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PRESS RELEASE

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BERMUDA'S CAPTIVE INSURANCE REGISTER MAINTAINS STABILITY IN 2016

HAMILTON, BERMUDA – Bermuda Monetary Authority (the Authority) today confirmed Bermuda had 776 active captive licences on its register as at 31st December 2016.

The Authority's definition of a captive (i.e., an insurer predominantly formed to self-insure the parent company) includes: Class 1, 2, 3 general business insurers and Class A and B Long-Term (life) insurers. Bermuda's captive register as at 31st December 2016 included:

- Class 1: 225 licences
- Class 2: 280 licences
- Class 3: 255 licences
- Class A: 8 licences
- Class B: 8 licences

Bermuda's captive register remained stable in 2016, with new registration levels consistent with the overall captive market. Last year, a total of 13 new captives registered in Bermuda, the majority of which originated from the US, however, two new captives hailed from the emerging markets of South and Central America.

Craig Swan, Managing Director, Supervision said "The Authority continues to ensure that Bermuda's captive sector – which has made significant contributions to Bermuda's economy for well over 50 years – remains appropriately regulated. The global companies that operate captives from Bermuda expect top quality regulatory standards. As such, the Authority ensures that its supervisory framework for captives, has remained aligned with the Insurance Core Principles of the International Association of Insurance Supervisors."

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Note to Editors:

Definition of Bermuda's Captive Classes:

- Class 1: Single-parent captive insuring the risks of its owners or affiliates of the owners.



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- *Class 2: (a) a multi-owner captive insuring the risks of its owners or affiliates of the owners; or (b) a single parent or multi-owner captive: (i) insuring the risks arising out of the business or operations of the owners or affiliates, and/or (ii) deriving up to 20.0% of its net premiums from unrelated risks.*
- *Class 3: Captive insurers underwriting more than 20.0% and less than 50.0% unrelated business.*
- *Class A: A single-parent Long-Term (life) captive insurance company underwriting only the Long-Term business risks of the owners of the insurance company and affiliates of the owners.*
- *Class B: Multi-owner Long-Term captives which are defined as Long-Term insurance companies owned by unrelated entities, provided that the captive underwrites only the Long-Term business risks of the owners, and affiliates of the owners and/or risks related to or arising out of the business or operations of their owners and affiliates. A Class B license will also apply to single-parent and multi-owner long-term captives writing no more than 20.0% of net premiums from risks which are not related to, or arising out of, the business or operations of their owners and affiliates.*

The Authority is the sole regulator of the financial services sector in Bermuda. Established under the Bermuda Monetary Authority Act 1969, the Authority supervises, regulates and inspects financial institutions operating in or from within the jurisdiction. It also issues Bermuda's national currency, manages exchange control transactions, assists other authorities in Bermuda with the detection and prevention of financial crime, and advises the Government and public bodies on banking and other financial and monetary matters. The Authority develops risk-based financial regulations that it applies to the supervision of Bermuda's banks, trust companies, investment businesses, investment funds, fund administrators, money service businesses, corporate services providers and insurance companies. It also regulates the Bermuda Stock Exchange.

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