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PRESS RELEASE

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United States Remains Bermuda's Biggest (Re)insurance Partner with \$400 Billion Paid to Customers since 1997

HAMILTON, BERMUDA – Bermuda (re)insurers paid out US\$209.6 billion to United States (US) policyholders and cedants for large catastrophes, property and casualty losses and life insurance claims during the five-year period from 2016 to 2020. This is according to commercial market claims data collected by the Bermuda Monetary Authority (Authority or BMA) in June 2021. By contrast, the BMA's 2017 survey¹ showed that during the twenty-year period from 1997 to 2016, Bermuda (re)insurers paid out US\$208.7 billion to US policyholders and cedants. These two surveys, when taken together, reveal that Bermuda (re)insurers have paid out over US\$400 billion to US policyholders and cedants since 1997.

The survey results reflect the growing significance of the Bermuda (re)insurance market's contribution to the US over these two and a half decades. Moreover, the results display an increasing trend of annual loss payments to US policyholders and cedants, with annual payments rising steadily from US\$24.4 billion in 2016 to US\$58.8 billion in 2020. The US\$209.6 billion in total losses paid is comprised of US\$120 billion relating to property and casualty insurance losses and US\$89.6 billion attributable to life insurance claims.

Gerald Gakundi, Director, Insurance Supervision, said, "The roughly US\$400 billion in US losses paid since 1997 by Bermuda (re)insurers reflects the tremendous growth in the Bermuda (re)insurance market. This growth is spurred, in part, by the ability of Bermuda to attract a deep pool of global talent that drives product innovation and supply of risk capital capacity. Bermuda remains well positioned, and the survey results show that the BMA's regulatory framework promotes sustainable business models that are resilient and capable of staving off the evolving risks, including the economic impact on US communities posed by climate change and other emerging risks. The ability of US (re)insurers to cede risk to Bermuda enables diversification of risk globally, making the cost of buying insurance—particularly catastrophe, property and casualty insurance—more affordable to customers living in US danger zones and significantly lowering the insurance protection gap. The additional capital and sophisticated risk and asset management from the Bermuda life reinsurance market continues to enable US insurers to meet the promises made to their policyholders."

This information comes from the BMA's US Data Claims Survey completed in June. The loss information

¹ <https://www.bma.bm/news-and-press-releases/bermuda-reinsurers-paid-over-200-billion-to-us-customers-since-1997>

includes both direct insurance and reinsurance, with 230 commercial (re)insurance companies responding to the survey. “The BMA is grateful to the companies that took part in the survey,” Mr. Gakundi said.

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