



43 VICTORIA STREET
HAMILTON 12
BERMUDA

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

PRESS RELEASE

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Bermuda Monetary Authority Cancels Insurance Registration of Economic Risk Insurance, Ltd.

HAMILTON, BERMUDA – The Bermuda Monetary Authority (Authority or BMA) has cancelled the insurance registration of Economic Risk Insurance, Ltd. (Company), a Class 3 insurer, for breaches of the Insurance Act 1978 (Insurance Act). Exercising its powers to cancel the registration of the Company pursuant to the provisions of sections 41(1)(b)(ii), (iv) and (v) of the Insurance Act, the Authority is satisfied that the Company was in breach of the Insurance Act in four key areas. The Company has not:

- Conducted any business within two years of its registration
- Paid annual fees and late payment fees due for 2019 and 2020
- Maintained a principal representative
- Filed Statutory Financial Returns for the years ended 31 December 2015 to 2019 inclusive

The Authority is taking this action to safeguard the interests of potential clients of the Company. It viewed the above breaches as serious because of their nature and extent, and because they demonstrated systemic weaknesses of the Company's internal controls in all regards. The breaches outlined above were communicated to the Company, which was afforded significant opportunities to remedy the same, however, it failed to take appropriate steps to address them.

The Authority no longer has confidence in the Company's ability to manage its affairs to the benefit of its potential clients or to satisfy the Minimum Criteria as detailed in Schedule 1 of the Insurance Act. The cancellation of the Company's registration highlights the importance of the Authority's role in protecting the reputation of the jurisdiction and protecting the interests of clients of the Authority's regulated entities.

Once the enforcement action was initiated, the statutory process was followed, culminating in a 10-day appeal period, which expired on 24 December 2020. The decision was not appealed.

– Ends

Media Contact: Stuart Roberts, Assistant Director, Communications

E-mail: sroberts@bma.bm, Direct line: 278-0312, Cellular: 704-4117, www.bma.bm