

# Defining Bermuda & Yourself for Success

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Association of Bermuda Insurers and Reinsurers

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**BII Vision: To be a world class center for education, training, and development of risk professionals.**

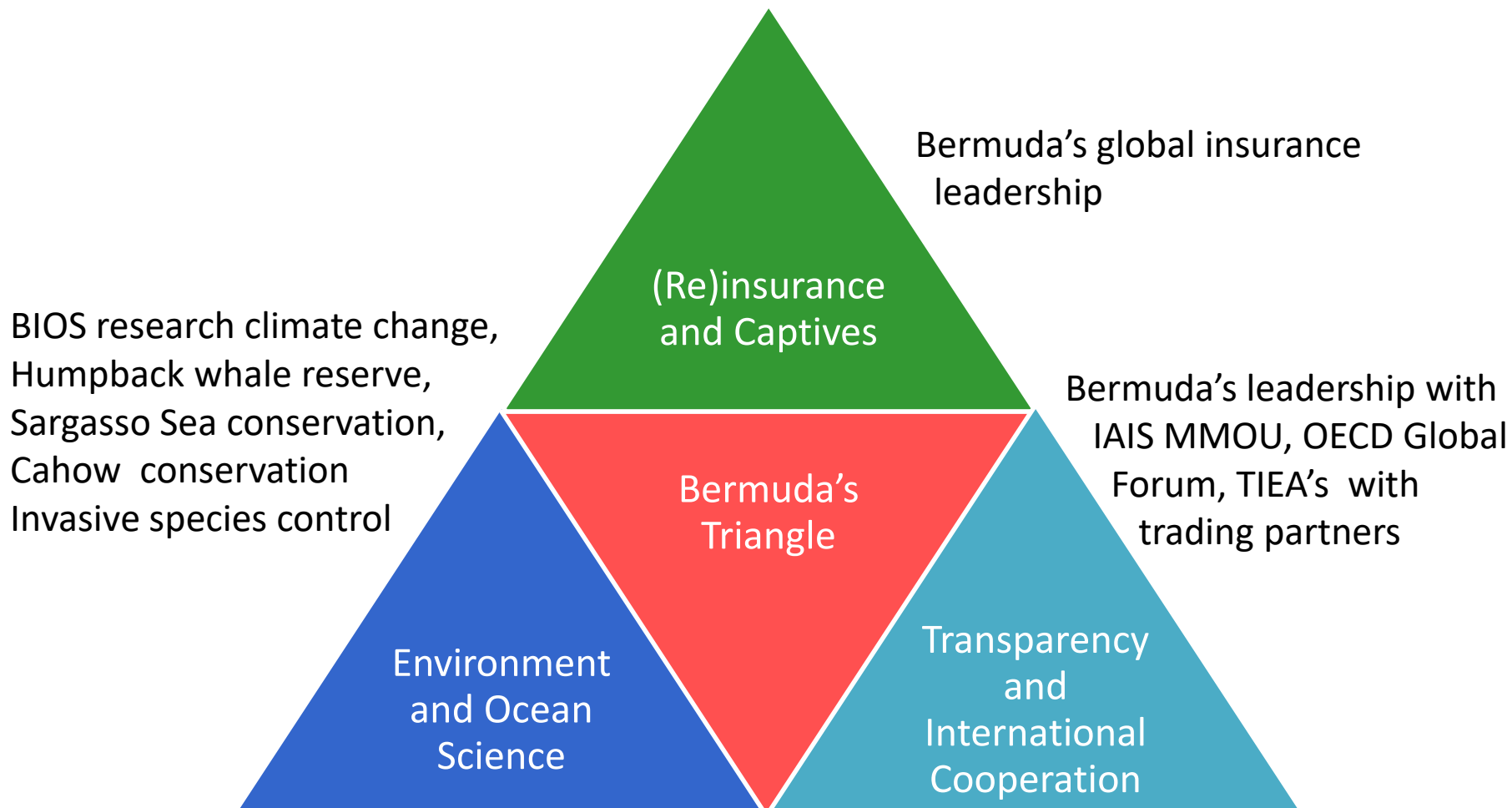
# Outline

- Congratulations
- Thinking about Bermuda
- Defining Bermuda
- Promoting our global economic contribution
- Current risks and opportunities
- Ingredients for your success
- Doing your part

# Defining Bermuda

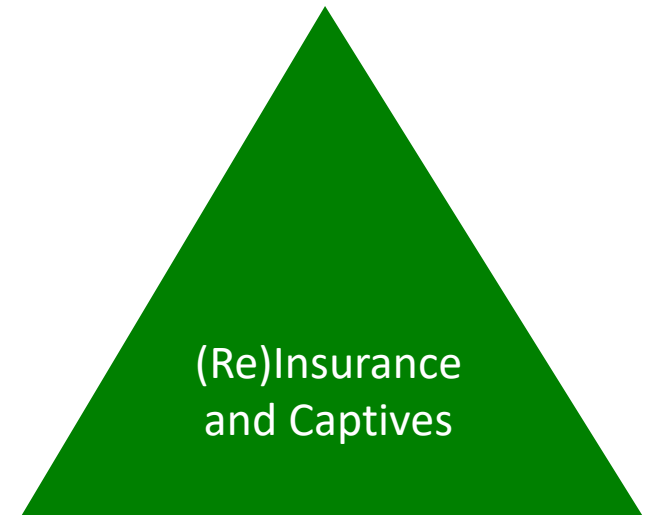
- The real Bermuda Triangle

# The “New” Bermuda Triangle – Marketing Bermuda to Policymakers



# World's Risk Capital

- Intellectual leadership and innovation
- Concentration of expertise
- Intersection of ILS and reinsurance markets
- Catastrophe reinsurance globally
- Captive insurance support for US business leaders
- Specialty markets:
  - Excess liability
  - Directors and Officers



# Transparency and Cooperation

- 40+ TIEA's, with all major trading partners:
  - Bermuda must help enforce US and EU tax collection
  - FATCA IGA Model 2; FATCA/CRS measures
- 28 MOU's with regulators, EIOPA, IAIS and 12 US states:
  - Regulatory information sharing; group supervision
- OECD Global Forum Leadership
- Beneficial ownership, anti-money laundering and anti-terrorism financing:
  - Commitments to US and UK mandates



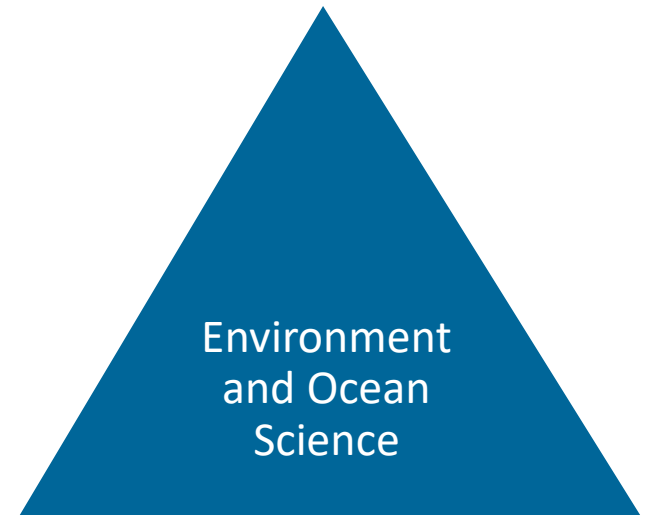
# Transparency and Cooperation

- BMA IMF FSAP's:
  - Independent review commitment to international standards
- EU Solvency II Equivalency
- US Reinsurance Regulation, NAIC Qualified Jurisdiction
- Public statements of praise from the US, UK, EU and OECD Leadership
- BEPS: CRS and CbC reporting



# Environmental Stewardship

- Back from extinction:
  - Cahow conservation project
  - Creating habitat “igloos” for Longtails
  - Protecting habitat for Sea Turtles
- Oceans
  - Sargasso Sea protection, the Hamilton Declaration
  - Humpback Whales protection
  - European Eels
- Climate Science
  - BIOS research, 150 years of Gulf Stream analysis
  - RPI research on climate change



# Risk Prediction Initiative

The Risk Prediction Initiative (RPI) 2.0 promotes productive dialogue between scientists and (re)insurers involved in catastrophic risk.

RPI2.0 works to refocus scientific research toward answering industry's questions and translates this research into meaningful, useful results for its members.

More information:

<http://www.bios.edu/research/projects/rpi/>



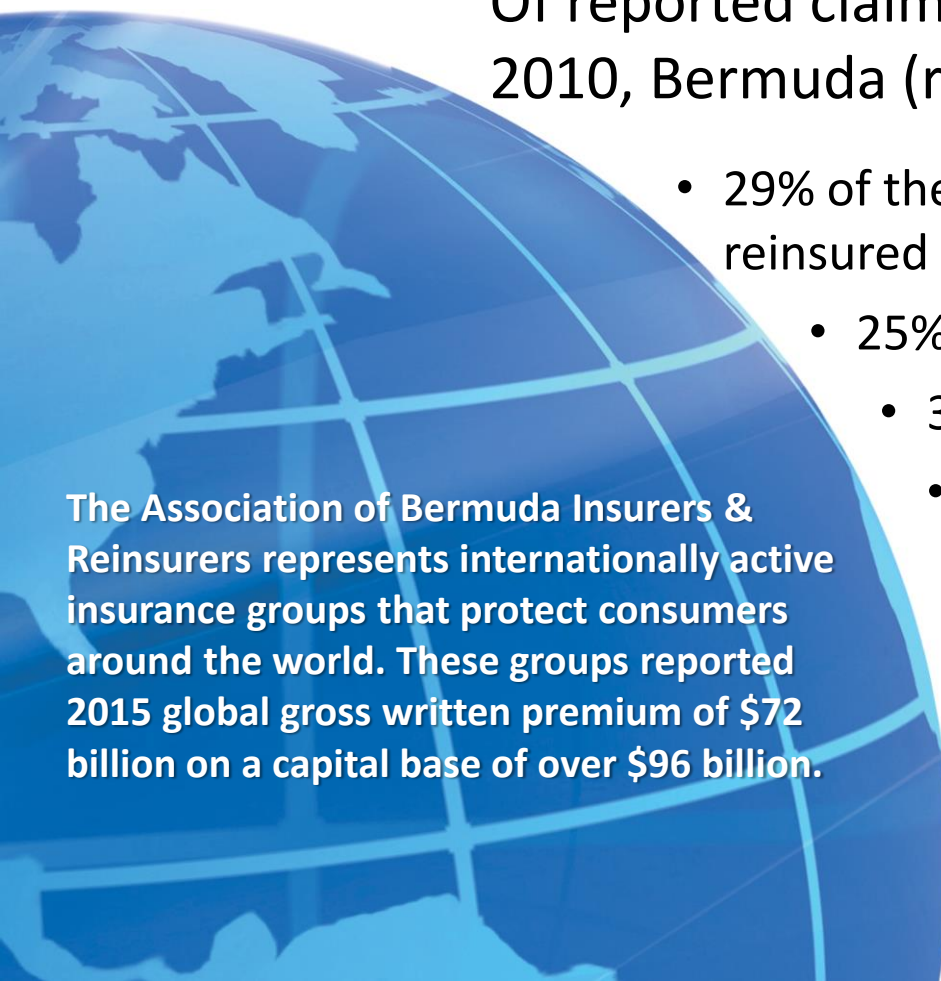
# **Our Global Economic Contribution**

- Bermudians can be excited about their international economic contribution!

# Bermuda's (re)insurers cover the globe

Of reported claims liabilities from catastrophes since 2010, Bermuda (re)insurers covered:

- 29% of the reported liabilities for the international reinsured share of the Japanese earthquake
  - 25% from the Gulf of Mexico oil spill
  - 37% from Europe's Windstorm Xynthia
  - 51% from New Zealand's earthquakes
  - 38% from Chile's earthquake
  - 16% from the United States' Hurricane Sandy.

A large, semi-transparent blue globe graphic is positioned on the left side of the slide, showing a grid of latitude and longitude lines. It is partially obscured by the text box.

The Association of Bermuda Insurers & Reinsurers represents internationally active insurance groups that protect consumers around the world. These groups reported 2015 global gross written premium of \$72 billion on a capital base of over \$96 billion.

## And more ...

- Write 20% of the broker-placed European property catastrophe reinsurance
- Provide 35% of the capacity for Lloyds of London
- Include 15 of the top 40 reinsurers in the world
- Supply 40% of the US and UK broker-placed property catastrophe reinsurance market
- Provide 19.5% of the terrorism reinsurance capacity to UK's Pool Re
- 20% of the combined global loss estimates for the 2015 Tianjin explosion
- 50% of the reported losses for the 2012 Costa Concordia sinking
- 22% of the theoretical USD\$1 billion market loss for the 2009 Air France crash
- 25% of the reported reinsurance losses for the 2016 Alberta, Canada wildfires
- Paid 62% of the claims for the UK's 2005 largest peacetime fire and explosion-the Buncefield oil terminal fires

# 2016 BMA Cat Risk Report

## Bermuda's Estimated Loss Impact Share Using Lloyd's Developed Realistic Disaster Scenarios

Bermuda Share (%)

- **US Gulf Windstorm (onshore)** 17%
- **US Northeast Hurricane** 24%
- **San Francisco Earthquake** 18%
- **European Windstorm** 36%
- **Japanese Earthquake** 15%
- **Japanese Typhoon** 21%

# UK PRA Market-wide stress test (2015): reinsurance recoveries by jurisdiction

Scenario	Leading Supplier	Other Suppliers
EU natural catastrophe	Bermuda (20-40%)	Germany, UK, USA, other jurisdictions
US natural catastrophe	Bermuda (40-60%)	Germany, UK, USA, other jurisdictions
Synchronised terrorism events	UK Government-backed Pool Re	Bermuda, Germany, USA, other jurisdictions
Motor liability stress event	UK	Bermuda, Germany, USA, other jurisdictions
1-in-200 events	Bermuda (about 40%)	Germany, UK, USA, other jurisdictions

# Risks and Opportunities

- What's your role in converting risks to opportunities?
- You play key role in your own career success but also in Bermuda's success
- Without you as a messenger we are not going to be successful
- Everyone here has a role to play
- My goal is that this presentation helps you to understand that role



# Risks and Opportunities

## Risks:

- US political risk – tax reform, regulation
- EU political risk – tax cooperation, regulation
- Beneficial ownership – moving the bar
- Failing international assessments
- G 20 political risk – follow OECD or follow EU?
- BREXIT – Defending Bermuda
- Regulatory and tax protectionism

# Risks and Opportunities

## Opportunities:

- OECD tax info exchange audits
- AML assessment
- EU tax compliance assessment
- UK and WTO ascension
- UK/US or UK/EU free trade agreements (post BREXIT)
- America's Cup!

# Your Challenge: Sell Yourself & Bermuda

## You:

- Hard working
- Cooperative
- Technically skilled
- Willing to try new jobs
- Willing to relocate
- Dependable
- Make your boss's life easier

## Bermuda:

- Work to improve regulation
- Cooperate with international organizations
- Build competency
- Grow new businesses
- Promote itself globally
- Trustworthy w/ compliance
- Build on UK relationship

# Learn to be an effective messenger!

- Congratulations and good luck!

## ***ABIR's 23 Members***

- Allied World
- MS Amlin
- Arch
- Argo Group
- Aspen
- Assured Guaranty
- Axis
- Chubb
- Enstar
- Fidelis
- Hamilton Re
- Hiscox
- Ironshore
- Lancashire
- Maiden Holdings
- Partner Re
- Qatar Re
- Renaissance Re
- Third Point Re
- Tokio Millennium Re
- Validus Re
- Watford Re
- XL Catlin

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