

*For Immediate Release
Association of Bermuda Insurers and Reinsurers
Contact Jewel Perkins at jewel.perkins@abir.bm*

ABIR Statement

July 15, 2010

Congratulations to the BMA on Its Solvency II Progress

The Association of Bermuda Insurers and Reinsurers (ABIR) today applauded the decision by the Committee on European Insurance and Occupational Pensions (CEIOPS) that Bermuda should be assessed on the first wave of jurisdictions for equivalency with Europe's Solvency II insurance regulation directive.

"About 40% of ABIR member business lies in Europe. In addition, according to Aon Benfield, about 17% of its European reinsurance premium gets placed with Bermuda's insurers or their European subsidiaries. In addition according to Guy Carpenter, about \$14 billion of insurance capital in Bermuda is held here by subsidiaries of European based insurance groups. Obviously these markets are interconnected and it makes sense to have common risk based regulatory principles governing these insurance groups," said Brad Kading, ABIR's president.

"If Bermuda and the BMA win regulatory equivalency from the European Commission that will make for a more harmonized, efficient regulatory system that will benefit European consumers," Kading noted.

The CEIOPS's recommendation is for Bermuda and the BMA to be assessed in a timely fashion to determine whether Bermuda's regulatory system is equivalent to that proposed in Europe, perhaps as early as December. CEIOPS is currently seeking stakeholder comments on this recommendation and the consultation process will close by the end of August. Once the CEIOPS decision is complete, then the European Commission may determine by November that the Bermuda assessment may begin.

"The CEIOPS' recommendation means Bermuda may be passing a significant milestone on what is another year and one half process. We congratulate BMA CEO Jeremy Cox and his team for its accomplishments. A lot of work remains to be done, but Bermuda appears now likely to make the first cut for timely assessment and that is important for ABIR members and important for the BMA.

It's a significant accomplishment. We offer our continued support to the BMA for the ongoing work," Kading noted.

Kading also noted the Ministry of Finance and Deputy Premier Paula Cox have made a significant contribution in this effort with their outreach to the European government in Brussels. "Minister Cox is a great spokeswoman for Bermuda in Brussels. She and her team continue to make the case and document Bermuda's practice of transparency and cooperation with other jurisdictions. We applaud her continued effort that will benefit Bermuda's citizens."