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SURGE IN INSURANCE COMPANY REGISTRATIONS A POSITIVE SIGN, AFFIRMING BERMUDA AS THE WORLD'S RISK CAPITAL

Hamilton, Bermuda – January 28, 2014. A substantial rise in the number of new insurance company registrations in 2013 is a positive sign for Bermuda's economy, and demonstrates Bermuda's ability to respond to the market and serve clients' needs through innovation and access to capital.

Recent figures released by the Bermuda Monetary Authority (BMA) showed 91 new insurers registered on the Island last year—an increase of 72 percent over 2012. The figure covered the spectrum of all insurer classes, and included a doubling of captive numbers and a record number of special purpose insurers. According to the annual insurer registration statistics, a total of 24 new captives, 16 commercial insurers, and 51 special purpose insurers were recorded.

“These figures highlight Bermuda's significance globally as the ‘World's Risk Capital’,” said BDA Chief Executive Officer, Stephen Lund. “Like most places around the world, Bermuda has gone through recent economic adjustments, but we're now seeing positive momentum. These are important indicators, and we plan to keep building on that trend.”

Lund credited Bermuda's balanced regulatory and legislative regime, its robust operating infrastructure, history of corporate innovation, the solid teamwork between government, regulators, industry sectors and Bermuda's unparalleled excellence in global risk financing as key reasons for the 2013 upsurge in registrations.

“We have seen a lot of collaboration between industry and government—a good example is last fall's swift reform of the Investment Funds Act which led to the launch of two new exempt fund classes. BDA along with the industry is working together in a proactive way to encourage and support international business, and attract new companies and sectors to the jurisdiction which will benefit Bermuda, as a whole.”

Bermuda remains the largest domicile for captive insurance companies, with close to 900 of the more than 5,700 total worldwide registered on the Island.

“This shows yet again that Bermuda remains the domicile of choice for companies establishing captives,” agreed Lawrence Bird, a BDA Board member and President of the Bermuda Insurance Management Association (BIMA), an association of professional insurance managers on the Island.

“It also demonstrates that emerging regions such as Latin America are beginning to firmly establish themselves from a captive ownership perspective,” Bird said, “and that our considerable marketing efforts are bearing fruit. The result is a resounding vote of confidence for Bermuda’s excellent infrastructure and pragmatic regulatory environment.”

The issuance of Insurance Linked Security (ILS) products by Bermuda-based companies by the end of 2013 totalled \$9.2 billion, or 41 percent of the total global market, according to the BMA.

Commenting on last year’s surge in Bermuda’s insurance-linked listings, such as ILS, catastrophe bonds and alternative risk transfer (ART) products, Greg Wojciechowski, President and CEO of the Bermuda Stock Exchange, said the Island’s longevity in the business underscored its knowledge of the market, its clients and their needs.

“For many years, Bermuda’s insurance market and infrastructure has responded to market needs and trends,” he said, “and through an innovative and proactive approach, has been able to adapt to create products and support the market as it evolves. There is no better example than the work undertaken in Bermuda both commercially and from a regulatory perspective to create a centre of excellence for ILS and ART.”

BDA, a public-private partnership created in 2013 via the merger of Business Bermuda and the Insurance Development Council, is committed to enhancing existing business, while proactively targeting new business as part of its mandate to spur jobs and economic growth on the Island.

“Bermuda has a solid reputation internationally and we’ve had terrific success,” said Lund. “We are world leaders in areas such as insurance and we remain dedicated to maintaining Bermuda’s position as a premier financial centre.



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ABOUT BERMUDA BUSINESS DEVELOPMENT AGENCY (BDA)

Formed through the strategic merger of Business Bermuda and the Bermuda Insurance Development Council, BDA is an independent organization partnering with both the public and private sectors to promote and sustain existing international business, while actively developing new business in Bermuda. Through the collaboration and expertise of Bermuda's industry professionals and the Bermuda Government, BDA effectively identifies and explores business development opportunities to enhance Bermuda's position as a premier financial center. For more information, visit bermudabda.com.