



16 December 2021

NOTICE

Insurance (Prudential Standards) (Insurance Group Solvency Requirements) Amendment Rules 2022

The Bermuda Monetary Authority (Authority or BMA) proposes to amend the Insurance (Prudential Standards) (Insurance Group Solvency Requirements) Amendment Rules 2022 (Rules) as follows:

1. Introduce a new Schedule IVF “*Schedule of Risk Exposure*” to require insurance groups to provide details of underwriting activities based on the location of business being underwritten.
2. Require insurance groups to additionally report on the following matters on a quarterly basis: Enhanced Capital Requirement ratio; Commercial Insurers Solvency Self-Assessment; Bonds by Bermuda Solvency Capital Requirement rating and details of catastrophe risk exposure.

The Authority proposes these amendments to become effective as of 1 July 2022.

Comments to the proposed amendments to the Rules are invited by 16 January 2022 and should be submitted to riskanalytics@bma.bm.

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) AMENDMENT RULES 2022

The Bermuda Monetary Authority, in exercise of the powers conferred by section 6A of the Insurance Act 1978, makes the following Rules:

Citation

1 These Rules, which amend the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011 (principal Rules), may be cited as the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Amendment Rules 2022.

Paragraph 6

2 Paragraph 6 of the principal Rules is amended in–

- (a) subparagraphs (1) and (2) and (3) (b) by inserting the reference “IVF,” after “IVE” where it occurs;
- (b) subparagraph (3) by inserting the references “IVD”, “IVE” and “IVF” after “IVC”.

Amends Paragraph 8

3 Paragraph 8 of the principal Rules is amended by inserting the following after subparagraph (2)(b):

- “(c) the Enhanced Capital Requirement ratio for the financial quarter;
- (d) a Group Solvency Self-Assessment requirement for the financial quarter;
- (e) total quoted bonds and total unquoted bonds allocated by BSCR Rating for the financial quarter;
- (f) provide details of the catastrophe event that occurred during the reporting period. A qualifying catastrophe event is defined as the occurrence of a catastrophe by an approved catastrophe modelling firm that has publicly estimated industry insured losses from the catastrophe at US\$5 billion or more, or by any event that the Authority has prescribed.”

Inserts Schedule IVF “Schedule of Risk Exposure”

4 (1) The principal Rules are amended by inserting the new Schedule IVF “*Schedule of Risk Exposure*” after Schedule “IVE”.

(2) The Schedules inserted by this paragraph shall be published separately on the website of the Authority at www.bma.bm.

32	Canada	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
33	China	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
34	Japan	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
35	Hong Kong	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
36	Australia	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
37	All Other Locations	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
38	Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

Instructions to Schedule IVF

- (a) “Location” shall be the location of the risk being underwritten. If the location of the risk being underwritten is not available, then insurance groups are to allocate based on the location of the cedant;
- (b) the “number of subsidiaries” refers to the number of subsidiaries licensed within the jurisdiction;
- (c) “mortality” refers to –
- (i) mortality (term assurance, whole life, universal life);
 - (ii) critical illness (including accelerated critical illness products);
- (d) “longevity” refers to –
- (i) longevity immediate pay-out annuities, contingent annuities, pension blocks;
 - (ii) longevity (deferred pay-out annuities, future contingent annuities, future pension pay-outs);
 - (iii) annuities certain only;
- (e) “deferred accumulation annuities” refers to –
- (i) deferred accumulation annuities;
- (f) “disability” refers to –
- (i) disability income: active lives - including waiver of premium and long-term care;
 - (ii) disability income: active lives - other accident and sickness;
 - (iii) disability income: claims in payment - including waiver of premium and long-term care;
 - (iv) disability income: claims in payment - other accident and sickness;
- (g) “group” refers to –

- (i) group life;
- (ii) group disability;
- (iii) group health;

(h) “variable annuities” refers to –

- (i) variable annuities;

(i) “other products” refers to

- (i) stop loss;
- (ii) rider (other product riders not included above);

(j) all amounts shall be reported on a consolidated basis only.