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PRESS RELEASE

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Bermuda (Re)insurers Paid \$30 Billion to European Union Customers since 2016, Compared with \$36 Billion Paid from 1997 to 2016

HAMILTON, BERMUDA – Bermuda (re)insurers paid out US\$29.3 billion to European Union (EU) policyholders and cedants for property and casualty losses and life insurance claims during the five-year period from 2016 to 2020. This is according to commercial market claims data collected by the Bermuda Monetary Authority (BMA) in June 2021. By contrast, the BMA’s 2017 survey¹ showed that during the twenty-year period from 1997 to 2016, Bermuda (re)insurers paid out US\$35.9 billion to EU policyholders and cedants². These two surveys, when taken together, reveal that Bermuda (re)insurers have paid out over US\$60 billion to EU policyholders and cedants since 1997.

The survey results reflect the growing significance of the Bermuda (re)insurance market’s contribution to the EU over these two and a half decades. Moreover, the results display an increasing trend of annual loss payments to EU policyholders and cedants, with annual payments rising steadily from US\$4.4 billion in 2016 to US\$7.2 billion in 2020. The US\$29.3 billion total losses paid is comprised of US\$23.3 billion relating to property and casualty insurance losses and US\$6 billion attributable to life insurance claims. Of the US\$29.3 billion paid in the last five years, roughly 22% was paid to customers in Germany, with other significant claims payments distributed between Ireland, France, Spain, Italy, Belgium, Netherlands and Austria.

Gerald Gakundi, Director, Insurance Supervision, said, “The roughly US\$60 billion EU losses paid since 1997 by Bermuda (re)insurers demonstrates the key role Bermuda plays in the supply of risk capacity to the EU, and in supporting EU policyholders. The ability of EU insurers to cede risk to Bermuda enables diversification of risk globally, making the cost of buying insurance—particularly property and casualty insurance—more affordable to customers living in the EU.”

This information comes from the BMA’s EU Data Claims Survey completed in June. The loss information includes both direct insurance and reinsurance, with 230 commercial (re)insurance companies responding to the survey. “The BMA is grateful to the companies that took part in the survey,” Mr. Gakundi said.

¹ <https://www.bma.bm/news-and-press-releases/bermuda-reinsurers-pay-out-over-70-billion-to-eu-customers>

² The UK has not been included as it is no longer part of the EU.

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