

FOR IMMEDIATE RELEASE

Projected to Reach \$144 Billion In Five Years, Bermuda To Play Key Role In ILS Industry

Hamilton, Bermuda – March 12, 2014. Insurance Linked Securities (ILS) and alternative reinsurance capital could grow by \$100 million in the next five years, according to Aon Benfield, raising the total value of the market to \$144 billion. Bermuda is paying close attention to the needs of this market as 70 Bermuda-based industry executives traveled to New York last week to attend the Security Industry and Financial Markets Association's (SIFMA) 2014 IRLS Conference. The SIFMA organization describes the conference as the leading forum for updates, strategies and insights into the top industry issues.

Industry leaders seeking to avail of or set up ILS or Reinsurance infrastructure continue to flock to Bermuda as the Island demonstrates its strength as an ILS global hub.

Building on its reputation as risk innovator and one of the three largest insurance markets in the world, Bermuda is also a leader in the ILS global market with 44% of the worldwide stock of ILS now listed here. In Q4 2103 alone, Bermuda's vast expertise and modern infrastructure attracted more than two thirds of all ILS issuances - an impressive \$1.3 billion of \$1.9 billion.

Bermuda Business Development Agency (BDA) interim CEO, David Cash, speaks on the potential of the ILS industry, "The projected growth of ILS will directly benefit Bermuda as businesses will be required to increase capital spending by hiring people and services in order to meet client needs. This in turn affects our economy through increased consumer consumption and spending. Government revenues will also increase thus growing Bermuda's overall GDP. We've seen the economic benefits derived from our insurance, reinsurance and captive businesses; ILS presents a similar opportunity and the BDA is focused on enabling this growth."

Recognised for its ideal mix of quality talent, a modern and responsive regulatory and legal framework, and innovative risk solutions in the growing ILS market; Bermuda offers diversified investment risk products to global clients. At the end of 2013 the Bermuda Stock Exchange saw a record volume of \$9.7 billion Insurance-linked listings with the value predicted to grow further in 2014.

The Bermuda delegation that represented the Island in New York comprised of senior executives from the ILS industry, the Bermuda Monetary Authority (BMA), the Bermuda Stock Exchange (BSX) and the Bermuda Convergence 2014 committee members.

To further enhance Bermuda's presence, BDA hosted a 'Bermuda Reception' at the conclusion of the event where more than 100 executives gathered, including approximately 40 representatives from international firms with an interest in Bermuda. Jason Carne, Co-Chair of ILS Bermuda Ltd., provided welcoming remarks on behalf of the Bermuda Business Development Agency. Mr. Carne lauded Bermuda's ripeness as an international business jurisdiction, "ILS is an exciting industry for Bermuda as it aligns perfectly with our responsiveness to an ever-changing business environment and highlights our drive to maintain the Island's position as a leading domicile for financial services and worldwide centre of excellence for ILS and Convergence. We have a highly supportive Government that is working closely with our industry to enable innovation and growth. Indeed, there has never been a better time to do business in Bermuda."

Feedback on Bermuda's presence has been overwhelmingly positive.

Greg Wojciechowski, CEO of the BSX, commented on Bermuda's ILS success and the Bermuda Reception, "Bermuda has made a significant and determined effort over the last several years to position itself as a centre of excellence for the creation, support and listing of ILS structures. The increased use of Bermuda and the BSX for existing and new launches indicates that critical mass for which Bermuda is known in the reinsurance industry is spanning into its ILS/ART sector. What better way to thank our clients and colleagues for their support and to further showcase Bermuda than by the Bermuda BDA hosting an event to provide for networking and business development."

Robert Eastham, Managing Director of Kane (Bermuda) Ltd., also provided comment, "The event provided an excellent opportunity to meet market participants and further promote Bermuda's role as a key player in the ILS industry. A wide cross section of the market was in attendance and it was an excellent opportunity to have meaningful discussions with ILS participants."

From a regulatory perspective, the BMA's Licensing & Authorisations Director Shelby Weldon, shared, "The 2014 SIFMA ILRS Conference was a great opportunity for the BMA to hear firsthand the matters of importance to the industry. This knowledge is essential to the BMA. As the industry grows, so will our insight and ability to apply practical and pragmatic regulation in line with global standards."

A clear interest in Bermuda was noticed by Bermuda delegates and Kathleen Faries, committee member of ILS Bermuda Ltd. and CEO of Tokio Solution Management Ltd., commented, "It was fantastic to see

such a great turnout for the Bermuda Reception at SIFMA. Bermuda continues to see increased interest from investors on a variety of Bermuda based reinsurance structures and partnerships. We are looking forward to another great networking session in Bermuda in November where risk takers and risk makers will converge.”

Bermuda will again make a mark at ‘Bermuda Convergence 2014’ after a successful 2013 inaugural event that attracted close to 300 delegates from around the world.

- ENDS -

MEDIA CONTACT:

Shane Mora, Director of Corporate Communications

smora@bermudabda.com

Tel: 441 292 0632

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.