



24 March 2022

Dear Stakeholders,

Re: Insurance (Prudential Standards) (Solvency Requirement) Amendment Rules 2022 for Insurance Groups, Class 4, Class 3B, Class 3A, Class C, Class D and Class E Insurers

The Bermuda Monetary Authority (Authority or BMA) would like to thank stakeholders for their continued support in furthering the development of the Bermuda regulatory framework by reviewing and providing comments on the **Consultation Paper: Insurance (Prudential Standards) (Insurance Group Solvency Requirements) Amendment Rules 2022, Insurance (Prudential Standards) (Class 4 and 3B Solvency Requirements) Amendment Rules 2022, Insurance (Prudential Standards) (Class 3A Solvency Requirements) Amendment Rules 2022, Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirements) Amendment Rules 2022.**

The Authority appreciates the support and valuable feedback received and is committed to working closely with stakeholders to ensure an effective and efficient transition to the new standards.

The Authority’s responses to the key substantive comments received are outlined below. Any stakeholder who needs further clarification or additional information on any issue should contact the Authority directly at policy@bma.bm.

Paragraph/Section	Stakeholder Comment	The Authority’s Response
Paragraph 6A for long-term quarterly return	Can the Authority confirm the long-term insurers within scope of providing quarterly return?	The Authority would like to confirm that unless the Authority has provided additional instructions, only commercial long-term Class D and E insurers are within scope of providing a quarterly return.
Paragraph 6A/6AB/8 for quarterly returns - Commercial Insurers Solvency Self-Assessment (CISSA) requirement	For the quarterly return’s CISSA requirements, can the Authority confirm the details to be provided?	Based on market feedback, the Authority has decided to withdraw this proposal; therefore, the requirement to provide the CISSA capital requirement on a quarterly basis will not be implemented at this present time.
Paragraph 6A/6AB/8 for quarterly returns - catastrophe risk exposure	For the quarterly returns catastrophe risk exposure, can the Authority confirm if the	The Authority would like to confirm that the proposed amendment to include the catastrophe risk exposure for quarterly returns will come into effect Q1 2022. If such catastrophe events

	events will be communicated in advance, which includes thresholds and accuracy?	were to occur, the Authority will communicate prior to the quarter-end and will include details of the named event and thresholds (if any are applicable). If no event occurs, this section can be omitted from the quarterly return.
Schedule IV(f) for Risk Exposure	For the Schedule IV(f) for Risk Exposure, can the Authority confirm subsidiary reporting as well as location of underwriting location?	<p>The Authority would like to confirm that for purposes of reporting details on Schedule IV(f) Risk Exposure, if an insurer has subsidiaries, the insurer shall provide the jurisdiction in which the subsidiaries are licensed. If an insurer has no subsidiaries, this column is to be left blank.</p> <p>Further, the Authority would like to confirm that if a situation occurs in a particular location in which the subsidiary is located, and its underwriting risk is located in a different location(s), such results are acceptable for the purposes of this schedule.</p>
Implementation date	Can the Authority confirm the implementation date for the quarterly returns and when the proposed new Schedule IV(f) for Risk Exposure will come into effect?	The Authority would like to confirm the implementation date for the quarterly returns and new Schedule IV(f) for Risk Exposure will come into effect 1 July 2022. Nevertheless, for the 2021 year-end, the Authority is requesting that Schedule IV(f) for Risk Exposure be provided on a best-efforts basis.