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## PRESS RELEASE

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### **BERMUDA MONETARY AUTHORITY APPROVED AS SIGNATORY TO NEW COOPERATION AGREEMENT FOR INTERNATIONAL INSURANCE REGULATION**

#### **Bermuda in first round of Jurisdictions to Sign the International Association of Insurance Supervisors Multi-lateral Memorandum of Understanding**

The Bermuda Monetary Authority (BMA) announced today that it has been approved as a signatory to the new Multi-lateral Memorandum of Understanding (MMoU) established by the International Association of Insurance Supervisors (IAIS).

The Authority's application to become a signatory to the MMoU was approved unanimously by the IAIS Executive Committee. The IAIS developed the MMoU to establish a formal basis for cooperation and information exchange between signatory regulators who supervise insurers with international, or cross-border, operations.

The BMA is one of only three regulatory authorities approved to date as signatories to the MMoU, the others being the Federal Financial Supervisory Authority (BaFin) of Germany and the Financial Supervisory Commission of Chinese Taipei. Matthew Elderfield, Chief Executive Officer of the BMA, formally signed the Memorandum with representatives from the other two signatory authorities on Thursday 25<sup>th</sup> June at the IAIS Triannual meeting taking place in Chinese Taipei this week. The IAIS, which was established in 1994, is the body that sets international standards for insurance regulation; it has 190 member jurisdictions, including Bermuda, which was a founding member.

Commenting on the MMoU Mr. Elderfield said, "This is an important development for Bermuda. Becoming a signatory to this MMoU is recognition of Bermuda's commitment to applying effective regulation that is compliant with international standards. It also is a reflection of our long-standing history of cooperation with our regulatory counterparts and colleagues overseas. These issues are particularly significant today, given the emphasis being placed on achieving greater cooperation between financial regulators as the international scope of business conducted by insurance companies continues to grow, and integration between financial markets increases."

He added that such agreements also complemented the Authority's active plans to implement regulations that seek to supervise insurance groups, and its on going work towards achieving mutual recognition, or regulatory equivalence, for Bermuda. The Authority has signed similar agreements with other standard setting bodies, such as the International Organisation of Securities Commissions (IOSCO) Memorandum of Understanding (MoU), and bilateral MoUs with other financial regulators, including the Financial Services Authority in the UK.



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“Agreements such as the MMoU are very much in keeping with the overall trend of greater cooperation and interaction between regulators that supports issues such as group supervision,” Mr. Elderfield explained. “Within that broader context, the IAIS regards successful implementation of the MMoU as a high priority.”

In addition to being a first round signatory to the MMoU, the Authority is also a member of the IAIS Signatories Working Group which reviews applications from authorities wishing to join as signatories. William Kattan, Director of Legal Services and Enforcement at the Authority, represents the BMA in this Working Group. Mr. Kattan led the Authority’s efforts to become a signatory to the Memorandum.

“It is gratifying, after all the preliminary meetings and discussions that I participated in as a validator of other jurisdictions and member of the Working Group, to have reached the final stage of the process to make this MMoU a reality,” Mr. Kattan said. “This project began as early as 2007 and has required significant time and deliberation from many people to ensure the result would be relevant and effective. I’m confident this MMoU will serve IAIS members well.”

The MMoU provides the regulators who sign it with a formal framework for requesting and providing information about entities of mutual interest for regulatory purposes, confidentially and within strict criteria. It covers various issues related to the supervision of insurance companies, including licensing, on going supervision and winding-up processes, as well as anti-money laundering/anti-terrorist financing matters. It is applicable to insurance companies and intermediaries that are regulated by the signatories. By establishing the MMoU the IAIS is seeking to support its members and insurance regulators, and also facilitate enhanced cooperation and information exchange between them, as they carry out their supervisory responsibilities.

“We are delighted that the IAIS has recognised the significant enhancements we have implemented in our insurance regulation over the years by approving our application,” said Mr. Elderfield. “The hard work that the Authority’s team has put into those enhancements has raised standards in Bermuda to a level that places us among leading jurisdictions in terms of insurance regulation. Being a signatory to the MMoU reinforces that position, to the market as well as to fellow regulators.”

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