

43 VICTORIA STREET
HAMILTON 12
BERMUDA

PHONE: (441) 295-5278
FAX: (441) 292-7471
EMAIL: enquiries@bma.bm



PRESS RELEASE

For Release: 7th February 2018

BERMUDA'S CAPTIVE MARKET MAINTAINS ATTRACTIVENESS IN 2017

HAMILTON, BERMUDA – Bermuda Monetary Authority (BMA) had a total of 739 active captive insurance licences on its register on 31st December 2017. Seventeen new captives were registered in 2017 (compared to 13 in 2016).

Jeremy Cox, BMA CEO said, “The majority of the new captives originated in the US but they also came from Europe, Canada, Australia and Latin America. Both Latin America and Canada have benefited from the business development efforts of the Bermuda Business Development Agency (BDA) and we have accordingly seen heightened interest from those regions.”

New 2017 captives covered a diverse range of risks, particularly among the Class 1 captives which experienced significant growth year-on-year (12 new Class 1's were registered in 2017 compared to four in 2016.) In terms of the types of business being written, the new Class 1's covered a diverse range of risks, from Canadian conglomerates writing general liability and workers compensation, to US healthcare captives insuring nursing homes and medical stop loss cover for employees.

“The BMA takes the role of gatekeeper to Bermuda's (re)insurance market very seriously and every application undergoes intense scrutiny. As supervisor, it is our job to ensure that Bermuda's outstanding reputation as a financial services centre remains intact,” Mr. Cox said. “Bermuda remains the world's leader for captive formations, it's not about the number of captives on the Bermuda register; it's about the quality of the business being conducted here. That's the Bermuda brand and the BMA will continue to apply the regulation needed to protect it.”

Net premiums written by Bermuda's captives amounted to US\$54.7 billion, compared with US\$55.3 billion year-on-year. Captives in Bermuda are categorised as Class 1, 2, 3 general business (re)insurers and Class A and B Long-Term (life) (re)insurers (*see definitions below*).

Bermuda's captive register as at 31st December 2017 included:

- Class 1: 218 licences
- Class 2: 267 licences
- Class 3: 239 licences
- Class A: 7 licences
- Class B: 8 licences

Media Contact: Stuart Roberts, Assistant Director, Communications; Direct line: (441) 278-0312; Cellular: (441)704-4117; E-mail: sroberts@bma.bm

Definition of Bermuda's (Re)insurance Classes:

- **Class 1:** Single-parent captive insuring the risks of its owners or affiliates of the owners.
- **Class 2:** (a) a multi-owner captive insuring the risks of its owners or affiliates of the owners; or (b) a single parent or multi-owner captive: (i) insuring the risks arising out of the business or operations of the owners or affiliates, and/or (ii) deriving up to 20.0% of its net premiums from unrelated risks.
- **Class 3:** Captive insurers underwriting more than 20.0% and less than 50.0% unrelated business.
- **Class A:** A single-parent Long-Term captive insurance company underwriting only the Long-Term business risks of the owners of the insurance company and affiliates of the owners.
- **Class B:** Multi-owner Long-Term captives owned by unrelated entities, underwriting only the Long-Term business risks of the owners and affiliates of the owners and/or risks related to or arising out of the business or operations of their owners and affiliates. A single-parent and multi-owner Long-Term captives writing no more than 20% of net premiums from unrelated risks.

Note to Editors: BMA is the sole regulator of the financial services sector in Bermuda. Established under the Bermuda Monetary Authority Act 1969, BMA supervises, regulates and inspects financial institutions operating in or from within the jurisdiction. It also issues Bermuda's national currency, manages exchange control transactions, assists other authorities in Bermuda with the detection and prevention of financial crime, and advises the Government and public bodies on banking and other financial and monetary matters. BMA develops risk-based financial regulations that it applies to the supervision of Bermuda's banks, trust companies, investment businesses, investment funds, fund administrators, money service businesses, corporate service providers and (re)insurance companies. It also regulates the Bermuda Stock Exchange and credit union.

[Click here](#) to read more information on Bermuda's captives via the BMA Captive/SPI Report.

-END-