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PRESS RELEASE

For Release: Monday 14th April 2008

BERMUDA INSURANCE MARKET UNDERWRITING RESULTS CONTINUE UPWARD TREND

Latest available statistics show continued increase in premiums, growth in capital base

The Bermuda Monetary Authority (BMA) reported today that the Bermuda insurance market continues to maintain strong performance, against a backdrop of a soft global market. Latest available figures show that Bermuda's insurers had aggregate total assets of \$440.4 billion, which represents a 33% increase over the \$329.9 billion achieved the previous year. The market also continued to enjoy strong results in terms of gross premiums written, which amounted to a total of \$115.8 billion for the year, surpassing the \$100.7 billion written the prior year. Of these amounts, captives accounted for \$72 billion in total assets and almost \$22 billion in gross premiums written.

A total of 71 new insurance and reinsurance companies were established in the Bermuda market during 2007, compared to 82 in 2006. The fall in registrations reflected the generally softer market conditions globally, which saw a slowing of captive incorporations. In such conditions, companies typically are able to purchase reinsurance coverage at competitive rates in the traditional commercial markets.

The majority of the new Bermuda market entrants for 2007 were once again Class 3 insurers, a combination of captive and commercial companies. With respect to the commercial sector, 2007 saw the formation of two Class 4 companies. This reflected the general inactivity in the property and casualty market, and the relative lack of major catastrophic events during the year, resulting in the likely record profitability of existing insurers and a sufficiency of global capital in the property/casualty sector.

"We were very pleased to see that the tradition of quality business coming to Bermuda was maintained with the companies that were successfully established here during the year," said Jeremy Cox, Deputy Chief Executive Officer of the BMA, who is responsible for all supervisory activities conducted by the Authority. "The high quality of the sponsors behind the companies, in addition to the continued increases in premium volume written that we have been recording over the years, indicates that market confidence in Bermuda as a leading centre for international insurance and reinsurance remains strong. There is also a continued appreciation among those who participate in this market of Bermuda's effective, practical regulatory environment."



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The BMA continued to place emphasis on enhancing its regulatory standards and operational capability during the year, to maintain effective regulation of Bermuda's growing market.

"We recently restructured our supervisory teams, added an actuarial team, created a risk and policy team and set up a run-off team," said Mr. Cox. "Key areas of supervision, such as our on-site programmes and risk-based capital adequacy regime are being expanded and refined. Overall, we are steadily enhancing the depth of technical skills and resources that we have within the Authority, as well as building on our existing compliance with international standards in terms of our regulatory framework."

The Authority has stated that such measured expansion reflects its growing responsibilities as a leading risk-based financial services regulator. Further enhancement of its operational capability remains a key objective for the organisation, while maintaining Bermuda's balance between effective regulation and on going business development.

- End -

Attachment:

Market Statistics by Class of Insurer 2006

Note to Editors:

Underwriting results are compiled from Statutory Financial Returns filed by (re)insurers with the Authority. Due to staggered timing of submissions, receipt of year-end filings for 2007 is in process. At this time, total year-end results are available for 2006.

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Attachment: Market Statistics by Class of Insurer For the Year ended 31st December, 2006

Class of Insurer	No. of Co's	Gross Premiums	Net Premiums	Total Assets	Cap. and Surplus
Class 1	343	4,767,932,617	3,736,912,017	16,372,746,394	8,826,534,502
Class 2	353	9,029,304,772	7,996,529,146	38,771,246,705	15,026,866,687
Class 3	490	42,302,251,871	32,551,426,118	194,506,490,036	66,797,893,772
Class 4	38	32,216,627,481	28,608,102,943	135,164,514,497	57,173,776,362
Long-Term	81	27,467,484,474	27,467,484,474	55,581,998,659	9,985,652,707
Totals:	1,305	115,783,601,215	100,360,454,698	440,396,996,291	157,810,724,030

Explanatory Notes:

- a) Class 1 - Single-parent captive insuring the risks of its owners or affiliates of the owners.
- b) Class 2 - (a) a multi-owner captive insuring the risks of its owners or affiliates of the
(b) a single parent and multi-owner captive: (i) insuring the risks related to or arising out of the business or operations of the owners and affiliates, and/or (ii) deriving up to 20 percent of its net premiums from unrelated risks.
- c) Class 3 - Insurers and reinsurers not included in Class 1, 2 or 4, such as:
 - i) Reinsurers writing 3rd party business;
 - ii) Insurers writing direct policies with 3rd party individuals;
 - iii) Single parent, group, association, or joint venture captives where more than 20% of net premiums written arises from risks which are unrelated to the business of the
 - iv) Finite reinsurers and rent-a-captives.
- d) Class 4 - Insurers and reinsurers capitalised at a minimum of \$100 million underwriting excess liability and/or property catastrophe reinsurance risk.
- e) Long-Term Insurers - Insurers writing long-term (or life) business.