



Association of Bermuda Insurers and Reinsurers

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Association of Bermuda Insurers and Reinsurers (ABIR)

Hamilton, Bermuda

The Association of Bermuda Insurers and Reinsurers (ABIR) today congratulated the Bermuda Monetary Authority (BMA) on its continued progress towards its goal of obtaining equivalence with the European Union's Solvency II prudential regulation regime. On August 17, the European Insurance and Occupational Pension Agency (EIOPA) found, with certain caveats, the BMA's regulatory regime to be largely compliant in critical areas with Solvency II for the internationally active insurance group sector represented by ABIR.

"The BMA has crossed an important milestone as it was found to be largely equivalent to Solvency II with regard to the prudential regulatory requirements applied to the internationally active insurance groups. The EIOPA report was particularly important with its findings on substantial equivalence for the Bermuda Solvency Capital Requirement (BSCR) and with the new group supervision regime," noted Brad Kading, president and executive director of ABIR.

"We recognize much work remains to be done -- some technical, some substantive -- but we are confident that the BMA will reach its goal with regard to equivalence for the internationally active insurance group sector -- which represents a major source of (re)insurance capacity that helps make global insurance markets more competitive providing real value to consumers," Kading noted.

ABIR members at yearend 2010 wrote \$62 Billion (US) in global gross written premium on a capital and surplus base of \$90 Billion. ABIR members are important sources of capital for the Lloyds' of London market, for European insurers buying property catastrophe reinsurance and for commercial insurance markets throughout the EU. The Bermuda insurers which play an important role in European markets are the internationally active insurance groups largely classified as Class 4's and Class 3b's.

Kading noted that this was the preliminary EIOPA equivalence report and the European Commission would ultimately make a decision on equivalence with regard to Bermuda, Japan and Switzerland by the end of 2012.