

22 May 2023

NOTICE

CONSULTATION PAPER - PROPOSED RECOVERY PLANNING RULES FOR BERMUDA COMMERCIAL INSURANCE SECTOR

1. The Bermuda Monetary Authority (Authority or BMA) is committed to enhancing its regulatory regimes to ensure they remain appropriate for the financial sectors that the BMA regulates and supervises. To this end, one of the Authority's key strategic initiatives includes establishing Recovery Planning Rules (Rules), which the Authority considers an essential pillar in strengthening the Authority's prudential framework.
2. The Rules are aimed at ensuring that insurers prepare for a range of possible adverse situations ahead of any severe stress condition. Ultimately, this should assist insurers in taking effective and thoughtful measures in a timely manner in crisis situations without unnecessary pressure.
3. The Authority now wishes to solicit feedback from stakeholders on the proposed Rules. The BMA aims to use these Rule to formalise its oversight of recovery planning to ensure the Authority has the appropriate powers to identify and assess an insurer's options to recover financial strength and viability under severe stress.
4. The consultation paper has been published on the Authority's website at the below location:
<https://www.bma.bm/document-centre/discussions-consultation-papers>
5. The Authority invites stakeholders to contribute their views on the Proposed Recovery Planning Rules. Stakeholders should send comments to FSRD@bma.bm no later than the close of business on 21 July 2023.