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Bermuda insurance market demonstrates resilience and industry leadership with new registrations, job growth

Hamilton, Bermuda, February 28, 2018—Bermuda’s insurance industry has registered a year-on-year increase in company registrations across multiple sectors, driving all-important job growth on the island.

Bermuda registered a total of 58 new insurers in 2017, ranging from captives and long-term re/insurers to special purpose insurers (SPIs)—compared to 42 last year, according to [Bermuda Monetary Authority \(BMA\)](#) statistics released this month. Risk sector companies were responsible for at least 61 corresponding new jobs, including 20 in the fast-expanding long-term (life and annuity) sector, according to the Bermuda Business Development Agency (BDA).

“The BMA figures reaffirm Bermuda’s status as the ‘world’s risk capital’ and also underscore the breadth of our risk-solutions market, as well as the innovation and expertise that distinguish the island as a centre of excellence across each risk sector,” said BDA CEO Ross Webber. “Most importantly, this trend, encouraged by our business-development efforts, is creating much-needed jobs that help fuel economic growth.”

Despite challenging market conditions globally, including mergers and acquisitions activity and consolidations, Bermuda last year held its number-one position atop captive insurance domiciles, based on total licensed captive. Some 739 active captive licences were on the BMA register at year-end, including 17 new entities—compared to 13 in 2016—and Bermuda captives wrote \$54.7 billion in net premiums.

“We’re delighted to see an overall increase of 38 percent in licensed insurance carriers in Bermuda last year,” said Grainne Richmond, President, Bermuda Insurance Management Association (BIMA). “Of the 58 new licences issued, 17 are in the limited purpose/captive space.

“We’re not surprised by the continued confidence stakeholders place in the overall Bermuda insurance product, and we’re particularly pleased to see the increase in captive registrations,” she added. “This continued growth highlights how important Bermuda’s captive offering is in the global arena where our experience, pragmatic regulation, professionalism and integrity continue to set Bermuda apart from competing jurisdictions.”

Bermuda saw impressive growth in the life sector in 2017, with six long-term insurance companies, one Class C and five Class E companies, licensed by the BMA. That compared with three 2016 registrations. With incorporations of companies such as Monument Re, Athora Life Re, Allianz Re Bermuda Life, Langhorne Re, and Private Bankers Life & Annuity Co, the sector generated at least 20 new jobs in Bermuda.

“Life reinsurance continues to expand as part of the Bermuda international business sector,” said Sylvia Oliveira, Board Director, Bermuda International Long Term Insurers and Reinsurers (BILTIR). “Long-term re/insurers provide significant diversification for the Bermuda economy since we are affected by a different set of drivers than property and casualty re/insurers. Our markets keep expanding as aging populations seek to protect assets during retirement and for their heirs. We are confident the BMA’s sophisticated regulatory environment continues to attract life reinsurers to domicile in Bermuda.”

Bermuda also dominated the global insurance-linked securities (ILS) market, issuing 24 SPI licences—seven more than the previous year—with reinsurance covers consisting primarily of cat bonds, collateralised reinsurance and sidecars. The Bermuda Stock Exchange (BSX) was the listing venue of choice for ILS vehicles, noted Greg Wojciechowski, BSX President and CEO, and ILS Bermuda Chair. “New ILS listings on the BSX totalled 103 securities for the year, with a nominal value of \$11.54 billion,” he said. “This represents annual growth of 69 percent in the number of new securities listed, and 87-percent growth in the nominal value.”

At year end, the total number of BSX-listed ILS securities stood at 227, valued at \$25.99 billion. “Bermuda’s global market share reached record levels of approximately 84 percent, cementing Bermuda’s continued position as leader in this innovative asset class,” Wojciechowski said. “The devastating natural catastrophe events in 2017 demonstrated



Bermuda’s resilience, tried-and-tested infrastructure, as well as expertise in the property and casualty space.”

One new Class 4 commercial reinsurer was also formed in Bermuda in 2017—Premia Re, a property/casualty reinsurance run-off group.

BDA Business Development Manager Jereme Ramsay said the agency would continue to lead aggressive business development efforts overseas, particularly in Canada, and major markets across the United States. “We’ll continue to work with all our valued industry stakeholders to educate corporate audiences about what makes Bermuda different,” said Ramsay. “Bermuda’s leading position and longstanding reputation make our jurisdiction the sensible domicile choice.”

Ramsay led an industry team to the World Captive Forum in Ft. Lauderdale, FL last month, and heads to the annual Captive Insurance Companies Association (CICA) in Scottsdale, AZ March 11. PwC Bermuda Partner and Tax Leader Rick Irvine will be featured alongside industry leaders on the event’s closing panel offering updates on US tax reform. The Bermuda team at the Scottsdale event will also promote the [Bermuda Captive Conference](#), happening June 11–13.

“So far this year, insurance registrations are already off to a solid start, with four new formations, including a captive, an SPI, a life company and small commercial insurer,” Ramsay added. “2017 was a strong year, and the first quarter of 2018 appears to be following suit. We’re optimistic for what’s to come.”

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CONNECTING BUSINESS

The BDA encourages direct investment and helps companies start up, re-locate or expand their operations in our premier jurisdiction. An independent, public-private partnership, we connect you to industry professionals, regulatory officials, and key contacts in the Bermuda government to assist domicile decisions. Our goal? To make doing business in Bermuda smooth and beneficial.

