

43 VICTORIA STREET
HAMILTON 12
BERMUDA

PHONE: (441) 295-5278
FAX: (441) 292-7471
EMAIL: enquiries@bma.bm



PRESS RELEASE

For Release: Monday 15th February 2010

BERMUDA INSURANCE MARKET MAINTAINS STRONG PERFORMANCE DESPITE DIFFICULT GLOBAL ECONOMIC CONDITIONS

Latest statistics show significant levels in premium written, growth in assets

The Bermuda Monetary Authority reported today that the Bermuda insurance market continued to record strong performance, against the backdrop of a prolonged soft market and the effects of the worst financial crisis in a generation. Latest available figures show that Bermuda's insurers had aggregate total assets of \$472.9 billion, which represents a 7% increase over the \$442.2 billion achieved the previous year. Gross premiums written totaled \$123.5 billion, achieving the similar volume of business of \$124.4 billion written the previous year, despite the challenging economic conditions. Of that total, the commercial sector wrote \$103.4 billion in gross premiums written. Bermuda's captive sector also maintained significant results, writing \$19.6 billion in gross premiums written.

Jeremy Cox, CEO of the Authority said, "The Bermuda market continued to record impressive results in challenging economic conditions. The market has fared very well, reporting significant results both in underwriting premiums and total assets. We're pleased to see that the commercial sector remains strong. In addition, the almost \$20 billion in gross premiums written by the captive sector in a soft global market, and the total number of 885 Bermuda captives, supports Bermuda's position as the leader among captive domiciles.

"While some companies did experience losses over the past year impacting capital levels, the market still remains highly capitalised and these losses were primarily related to impairments within their investment portfolios, in line with global trends," added Mr. Cox. "Overall, these results indicate the continued resilience of the Bermuda market, and on going confidence in Bermuda's position as a leading centre for insurance and reinsurance business globally."

Incorporations increased slightly during 2009: a total of 42 new (re)insurers were established in the Bermuda market during the year, as compared to 40 in 2008. Most of the new market entrants for 2009 were a combination of captive and commercial insurers within the Class 3, 3A and 3B sectors. The companies covered various lines of business, including property and catastrophe and professional liability; there was also increased interest from the life insurance sector, which in turn brought increased assets and new capital to the market. The greatest proportion of business came from the US during the year, with respect to both the captive and commercial markets.



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Mr. Cox added, “We are pleased to see that Bermuda continues to attract high-quality business, looking for experienced business support in a well-regulated environment. In addition, the continued disciplined underwriting by Bermuda firms’ throughout the year, as well as the Authority’s proactive and measured approach to supervision, has assisted the jurisdiction in weathering a tough financial storm.”

- End -

Attachment

Market Statistics by Class of Insurer 2008

Note to Editors:

Underwriting results are compiled from Statutory Financial Returns filed by (re)insurers with the Authority. Due to staggered timing of submissions, receipt of year-end filings for 2009 is in process. At this time, total year-end results are available for 2008.

Contact:

Pat Phillip-Bassett

Deputy Director

Corporate Governance and Communications

Direct line: 278-0263

E-mail: pbassett@bma.bm

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Attachment: Market Statistics by Class of Insurer For the Year ended 31st December, 2008

Class of Insurer	No. of Co's	Gross Premiums	Net Premiums	Total Assets	Capital and Surplus
Class 1	309	3,277,232,857	2,134,959,468	15,603,815,853	10,135,083,342
Class 2	322	7,858,056,496	6,431,552,133	38,517,761,793	15,134,032,557
Class 3	343	18,357,875,391	15,912,719,417	69,874,966,928	24,279,833,021
Class 3A	124	15,460,871,428	11,467,627,929	54,159,037,491	13,870,598,749
Class 3B	19	13,261,522,347	9,676,076,329	39,172,401,463	14,813,423,412
Class 4	37	33,621,458,128	30,556,721,614	143,575,450,346	58,655,808,833
Long-Term	86	31,726,670,005	31,726,656,498	112,063,873,176	19,921,906,105
Totals:	1,240	123,563,686,652	107,906,313,388	472,967,307,050	156,810,686,019

Note to Editors: Please note the following should be added as the explanatory notes under this table

* Class 3 sector reclassification took effect as of 2008-Q3. Therefore, data reported from that date will reflect the reclassified Class 3 company categories.

- Class 1 – Single-parent captive insuring the risks of its owners or affiliates of the owners.
- Class 2 – (a) a multi-owner captive insuring the risks of its owners or affiliates of the owners; or (b) a single parent or multi-owner captive: (i) insuring the risks arising out of the business or operations of the owners or affiliates, and/or (ii) deriving up to 20 percent of its net premiums from unrelated risks.
- Class 3 – Captive insurers underwriting more than 20% and less than 50% unrelated business.
- Class 3A – Small commercial insurers whose percentage of unrelated business represents 50% or more of net premiums written or loss and loss expense provisions and where the unrelated business net premiums are less than \$50 million.
- Class 3B – Large commercial insurers whose percentage of unrelated business represents 50% or more of net premiums written or loss and loss expense provisions and where the unrelated business net premiums are more than \$50 million.
- Class 4 – Insurers and reinsurers capitalised at a minimum of \$100 million underwriting direct excess liability and/or property catastrophe reinsurance risk.
- Long-Term – Insurers writing long-term (or life) business.