



28 March 2024

NOTICE

Commercial Insurer and Insurance Groups - Amendment Rules, Schedules, Guidance Notes and Handbook – Pursuant to the 2023 Consultative Process and Proposed Enhancements to the Regulatory Regime for Commercial Insurers

The Bermuda Monetary Authority (Authority or BMA) strives to ensure that the cornerstones of the Bermuda regulatory regime continue to be sound, serving the double goal of protecting policyholders and contributing to financial stability.

In December 2022, the Authority embarked upon a consultative process, which led to publishing a Notice informing stakeholders about upcoming targeted enhancements to Bermuda's regulatory regime for commercial insurers. Accordingly, in February 2023, the Authority published a consultation paper titled *Proposed Enhancements to the Regulatory Regime and Fees for Long-term Commercial Insurers* (CP1). Based upon its assessment of the feedback received from stakeholders, the Authority followed-up with the publication of a second version of the consultation paper (CP2) in July 2023. In order to conclude all key aspects of the legislative and policy change process, the Authority hereby publishes on this date the following:

- 1. Insurance (Prudential Standards) (Solvency Requirement) Amendment Rules 2024**
 - a. Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Amendment Rules 2024;*
 - b. Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Amendment Rules 2024;*
 - c. Insurance (Prudential Standards) (Class 3A Solvency Requirement) Amendment Rules 2024;*
and

- d. Insurance (Prudential Standards) (Class C, Class D, Class E Solvency Requirement) Amendment Rules 2024.*
- 2. Guidance Notes**
 - a. Guidance Notes for Applications for Adjustments Under Section 6D of the Insurance Act; and*
 - b. Guidance Notes for Commercial Insurers and Groups Statutory Reporting Regime.*
- 3. Handbook**
 - a. The Bermuda Capital and Solvency Return - 2024 Instruction Handbook for Insurance Groups.*
 - b. Default and Downgrade Costs for the Scenario-based approach.*

The rules that have been published are the amendment rules and schedules only and the published handbook relates to insurance groups only. Together these published documents adequately capture all key aspects of the legislative and policy change process that come into effect on 31 March, 2024.

The Authority will publish the applicable consolidated rules for insurance groups and all commercial classes along with the remaining set of handbooks for each applicable commercial insurer class in due course.