

ABIR Press Release

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ABIR Bermuda Economic Impact Survey

Dateline: Hamilton, Bermuda.

The Association of Bermuda Insurers and Reinsurers (ABIR) today released results of its 2009 economic impact survey. According to ABIR, the survey indicates that the Association's 22 member insurance and reinsurance companies contributed nearly \$950 million to the Bermuda economy last year. ABIR represents Bermuda's global insurers and reinsurers, a group that in 2009 wrote \$61 billion in global gross written premium on a capital base of \$84 billion. The survey results demonstrate the important economic contribution of this business sector to Bermuda, but also provide evidence during the last two years of a slight decline of ABIR company employment in Bermuda.

"ABIR's members provide an enormous economic benefit to Bermuda," stated Patrick Thiele, ABIR Board Chairman and also CEO of Partner Re Ltd. Mr. Thiele continued, "We employ collectively 1,757 people in Bermuda of which 1,153 are Bermudians--representing roughly 66% of our workforce here." Our Bermudian employees include citizens, those married to citizens and those with permanent residency certificates, all non-work permit employees.

"The average compensation for ABIR member Bermudian non-work permit employees was \$178,000 in 2009; while the median was \$113,000 (meaning that of the 1,153 Bermudian employees, half had compensation higher than this number and half had compensation lower than this number)," Thiele noted. "These are good paying jobs, many of which come with significant responsibilities, with a variety of skill sets represented." Thiele continued, "The results also show the resilience of our member companies in the midst of a global recession. We believe that Bermuda's economy has benefited from the stability that these companies provide to the local economy, despite the rocky road we have all recently traveled," Thiele stated.

According to the survey results, ABIR members' 2009 economic contribution to Bermuda included:

- \$700 million in aggregate compensation to employees based in Bermuda,
- \$125 million in payments on construction, real estate, housing, rentals or leases,

- \$82 million paid to Bermuda-based third party business consulting providers,
- \$25 million in travel and entertainment payments, and
- \$10 million in contributions to Bermuda-based charities.

ABIR has conducted its economic impact survey for the past five years.

“2007 was the peak year for ABIR employment in Bermuda,” stated ABIR President Brad Kading. “Employment has slightly declined over the past two years, though the percentage of our Bermudian employees has increased.” During the multiple year survey periods, ABIR’s membership has ranged from 16-23 companies. ABIR members employ about 31,000 people globally.

Mr. Thiele stated, “Challenges to the international insurance sector in Bermuda revolve around the need to be competitive with other (re)insurance centers across the globe, particularly as regards human capital.” Thiele continued, “It is critical that we attract and retain high quality (re)insurance professionals in Bermuda and that the costs of those employees are not out of line with other jurisdictions. We want to work with policy makers to make that a reality,” Thiele stated.

Attached: Tables on employment by year; Economic contribution by year
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