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PRESS RELEASE

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BMA LEADING ADOPTION OF NEW INSURANCE INFORMATION REPORTING FOR REGULATORS

Bermuda Recognised for Developing XBRL Framework for Insurance Regulatory Reporting

The Bermuda Monetary Authority (the Authority or BMA) has been internationally recognised for helping to develop a new computer-based insurance reporting system.

The new reporting system uses a computer language known as XBRL (which is an abbreviation for: eXtensible Business Reporting Language), and it is anticipated that it will be adopted by financial regulators globally.

Brad Erickson, the Authority's COO, said the BMA was among the first regulators in the world to adopt XBRL for insurance regulatory reporting and the standardised exchange of financial information between the Authority and Bermuda's (re)insurance firms.

"The Authority's XBRL work was acknowledged in a report released this month by the International Financial Reporting Standards (IFRS) Foundation," Mr. Erickson said. "In the IFRS report, the BMA was placed in the same category as the European Banking Authority in terms of helping to develop this cutting-edge financial reporting system."

The key architect of this work is John Dill, the Authority's Director, Management Services who is responsible for IT strategy and development. Mr. Dill explained that the desire internationally to create a computer-based insurance reporting system grew out of the post-financial crisis environment when regulators began to see a shift from information being exchanged at the document level to the data level.

"XBRL assists with this improved information exchange by standardising data, which means the data can be extracted and analysed in a common format," Mr. Dill said. "Since businesses in Bermuda, and elsewhere, as well as regulators are adopting this format, the Authority's vision is that our XBRL system will enhance efficiencies in our processing of the financial information insurers submit to the Authority. This in turn will help to produce richer reporting on market trends and internal efficiencies."

Bermuda is not the only country to adopt XBRL for insurance – the People's Republic of China's Ministry of Finance has also announced that it would be adopting XBRL across several ministries (including the China Insurance Regulatory Commission) for the purpose of financial information reporting.



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“Bermuda and China may be among some the first countries to adopt XBRL for insurance but no doubt more will soon follow,” Mr. Dill said.

In addition, the European Insurance and Occupational Pensions Authority (EIOPA) recently announced that XBRL had been chosen to be the uniform format for Solvency II reporting across Europe (Solvency II, will set out new, capital adequacy and risk management standards for European insurers.) Bermuda’s XBRL system has been designed to support reporting requirements for Bermuda insurers that are aligned with Solvency II. The components within Bermuda’s system contributed to the decision to use the XBRL format in Europe for Solvency II reporting.

Mr. Dill also explained that with the further development of XBRL in 2011, the Authority is continuing to build upon the foundation set in the initial phase of its IT strategy. “Specifically, the Authority intends to use XBRL to enhance the manner in which we collect, analyse, measure and share information for supervisory purposes,” he said.

Jeremy Cox, the Authority’s CEO said: “This tool will assist in initiatives such as group supervision, where timely, accurate, sharing of information could lead to more effective supervisory relationships with more effective cooperation and trust amongst supervisors as a key by-product. This project highlights the BMA’s efforts to be leading edge in its use of technology and we see this initiative as not only making us more cost effective, but also more proactive, and responsive as supervisors.”

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