

AUGUST 2018



## In praise of pioneers

Twenty-five years ago, the Blue Jays won the World Series, the coolest gadget you could buy was a \$30 Sony Radio Walkman, and “Jurassic Park” (the first one) devoured the box office...back when people still went out to movies.

If that seems like ancient history, well, it was. We’ve come a long way and nowhere is that more evident than in Bermuda’s international business market. A recent [event hosted by the Association of Bermuda Insurers & Reinsurers \(ABIR\)](#) at Rosewood Bermuda was remarkable for many retrospective reasons. A leadership forum held to celebrate ABIR’s quarter century of



advocacy and achievements, it attracted a notable number of past and present CEOs and industry executives—a certifiably VIP crowd that also included the Governor, the Premier and Bermuda’s new US Consul General.

The 25-year milestone itself was laudable, mirroring the evolution not just of re/insurance, but of Bermuda’s whole financial ecosystem. Industry dignitaries’ collective commentary was striking, particularly that of the so-called “giants.” AXIS Capital Chair Michael Butt, former CEO of Mid Ocean Reinsurance, noted, for example, that back in the early 1990s when excess liability insurance was still finding its footing and property catastrophe coverage was just taking off, professionals sometimes didn’t want Bermuda on their resumes—it wasn’t considered real-world relevant. “Today, if they’re serious, they do.”

Figures like Butt and his colleagues Brian O’Hara, Fiona Luck, Stephen Catlin and Donald Kramer—all of whom featured on that day’s “Lessons Learned from the Pioneers” panel—were genuine global trailblazers of their generation, industry disruptors who won’t soon forget the formidable early challenges. Neither will American International Group CEO Brian Duperreault, keynote speaker at our second multi-industry forum held in New York in May. Like his contemporaries, Duperreault recalled early-career details that now sound absurd (“in those days, Bermuda was not necessarily the place you would go if you were at the height of your game”)—yet as CEO of ACE, Marsh, and Hamilton Insurance Group, he played a critical role in making the island a crucible of innovation.

It’s why O’Hara, Duperreault and other insurance veterans admit to feeling more than a tinge of déjà vu when they meet today’s disruptors. It’s also why they champion the market’s new industry kid on the block: fintech. The same factors that allowed pioneers of re/insurance and other global business to succeed in Bermuda—our unique combination of talent, quality, innovation and sensible regulation—are now propelling a fresh digital economy, one that promises to re-shape the Bermuda market yet again. As the Insurance Insider’s managing director Mark Geoghegan noted [in an op-ed following ABIR’s event](#): “Bermuda deserves to succeed because it is one of the only territories fully invested in doing so.”

Case in point is this summer’s passage of groundbreaking laws and regulations for financial technology businesses. Proactive collaboration by our government, regulator and industry has



laid the foundation for Bermuda to become a hub of tech innovation for decades to come. It also makes us the first jurisdiction in the world to create an environment where products such as digital currencies are regulated to the highest standards. Make no mistake, it is a global race—to become the most attractive home for fintech firms. Bermuda’s swift action is already attracting attention and new business; according to Premier David Burt, [some 22 fintech companies have already been incorporated](#). And just this week, a [New York Times story](#) described the island as “a leading player” thanks to its commercially sensible suite of rules governing initial coin offerings (ICOs), digital asset exchanges and other related businesses.

Fintech isn’t just about cryptocurrencies, of course. A multi-billion-dollar industry, it refers to a broad range of innovative financial products and services, some enabled by distributed ledger or blockchain technology, that will change our lifestyle and the way we do business, just as the Internet did. Artificial intelligence, mobile wallets, cloud-based services, robotic automation, crowd-funding, real-time payments, data analytics, alternative lending—this is the revolution in which Bermuda could play a leading role.

The benefits are many, not only for Bermuda-based business, but also for local consumers and householders. Several high-profile companies have signed agreements with the government, pledging to be strategic partners. Firms like Binance (the world’s largest cryptocurrency exchange), Omega One, Shyft Network, and Medici Ventures have confirmed plans to launch operations here and invest millions of dollars in educational programmes and infrastructure initiatives.

They are just some of the new breed of pioneers Bermuda is encouraging as it explores emerging technologies—the future of our market as an international financial centre.

Their commitment, and Bermuda’s, should stimulate job creation, GDP growth and economic diversification. It should build on the firm foundation created by our previous market pioneers. And by doing so, it should reinforce the immense debt we owe those “giants” of the past, even as we look to the future.

#### ABOUT VIEWPOINT

A monthly blog by BDA Interim CEO Sean Moran, with commentary on industries, issues and influencers affecting Bermuda as a global financial centre. Comments and feedback can be sent to [sean@bda.bm](mailto:sean@bda.bm)

#### ABOUT BERMUDA BUSINESS DEVELOPMENT AGENCY (BDA)



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 prospective companies to industry professionals, regulatory officials, and key contacts in the Bermuda government to facilitate domicile decisions. Our goal? To make doing business in Bermuda straightforward and beneficial.

