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**6th Annual Bermuda Insurance Market Conference (BIMC)
Friday, October 13, 2017, 11:45am
O'Hara House, Hamilton, Bermuda**

BDA Update

Good morning everybody. Thank you, BII, for hosting this informative annual event. I see lots of familiar faces, including some VIP guests from the CPCU Society who are visiting Bermuda this week—welcome David, Mike, Troy & Gail—I did tell you you'd be sick of me by the end of this week!

Thank you, Shannon and Andrew, for including me in today's line-up.

At the BDA, we recognise the importance of collaboration and information-sharing within our market. Being able to discuss trends, trade opinions, learn what other industry groups and associations are doing is critical. It's the only way we can properly represent Bermuda with a single voice on issues of national relevance.

So...this time last year we had just emerged from a lashing from Hurricane Nicole. Even though it does happen to be Friday the 13th today, I'm counting our lucky stars this year, because—so far—Bermuda seems to have escaped this devastating hurricane season intact. We have great empathy for the communities in the Caribbean and southern US, of course. Observing their suffering certainly makes me thankful for the resilience of our own island.

Today's conference is called "Insurance of the Future"—but I want to stick to the present just for a minute. Because Bermuda, as you know, is playing a critical role in the aftermath of Harvey, Irma and Maria. A press release issued by ABIR this week underscored this fact. It noted that Bermuda's global insurers and reinsurers have begun paying claims and expect to fund at least a quarter of the estimated \$100 billion in aggregate insured losses.

Bermuda's value is once again proven. Bermuda pays claims—that's what we're known for. And that's a huge message to get out to the world when we're talking about our island's reputation and its significant global economic contribution.

Advocacy for Bermuda is a key part of what the BDA does, and we've done a lot of it over the past year. In recent weeks, we've been taking the Bermuda message to London and New York on a couple of strategic business development trips with our new government. I can say that we've enjoyed positive engagement during these trips. The new administration has seen first-hand our agency's value in connecting with potential business, attracting interest from overseas, and acting as a key liaison between our government, regulator and industry stakeholders.

From our point of view—and I'll be very candid—first and foremost, securing an appropriate budget for the BDA to continue our operations is my top priority with the new government. Our funding is 90-percent government grant, topped up by corporate investment. Security and certainty of funding allows us to properly plan and achieve our business goals.

With regard to industry financial support: it's what keeps us independent as a public-private partnership. We have been progressively expanding our contact with the broader reinsurance market over the past year, presenting our value, and I'm pleased to say we now have funding support from this sector. But...it needs to be greater. We're 90/10 now and It would be fantastic if it were 50/50. And I don't want to get to 50/50 via the government reducing their grant!

We currently have funding support from:

- **Aon**
- **Arch**
- **Argus**
- **Axis**
- **BF&M**
- **BIMA**
- **CHUBB**
- **Colonial**
- **Hamilton Group**
- **Marsh**
- **RenRe**
- **Willis**

If the name of your company isn't on that list, I have a request: go back and talk to the powers that be—and ask why? Is the work of the BDA *not* valuable to your company? Are our efforts, both here and abroad, not helping Bermuda's reputation and sovereign rating? Are we not worthy of your dollars and is it fair for you to vicariously benefit while others foot the bill?

Going forward, as the BDA develops our jurisdictional marketing platform and programmes, it will be those funding supporters that we include in our industry working groups, our roadshows, our international forums. They will be the ones who strategise on behalf of this market. So, you have the opportunity to shape how we go out and attract new buyers to expand business for your company.

We will be asking the government to give us a more appropriate grant in the next fiscal year, but we do need your support, too.

With that rather aggressive rib-poke done, I do want to thank many of the supporting sponsors today—BIMA, the brokers, and insurance companies that have stepped up to the plate to help us in many guises, often with a lot of sweat equity.

Not only do we strive to attract new business to the island, we also work to maintain the solid foundation that already exists. We recognise the risk industry is fundamental to the health of our economy, our international business sector, and to every resident's livelihood.

There have been several economic impact reports that underscore this. A recent BDA study found that Bermuda's ILS industry generates at least 400 jobs on island. ABIR members directly contributed nearly a billion dollars to Bermuda's economy last year and employed 1,600 people in Bermuda, over two thirds of whom were Bermudians, spouses of or PRCs.

Our long-term insurers and reinsurers also made a valuable contribution. A BILTIR study released this past summer found its companies contributed almost \$80 million per year to the island. And BIMA put out its own study just last month showing that the captive insurance industry contributes an estimated \$174 million every year to our economy.

Captives also directly employ over 550 people in Bermuda. The total number of jobs generated on the island across the risk sector adds up to more than 3,000. That's significant. We talked about the global value of Bermuda's risk industry; well, this demonstrates its powerful local impact as well.

The BDA promotes this message here and overseas. We understand your value and why Bermuda is the world's risk capital. It's a big part of our jurisdictional message.

We have been taking that message all over the globe in the past year, from Singapore to Switzerland to London, New York and Silicon Valley. We undertook highly-targeted business-development trips overseas; roadshows to billboard Bermuda's cutting-edge talent; on- and off-island conferences and events; plus, research and marketing projects that add value.

Let me talk about conferences and events first, because the list is impressive. We did 62 conferences and events in 2016—or, on average, more than one a week! And it continues this fall. In these next few weeks alone, we're sponsoring or supporting nine events one right after the other. This is my fourth speaking engagement of the week. Up at the Fairmont Southampton right now is the World Alternative Investment Summit.

Next week; it's the Global Fund Forum, followed by Convergence and InsuranceERM's Insurance Risk & Capital conference. Then AM Best does a briefing, before we get AeroPodium's Offshore Aircraft Registration Summit, Global Re's inaugural Innovation and Insurtech, and PwC's Bermuda Reinsurance

Summit with Standard & Poor's. And those events are all here in Bermuda—during the shoulder season.

We have a major one-day forum in London on November 28. This is cross-sector with some really big hitters on the panels. Keynote is Rob Childs, Chair of Hiscox and Deputy Chair of Lloyd's. We've also got the Premier, Jeremy Cox, Brad Kading, Greg Wojo, Joe Rego, Grainne Richmond, April Galda, Arthur Wightman, Jessel Mendes...and many more. We have the UK-based Brexit and insurance lead of KPMG, Siân Hill...frankly, I don't know how I made the roster!

Overseas, regional US, Latin America and Canada remain key targets. We've gained good momentum and seen company formations as a concrete result of our efforts. Our team just returned from RIMS Canada in Toronto, following a successful event and numerous productive meetings with law firms, accountancy firms and other jurisdictional influencers.

Asia—China in particular—is another market we are looking to develop. We commissioned a research study by KPMG last year and will be using it to target the region for family office, captives and wealth management business from the high-net-worth sector.

We were in New York earlier this year for a live media event the BDA co-hosted with Bloomberg at Bloomberg headquarters. It was an initiative targeting senior US business leaders to raise awareness about the island.

We had over 150 potential investors and Mike Bloomberg himself on hand. Some of you may know he's a 20-year Bermuda resident who welcomed us and turned the spotlight on our island's substantial global economic value.

He said: *"The island plays a special role in the global economy; it helps to fuel growth and support jobs through trade and investments, so we have stake in Bermuda's growth."* He then tweeted about us. It seems to be the modus operandi for US political leaders.

To leverage the support of stakeholders like you and make the most of our visits to overseas conferences, we build in targeted meetings, presentations and roadshows. We know we have far more impact in overseas business outreach as "Team Bermuda" than we do as individual companies or separate vested interests. So, we are incredibly thankful to all our risk-industry partners for joining us on these initiatives. We're off to ASHRM in Seattle this weekend with many of you from the healthcare liability sector.

At home, the Bermuda Captive Conference in June was another success in its 13th year. It saw a change of season, thanks to the America's Cup, and it felt a bit of hurricane impact as some LatAm delegates stayed away, but it still recorded an impressive 750 delegates, and many are already pledging support for the next event in June 2018.

Bringing and hosting more conferences in Bermuda has been one of our major objectives.

Overseas stakeholder groups are important to us as well. We've worked to increase our collaboration with the Risk & Insurance Management Society (RIMS)—and the CPCU Society.

We deliberately encouraged a closer bond with the RIMS executive via its annual conference and we have connected with them at several subsequent events and value their support and appreciation of the Bermuda market.

On the marketing side, we've been developing new-media methods to reach an increasingly sophisticated and tech-savvy global audience. Shortly after RIMS in Philly, we launched the Bermuda Risk Directory (www.brd.bm), a new interactive website to connect our customers with Bermuda market carriers and brokers.

With research by Deloitte, the site is the new iteration of the former Bermuda Market Solutions website and published booklet. We'll be going back out to market this quarter to refresh the information. Keeping it contemporary is vital. For those already participating, we'll be asking you to update your details, and we'll be adding ILS companies and rent-a-captives. We encourage all Bermuda insurance entities and brokers to get on board.

Other digital initiatives include webcast series featuring our insurance colleagues talking up the jurisdiction. Themes so far have ranged from a LatAm series in Spanish, to another for US audiences spelling out key areas of the captive space, to an entire series devoted to our growing healthcare liability sector.

Do these efforts translate into tangible business? I can say without any doubt that they do.

Year-on-year figures show Bermuda's already substantial captive market recorded increases in both the number of registrations and amount of premium written. As end of year approaches, we're cautiously optimistic that captive formations of 2017 will surpass 2016.

Similarly, the ILS sector shows no signs of slowing down. As lead sponsor, we're working closely with ILS Bermuda to ensure this month's annual Convergence conference is the best so far.

There are positive new legislative initiatives as well. The Incorporated Segregated Accounts Company, or iSAC, is on the House schedule for November. This adapts our existing segregated company legislation, providing a hybrid that combines facets of both LLC and SAC structures—useful, not only in the insurance market, but for other industries as well, especially the funds space. We're hoping it will go live by January.

Advocacy remains one of our biggest endeavours. We've invested significant resource into bolstering our international image. We are seeing traction from our communication efforts. We have reiterated the fact that Bermuda's is a jurisdiction that adds significant value to onshore economies and that we operate on a level other offshore financial centres aspire to. We stress that *Bermuda is different*.

So, thank you for all you do. It's important work. The BDA is here to support you, to promote you, to protect jobs—and to help ensure that this elite, unique marketplace remains the very best it can be.

Thank you.