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## PRESS RELEASE

**For Release: 28<sup>th</sup> November 2017**

### **FIRST BMA MACROPRUDENTIAL RISK: ANNUAL STATUTORY FILINGS REPORT RELEASED**

**HAMILTON, BERMUDA** – Bermuda (re)insurers remained profitable and well capitalised in 2016, despite soft pricing, an abundance of capital and competition from the Insurance Linked Securities market according to a new Bermuda Monetary Authority (BMA) Report.

The purpose of the report is to enhance the BMA’s macroprudential surveillance function, increase transparency, and highlighted the size and the importance of the Bermuda commercial insurance market.

Dr. Nikolaos Georgiopoulos, within the Financial Stability Unit at the BMA and who oversaw the production of this report, said: “The report complements the Catastrophe Risk Report by delving deeper into key industry ratios while readers can find a wealth of information that will be useful for understanding the dynamics of Bermuda’s reinsurance market. It also shows the amount of risks taken by Bermuda commercial insurers as well as the amount of claims paid to the rest of the world.”

Highlights from the BMA’s Macroprudential Risk: Annual Statutory Filings Report includes:

- Bermuda’s large commercial (re)insurers recorded a higher net income in 2016, (an increase of 13.7%) and an expanding asset base (an increase of 16.4%) year-on-year (y/y)
- Net written premiums increased by 5.9% y/y while the expense ratio dropped by 5.0%. The combined ratio rose by 2.7% while total claims increased by 12.7%, reaching \$19.8 billion
- Liquidity conditions improved during the year as the share of “BBB-AAA” rated bonds relative to claims increased by 5.7%

The new BMA report aggregated 2016 annual Capital and Solvency Return (CSR) filings from Bermuda’s Class 4 and 3B commercial (re)insurers.

A copy of the report is available at [www.bma.bm](http://www.bma.bm) under ‘Publications’.

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