the Incentives for Job Makers Act 2013. This allows companies that are contributing to the jurisdiction to apply for incentives that include a waiver for work permits for certain senior employees. Workers who have had continuous residence since 2002, employed by a company that is eligible under the Job Makers Act, can also apply for permanent residency on the Island. It rids Bermuda of some of the cloudiness that was evident around residency and rights for expatriate workers.

Ending departures

The BDA and the government are doing all they can to head off redomestications and keep international business on the Island. I am pleased to report that I have not heard of any new potential moves. The BDA and government are keen to work with any significant employer on Island who is wishing to discuss redomestication—and by that I mean redomestication to Bermuda.

Some companies that have redomesticated out of Bermuda might not be so thrilled with the choice they made and might be finding it rather difficult to reverse that decision. We are amenable to making a move back in as painless as possible.

At the BDA, we understand why some of those decisions to leave were made, but it is our firm belief that many of the reasons behind those redomestication decisions have now gone and that the atmosphere and environment for business are more favourable and will continue to develop positively.

Right now also happens to be a great time to consider real estate opportunities in Bermuda. With the corporate landholdings amendments included in the Companies Amendment Act 2014, exempt companies can now buy commercial properties outright, which wasn't possible previously. They can also buy high-end residential properties. Now is a great time to set up and develop commercial ventures here in Bermuda.

With the BDA's new mandate, I am bullish and realistic about our future. We have been through a difficult time with a global recession and some ill-received business-related government policies. I believe that while challenges remain, green shoots are apparent.

We are in the strongest place we have ever been in terms of public-private partnership; it is now very much collaborative—a situation that has helped us achieve our first year-on-year growth since 2008.

The BDA is well structured, well staffed and strategically focused to help Bermuda move forward progressively. ■

For information visit <http://bermudabda.com/>



REINSURANCE

15 of the top **40** global Reinsurers are based in Bermuda.

INSURANCE

One of the top **3** largest Insurance centres worldwide.

ILS

\$12.4 billion in Insurance-linked listings, **49%** of the world's total.

CAPTIVES

First Bermuda Captive in 1962, currently almost **900** Captives domiciled.

The Bermuda Reputation

As the World's Risk Capital and a Premier Financial Centre, our success is built upon a globally respected and responsive legal and regulatory framework, quality talent with a breadth of expertise and innovative risk solutions. Be a part of our growing success.



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All figures shown are as at June 13, 2014