

19 April 2022

NOTICE

Compliance with International Sanctions and Subsequent Events Disclosure for Limited Purpose Insurers, Intermediaries, Collateralized Insurers and Class IIGB Insurers (collectively referred to as “Registrants”)

Compliance with International Sanctions

Bermuda entities are required to conduct business in a prudent manner, and this includes taking the necessary steps to manage the risks and uncertainties arising from the ongoing events between the Russian Federation and Ukraine.

The minimum criteria for registration, discussed in the Schedule within the Insurance Act 1978 (Act), states that conducting business in a prudent manner means the entity is in compliance with all laws applicable to it, including international sanctions in force here in Bermuda. The registrant’s board of directors must ensure that processes and internal controls are in place to manage the compliance risk. As part of their annual filings, registrants are required to confirm that they have complied with requirements of the minimum criteria for registration in accordance with the Act. When completing the respective filings, please be mindful that the scope of the attestation encompasses International Sanctions Regulations 2013, including additional sanctions against Russia and Belarus that have been imposed in response to the events involving the Russian Federation and Ukraine.

Schedule of Compliance with Suspicious Activity Reports and Sanctions

The Bermuda Monetary Authority (Authority or BMA) would like to remind limited purpose insurers¹, intermediaries², collateralized insurers and Class IIGB insurers to report details related to exposure to international sanctions on the “Schedule of Compliance with Suspicious Activity Reports and Sanctions” enclosed with the annual filing.

For limited purpose insurers, the Authority also wishes to draw your attention to the schedule amendment requesting confirmation of the insurer’s adherence specifically in relation to the events involving the Russian Federation and Ukraine.

¹ Limited purpose insurers refers to classes 1,2, 3, A,B and Special Purpose Insurers

² Intermediaries refers to agents, brokers and managers

Subsequent Events Note Disclosures

As the events involving the Russian Federation and Ukraine continue to evolve, the Authority would like to highlight that there is a requirement to disclose in the notes to the GAAP, and/or Statutory Financial Statements as applicable, any transaction made or other events occurring between the end of the relevant year and the date of approval of the financial statements by the board of directors materially affecting the financial statements, not being a transaction made or an event occurring in the ordinary course of business. The BMA, therefore, expects registrants to include any material impact on the financial statements resulting from the events involving the Russian Federation and Ukraine in the subsequent events note to the financial statements.

Limited purposes insurers who have filed their 2021 E-SFR filings with the Authority prior to 30 April 2022 and have not included the above mentioned subsequent events note disclosure in their filings are required to prepare and file a summary of their assessment of the impact of the events involving the Russian Federation and Ukraine via ESFRApplications@bma.bm.

Class IIGB insurers and collateralized insurers who have filed their 2021 annual regulatory filings with the Authority prior to 30 April 2022 who have not included the above mentioned subsequent events note disclosure in their filings are required to prepare and file a summary of their assessment of the impact of the events involving the Russian Federation and Ukraine via RiskAnalytics@bma.bm.

Intermediaries are asked to notify the Authority of any subsequent event that is not an event occurring in the ordinary course of business that arises as a result of the events involving the Russian Federation and Ukraine by emailing RiskAnalytics@bma.bm.

Should limited purpose insurers have any questions, please contact ESFRApplications@bma.bm.

Should intermediaries, Class IIGB insurers and collateralized insurers have any questions please contact RiskAnalytics@bma.bm.