BERMUDA
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ABIR Risk Forum launched

By John Huff

This year marked the launch of ABIR's Risk Forum and we were so pleased to be able to attract a veritable who's who of international standard-setters to our inaugural event.

Keynote speakers included Petra Hielkema, Chairperson, European Insurance and Occupational Pensions Authority (EIOPA), Scott White, President, US National Association of Insurance Commissioners (NAIC), Commissioner of the Virginia State Corporation Commission's Bureau of Insurance and Sir Charles Roxburgh KCB, Chair, Lloyd's of London.

Sir Charles described how there was now an openly collaborative stance between Bermuda and Lloyd's and how the relationship was both incredibly important and wholly symbiotic. The Lloyd's Chair

Wildfire aftermath, Pacific Palisades, Los Angeles, California, 8th January 2025. By Draco Guan / Copyright Shutterstock

The Lloyd's building, London. By AS photo family / Copyright Shutterstock

also described how many of Lloyd's most successful syndicates are owned by Bermuda companies and even Lloyd's own central fund reinsurance is supported by major Bermuda reinsurers.

The US remains Bermuda's closest and largest trading partner and it was so important that National Association of Insurance Commissioners (NAIC) President Scott White, described the relationship between the NAIC and the BMA as the 'gold standard' of supervisory cooperation. Bermuda enjoys qualified and reciprocal jurisdiction status in the US via the NAIC and Mr White stressed the important role of the Island's reinsurers, who provide much needed capacity to US insurers, closing the protection gap and supporting the availability and affordability of coverage.

Bermuda celebrated 10 years of Solvency II equivalence in 2026 and Petra Hielkema, chairperson of EIOPA, the EU's (re) insurance regulator, compared the BMA's Solvency II equivalence to a marriage whose vows keep being renewed.

Our event was opened by Bermuda's Governor Andrew Murdoch who highlighted Bermuda's continuing role as a major player in the area of risk and insurance. His Excellency highlighted how Bermuda's small size grants us thoughtful agility via a close relationship between government, the regulator and industry.

ABIR's Chair, Mark Cloutier pointed out how good it was to see industry and regulators so closely aligned over such major global issues including: climate change, escalating cyber risk and mounting geopolitical tensions, including potential trade disputes, further interest rate cuts and unclear inflation levels.

That being said, it was clear from the discussions that everyone is aligned on the next steps to take, which bodes extremely well for the future.

BERMUDA REMAINS WORLD'S RISK CAPITAL

Bermuda is known as the world's risk capital because we understand risk better than any other domicile – from catastrophe, climate, cyber, to mortgage and credit risk transfer products.

For over 30 years, the Bermuda market's risk-bearing capacity has played a key role in enabling insurance to be accessible and affordable, benefiting consumers around the world.

During this time, Bermuda has amassed a wealth of on-Island intellectual capital, especially in the area of risk underwriting and (re)insurance regulation and supervision: which takes the shape of our integrated and independent financial services regulator, the Bermuda Monetary Authority (BMA).

The Association of Bermuda Insurers & Reinsurers (ABIR) was founded in 1993 and represents Bermuda's global Property and Casualty (P&C) insurers and reinsurers. It speaks volumes about the significance of our companies and our regulator that so many international supervisors from the EU, US and UK frequently travel here for important supervisory colleges and regulatory dialogues.

Bermuda's (re)insurance market continues to achieve strong profitability despite a global increase in total estimated losses. ABIR's member companies recorded a strong 10% year-over-year increase in premium written in 2024 and an 8.5% increase in total equity.

ABIR's annual global underwriting report stated, ABIR members generated gross written premium of over $188 billion, up from $171 billion, driven by organic growth, while total equity increased to $178 billion from $164 billion.

This overall organic growth result has demonstrated that Bermuda's leading insurers and reinsurers continue to play a critical role in providing capital and capacity, innovative solutions for customers and peace of mind for consumers, businesses and communities.

The exact extent of climate change on the frequency and severity of cat losses remains unclear, however, secondary perils such as convective storms, floods and wildfires remain key drivers.

Over the past 10 years, the Bermuda market has supported over a trillion dollars in claim payments around the world, much of it after a natural disaster.

Another area for potential growth is the recent reforms of Florida's litigation-driven system. Florida is the seventh largest international insurance market, with a gross domestic product exceeding $1.7 trillion.

In fact, the roots of Bermuda's global (re)insurance market stem from sharp pricing and a drying up of capacity in the aftermath of Hurricane Andrew which hit South Florida as a catastrophic category five hurricane in August 1992.

However, for the last 10 years, while Florida insurers paid out $51 billion in claims, the vast majority went to lawyers and adjusters. The recent overhaul of Florida's litigation-driven system has transformed the market and restored stability, leading to a surge of capital flowing in from Bermudian-based reinsurers.

We look forward to deepening this important trade relationship, closing the protection gap for those individuals who would simply not be able to buy affordable insurance for their homes were it not for the contributions of Bermuda's insurers and reinsurers.

In relation to US home ownership, ABIR members help many Americans achieve their dreams by providing half of the reinsurance capacity used by US mono-line mortgage guarantee insurers.

In conclusion, Bermuda's globally significant risk market continues to make significant impacts, particularly in communities which are hit the hardest by natural catastrophes like flooding, wildfires and hurricanes. We look forward to continuing to help close the protection gap for many decades to come.

JOHN HUFF

John M. Huff, President & CEO, Association of Bermuda Insurers & Reinsurers (ABIR).

John directs ABIR's worldwide public policy, regulatory, advocacy and education initiatives. In 2021, he was named to the Bermuda Risk Transfer Hall of Fame. He served as the 2016 President of the National Association of Insurance Commissioners (NAIC), the US standard-setting and regulatory support organisation created and governed by the chief insurance regulators of the United States and as Director of the Missouri Department of Insurance, a position he held for eight years.

Prior to entering public service, John – a former practising attorney – served in executive positions with leading global insurers and reinsurers in the US, UK and Switzerland.

Extensive damage was caused by Hurricane Andrew in South Florida back in 1992. By wsbowles / Copyright Shutterstock

Bermuda's P&C market: closing the global protection gap

By Mark Cloutier

In an increasingly uncertain world, there is one thing that global policyholders can rely on. Bermuda's sophisticated insurance and reinsurance market will be there to help them rebuild when they need it most.

Bermuda consistently holds over one-third of the global P&C reinsurance capacity and for decades has been called the world's risk capital.

According to the latest available figures, the Island's internationally respected, independent and integrated financial services regulator, the Bermuda Monetary Authority (BMA) supervises over 1,200 insurance and reinsurance companies managing US$1.9 trillion in assets. By the end of 2026, the BMA is

Hurricane Andrew left one trailer home in complete ruins and surrounding homes untouched in Jeanerette, Louisiana, USA in 1992. By Joseph Sohm / Copyright Shutterstock expected to have some 400 supervisors on board.

The BMA's latest Annual Report states Property and Casualty (P&C) insurers and reinsurers continue to make up the foundation of Bermuda's risk market writing US$106 billion in gross premiums. This extremely well capitalised group held total assets of US$362 billion and had capital and surplus worth US$164 billion for the same period.

In the past nine years, the Bermuda market has supported over a trillion dollars in claim payments around the world, supporting recoveries against natural catastrophes, casualty, specialty risks, cyber, mortgage, professional lines, credit and retirement security.

Bermuda's robust, yet pragmatic, regulatory framework enables our (re) insurers to remain well-capitalised with ample liquidity, ensuring the settlement of policyholder claims as they arise.

INAUGURAL ABIR RISK FORUM

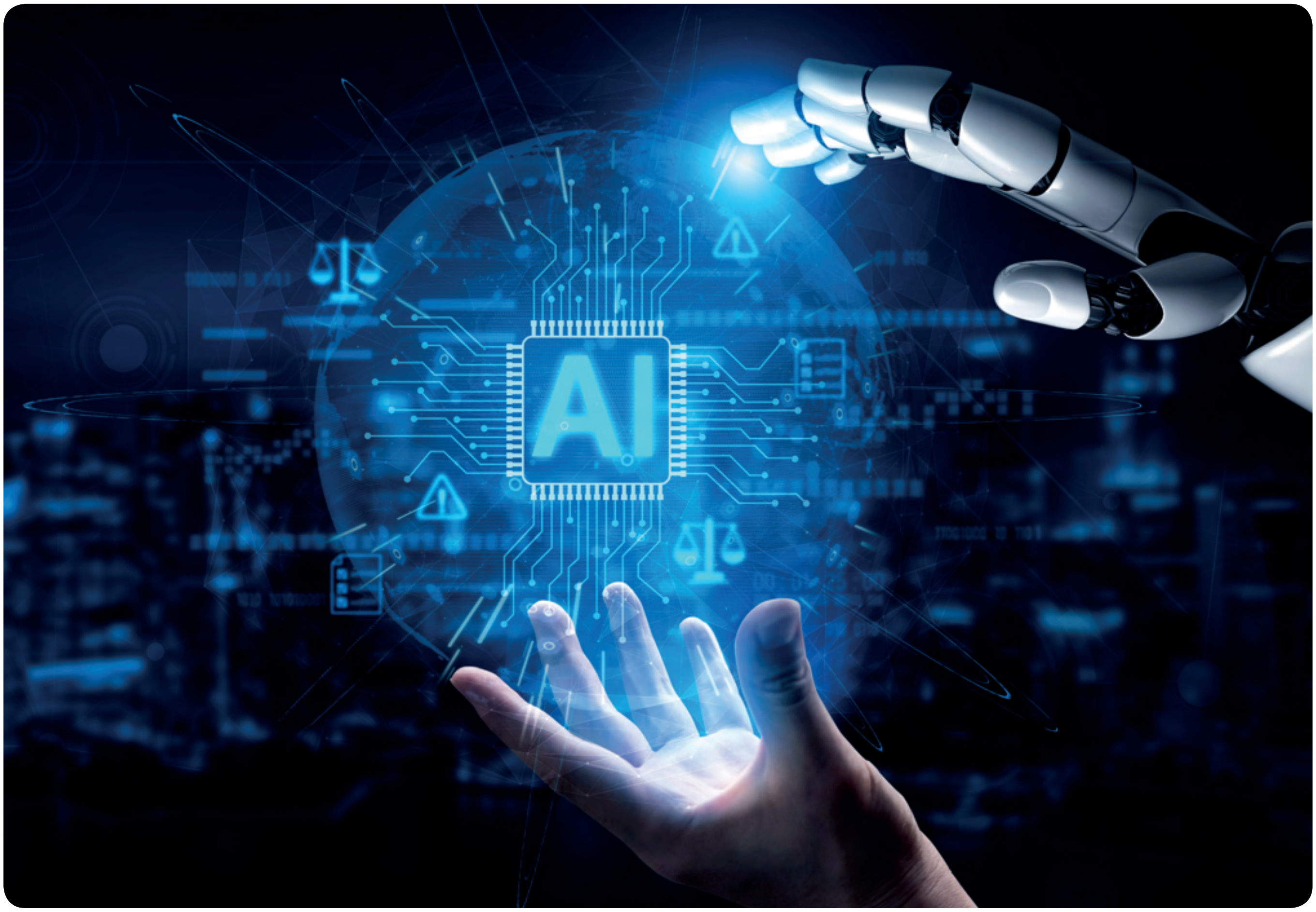
This year marked the inaugural Association of Bermuda Insurers and Reinsurers (ABIR) Risk Forum and I was so proud to have been able to officially close out the proceeding with the final remarks of the day. The benefit of speaking last is that you get to hear what everyone else has to say and my main comment was that during all of my decades in the industry, I have never witnessed such alignment between the industry participants and the people that oversee our industry, the regulators.

Only in Bermuda could you get the Chair of Lloyd's, the Chair of the European Insurance and Occupational Pensions Authority (EIOPA) and the President of the National Association of Insurance Commissioners (NAIC) all in the same room working alongside titans of industry to chart a global course through complex global issues. We heard again and again where we have to go and this bodes well for our ability to solve some of these global issues – as complex as they are.

Issues such as Artificial Intelligence (AI) will play a tremendous and transformative role in the insurance sector.

Much was said on cyber risk and the ever-increasing cyber protection gap, as companies seek coverage to counter the threat of increasingly sophisticated cyberattacks. According to the latest data from the BMA, the Bermuda cyber insurance market continues to grow with $10.8 billion written by and/or consolidated into Bermuda groups and commercial insurers.

Bermuda's cyber market saw higher loss ratios and more frequent claims with



Bermuda College students on campus. Courtesy Bermuda College

insurers paying US$904 million for nearly 94,000 claims. Bermuda's commitment to innovation and transparency sets global best practice for cyber and is quickly becoming a cornerstone of Bermuda's risk market.

Cyber is just one example of how Bermuda is responding to the world's risk management needs. Other growth areas include political risk and mortgage risk, with Bermuda helping many Americans achieve the dream of home ownership by providing half of the reinsurance capacity used by US mono-line mortgage guarantee insurers.

Climate change is another complex risk with Bermuda remaining one of the world's foremost experts on climate. Indeed, our global (re)insurance market began post Hurricane Andrew which hit South Florida as a catastrophic category five hurricane in August 1992. In Andrew's aftermath eight highly capitalised property catastrophe reinsurers were established in Bermuda offering much needed capacity in a market where prices were rising sharply, closing the protection gap for some of the world's most vulnerable coastal communities.

Over 30 years later, there remains no better market in the world for understanding the climate risks of warming waters, or exposed structures and our experts are all located right here, within easy walking distance, in the City of Hamilton.

Young people are the future of our industry and I was fortunate to speak to several Bermuda College students at the ABIR Risk Forum.

For the past six years, ABIR has sponsored the Special Topics in Insurance, a free, foundational course, offered in partnership with Bermuda College and the Maurice R. Greenberg School of Risk Management, Insurance and Actuarial Science at St John's University.

Many of these highly engaged students were given complimentary access to our event and they told me they were inspired by everything they heard on stage, especially with our C-Suite Panel that closed out the day.

Paul Simons, CEO, Bermuda Reinsurance, Convex Re, Emmanuel Brulé, Chief Risk Officer, Sompo and Mark Wheeler, Co-CEO, Mosaic Insurance, discussed 'Leveraging Bermuda's Reinsurance Capital' and were moderated by Gerald Gakundi, Deputy Managing Director, Head of Insurance and Investment Funds, BMA.

If there was ever an industry that could pique my interest as a place to be and to have an impact on the world, quite frankly, this would be it.

ABIR's member companies are proud of their contributions and at the latest count, employed a record number of Bermudians, contributing over $1.2 billion into Bermuda's economy. ABIR members employed close to 1,500 Bermudians, spouses of Bermudians or Permanent Resident Certificate (PRC) holders, representing a 46% increase over 10 years. Over the past 20 years since ABIR has conducted its Annual Economic Substance Survey, ABIR members have contributed $16.5 billion to the local economy.

Reflecting on the day of insights from industry professionals and supervisory superstars from around the world, no one who attended the ABIR Risk Forum could doubt that Bermuda played a significant role in the global economy. I look forward to the future of this industry and remain confident that Bermuda is the best place in the world in which to capitalise, operate and domicile global business-to-business technical strategies.

MARK CLOUTIER

Mark Cloutier, Chair, Association of Bermuda Insurers & Reinsurers (ABIR).

Mark is former group CEO and Chairman of Aspen. Before joining Aspen, he served as executive chairman and group CEO at Brit Ltd.

Mark has over 35 years' experience working in the international insurance and reinsurance industries and has held senior executive roles at companies including the Brit Group, Alea Group and Overseas Partners Re. He also serves on the Board of Overseers of the Maurice R. Greenberg School of Risk Management, Insurance and Actuarial Science in New York.