



# Bermuda Insurance Market Sustainability Results Report 2023

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## **Bermuda Insurance Market Sustainability Results Report 2023**

This report summarises the results of the 2023 Environmental, Social and Governance (ESG) Survey (Survey) conducted by the Bermuda Monetary Authority (Authority or BMA) for the Bermuda insurance industry (industry). The content of this report is based on an analysis carried out on the mandatory responses received from Class 4, Class 3B, Class D and Class E insurers, with responses from Class 3A and Class C insurers being optional.

The report outlines statistics and findings, as well as barriers, gaps and hurdles pertaining to the industry's efforts on various topics related to Corporate Social Responsibility (CSR), including environmental sustainability, climate risk, the protection gap and Diversity Equity and Inclusion (DEI).

### **About the BMA**

The BMA was established by statute in 1969. Its role has evolved over the years to meet the changing needs of Bermuda's financial services sector. Today, it supervises, regulates and inspects financial institutions operating in the jurisdiction. It also issues Bermuda's national currency, manages exchange control transactions, assists other authorities with detecting financial crime and advises the Government on banking and other financial and monetary matters.

The Authority develops risk-based financial regulations that apply to the supervision of Bermuda's banks, trust companies, investment businesses, investment funds, fund administrators, money service businesses, corporate service providers, insurance companies, digital asset businesses and digital asset issuances. It also regulates the Bermuda Stock Exchange and the Credit Union.

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# Acronyms

Authority or BMA	Bermuda Monetary Authority
Climate Risk	Used interchangeably with climate change-related risk
CISSA	Refers to the Commercial Insurer's Solvency Self-Assessment required of commercial entities operating in Bermuda. The term is used to reference the Group Solvency Self-Assessment (GSSA) required of Groups, with both well-known together as an Own Risk and Solvency Assessment (ORSA)
CSR	Corporate Social Responsibility
DEI	Diversity, Equity and Inclusion
ERM	Enterprise Risk Management
Insurers	Life and P&C Insurers and Reinsurers
Industry	Bermuda Insurance Industry
Nat Cat	Natural Catastrophe
P&C	Property and Casualty Insurers
LT	Long-term Insurers
SIF	Sustainable Insurance Forum
Sustainability	A broad scope of sustainability-related topics, including environmental, social and governance
TCFD	Task Force on Climate-related Financial Disclosures
UN	United Nations

# Definitions

## **Diversity<sup>1</sup>**

A reflection of the differences between people within an organisation or wider society.

## **Double Materiality<sup>2</sup>**

Where 'single materiality' describes how climate change impacts risks that are transferred to insurers, 'double materiality' also includes the insurer's own external impact on climate change.

## **Equity<sup>1</sup>**

Seeks to achieve fairness and equal outcomes for all by allocating resources and opportunities in a way that recognises the different circumstances and needs of different groups of people, particularly where there is evidence of disadvantage among certain groups.

## **Inclusion<sup>1</sup>**

An organisation is inclusive when all people, regardless of their differences, feel a sense of belonging, enabling them to fully participate in and contribute to the organisation.

## **Liability (Legal) Risks<sup>3</sup>**

On one side, these include direct claims against insurers for failing to manage climate risks, e.g., management and boards of insurers do not fully consider or respond to climate change impacts or do not approach disclosing current and future risks. Alternatively, insurers may have the risk of climate-related claims under liability policies, such as Directors and Officers (D&O), Professional Indemnity (PI), and third-party environmental liability policies.

## **Physical Risks<sup>3</sup>**

Risks arising from climate trends and weather-related events such as floods and storms. They may arise directly from weather events such as property damage or indirectly through subsequent events such as disruption of global supply chains or resource scarcity.

## **Protection Gap<sup>4</sup>**

The protection gap is often referred to as the share of uninsured losses in total economic losses. We are referring to insurance protection gaps in a global context. Protection gaps, by type, also include pension, cyber, health and natural catastrophe<sup>5</sup>.

## **Transition Risks<sup>3</sup>**

Financial risks for insurance firms that could arise from the transition to a low-carbon economy. Transition risks may be motivated by policy changes, market dynamics, technological innovation or reputation factors. For insurance firms, this risk factor is mainly about the potential re-pricing of carbon-intensive financial assets and the speed at which any such re-pricing might occur. Transition factors may also impact the underwriting of certain lines of business and types of insurance products and services.

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<sup>1</sup> IAIS, [Stocktake on diversity equity and inclusion in the insurance sector](#), December 2022.

<sup>2</sup> Definition was modified from the BMA's [Guidance Note – Management of Climate Change Risks for Commercial Insurers](#), March 2023.

<sup>3</sup> Definitions were modified from [SIF application paper on the supervision of climate-related risks in the insurance sector](#).

<sup>4</sup> Definition was modified from IAIS/a2ii, [The role of insurance supervisors in multi-stakeholder approaches to address pandemic protection gaps](#), September 2022.

<sup>5</sup> GFIA, [Global Protection Gaps and Recommendations for Bridging them](#), March 2023.

# Introductory Remarks and Executive Summary

## Introductory Remarks

The intent of this largely qualitative survey was to explore Bermuda insurers' approaches to a wider array of sustainability topics compared to the climate risk focus of earlier surveys. Corporate Social Responsibility (CSR) topics, such as Diversity, Equity and Inclusion (DEI) considerations, were also assessed in the survey. The Authority received 114 responses, representing approximately 85% of Bermuda's overall commercial insurance market in Bermuda, based on asset size.

The conclusions showed that the different areas of sustainability are at varying stages of implementation and insurers' strategic priorities are generally broadening to encompass wider sustainability considerations. It is also evident that significant advancements have been made, particularly in climate change risk management, as well as in DEI. Similarly, considerations on broader topics and the protection gap are still evolving.

## The BMA Journey to Date

The 2023 survey follows two climate change surveys conducted in 2020 and 2021, both of which focused on qualifying and quantifying the Bermuda insurance industry's progress and exposures in the area of climate change. From the regulation side, the Authority first incorporated sustainability considerations by updating the Insurance Code of Conduct (Code) in August 2022. Since then, the BMA has published a Guidance Note entitled *Management of Climate Risks for Commercial Insurers* (Climate Risk Guidance Note) in March 2023, which requires insurers to embed elements of climate change risk into Governance, Enterprise Risk Management (ERM) frameworks and Commercial Insurer's Solvency Self-Assessment (CISSA), with final implementation by 2025. In addition, a Discussion Paper entitled *Disclosure of Climate Change Risks for Commercial Insurers* (Climate Risk Disclosure Discussion Paper) was published in September 2023, seeking industry feedback by 15 February 2024.

The BMA considers sustainability, including climate risk, a strategic priority and has started integrating relevant requirements into its approach to prudential supervision. Information obtained from the 2023 survey will support the Authority in assessing the current and future state of a number of key sustainability elements of the Bermuda insurance market.

## Executive Summary

In order to explore the vast area of sustainability risks and initiatives, the BMA organised the survey into four key areas:

1. Environment, Social and Governance (ESG) – Assessing the industry's views on wider sustainability risks;
2. Climate Risk – Exploring how insurers are advancing in the area of managing climate change risks;
3. Protection Gap – Gauging how the industry views protection gaps and potential solutions based on their own experience of the market; and
4. DEI – Exploring advancements made around DEI.

The Authority found that a large majority of the organisations surveyed incorporate ESG considerations into their ERM frameworks to some extent, of which almost half (48%) say that they have a stand-alone strategy in place, while a smaller portion views ESG mainly as a risk topic.

For the majority (70%), strategic ESG responsibilities tend to be shared, such as between the board and the Chief Executive Officer (CEO), while the risk aspects remain with the Chief Risk Officer (CRO). In select instances where strategy and risk reside with one individual, it is typically the CRO. For a number of Long-Term (LT) insurers, this responsibility falls on the Chief Investment Officer (CIO).

Just about half of the industry has carried out an assessment to identify specific material ESG risks, while the other half has not carried out such an assessment. Results show an overall broadening in insurers' approaches to ESG, from climate risk, where the most significant strides have been made and which remains on the top of the agenda, to other areas, mainly DEI.

The Authority found that most respondents have climate change embedded in their risk management framework either fully (59%) or are in the process of doing so (27%). Overall, this indicates that progress has been made.

Scenario analysis, specifically the use of mid-term and long-term climate risk scenarios, requires further development within the industry, as 51% have not carried out such an exercise. Where scenario analyses are being executed, these exercises were found to be fairly simple rather than fully fledged. Furthermore, liability (legal) risk is a topic of growing interest and concern, but most of the industry does not consider it material at this point. The industry largely focuses on the single materiality aspect of climate risk, with a select few insurers including double materiality aspects.

The topic of the protection gap is an area where the industry indicated a desire to gain additional insights. Responses expressed uncertainty surrounding the topic and provided limited views. This appeared to be partly influenced by the fact that most Bermuda registrants are reinsurers and serve multiple markets. The most significant areas of protection gaps identified were driven by the different sectors. For the P&C industry, Nat Cat was perceived to be the most significant area of the protection gap, followed closely by cyber, while LT insurers viewed pension and health as the most significant areas.

Insurers also indicated that the involvement of a variety of stakeholders and approaches would be necessary to effectively address the insurance protection gap. However, it sounds promising that just under half (46%) of insurers have a strategically aligned approach or product that addresses closing protection gaps in relevant areas.

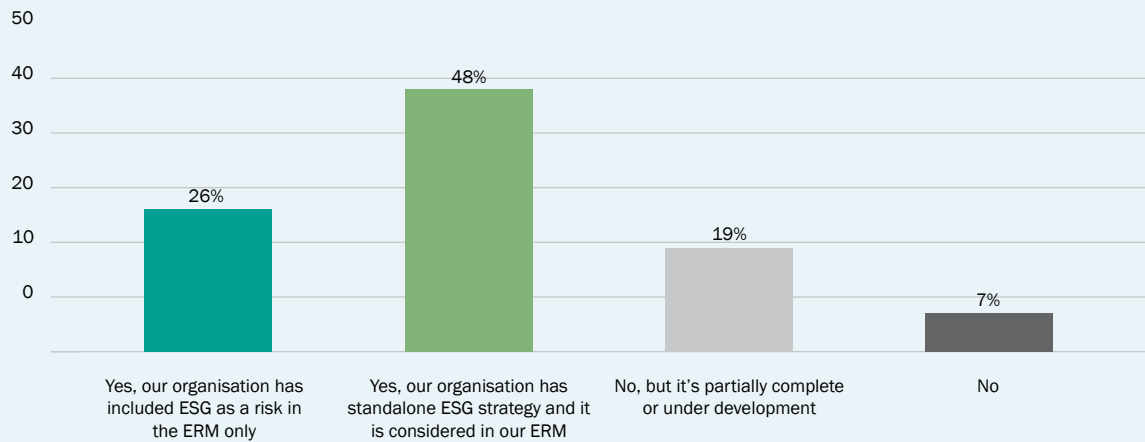
It has been observed that industry has made significant progress in implementing DEI considerations. The survey also shows that 83% of companies have created or are developing a DEI strategy. Additionally, 64% have a DEI policy, recognising the benefits that DEI can bring to an organisation. In terms of recruiting and succession planning at the board and senior management level, DEI is noted as a primary consideration in selecting an appropriate candidate for 77% of the industry, while 90% specifically consider gender balance in Board appointments. The industry also expressed that some of their DEI obstacles lay in areas such as limited talent pool availability, especially given the competitive market.

## Key Themes

This section addresses broad sustainability issues, which range from ERM to the overall responsibility related to both strategy and risks, as well as conducting and addressing the outcomes of materiality (impact) assessments.

### Environmental, Social and Governance-related risks are of strategic importance

Does your organisation have an overall approved Enterprise Risk Management (ERM) strategy that incorporates environmental, social and governance risks?



The majority of insurers (93%) indicated that they incorporate ESG risks into their ERM strategy to some extent. Almost half of them (48%) have a stand-alone overarching strategy incorporated in ERM processes. According to the survey, 26% of companies consider ESG risk in the ERM only, while 18% of the market indicates their strategy is under development.

The answers indicate that stand-alone ESG strategies vary widely among insurers, from a transversal approach, which is still mainly risk-based, to a broad and comprehensive approach that includes a corporate responsibility framework. Nearly half of those in the process of incorporating ESG risks into their ERM frameworks indicated that tangible plans are in place to complete these processes by the end of 2024. In the limited cases (7%) where an entity does not implement an ESG approach, this is either due to having assessed the risk as not material or the insurer not yet finalising the initial assessment.

The overall findings of this survey show that the insurance market has incorporated ESG within various ERM processes, which is deemed a sound starting point for the ESG risk considerations that are permeating throughout the industry.

## **ESG are shared responsibilities at the board/senior level and the CRO remains important**

In terms of the responsibility for an ESG strategy and risk management processes, nearly 70% of respondents indicated this is a shared responsibility across a variety of stakeholders. The majority indicated that such a strategy resides with the CEO and/or the board, as they have the ultimate responsibility of overseeing and approving a company's strategy. Furthermore, the results demonstrate the risk aspects and the incorporation of ESG risks into the ERM framework, which resides with the CRO. Nearly a quarter of the industry indicated that the CRO manages both ESG strategy and risk, while for certain long-term insurers, this responsibility falls onto the CIO, who faces risks mainly on the asset side.

Over half (60%) of the P&C entities stated that this responsibility lies with the board and the CEO; this was higher for LT entities (73%). The conclusion drawn is that P&C insurers rely more heavily on a single individual, such as the CRO, to manage ESG risk overall than long-term insurers.

Several insurers (12%) indicated they have a dedicated ESG officer, who is the senior-level decision-maker responsible for strategy, risk and goals. The officer often works in collaboration with the CRO. This may represent an early indication of one individual having broad oversight of sustainability, independent of existing control functions.

## **More insurers carry out materiality (impact) assessments**

Approximately one-third (31%) of organisations surveyed have completed a formal materiality (impact) assessment to drive the focus of their ESG efforts. For the majority of the industry, the biggest advancements and focus remain on climate change and DEI.

An additional 20% adopted a different approach, where either a materiality (impact) assessment is being done at the group level, or a specific risk is known to be significant to the organisation (such as climate risk). Furthermore, these organisations began their efforts at this stage before conducting a materiality (impact) assessment.

Close to half (42%) of the organisations surveyed have not done a materiality (impact) assessment. This could be an area of focus for the insurance industry in the future, particularly for the purposes of effectively limiting material risks and being able to seize upon opportunities as sustainability approaches evolve. A few organisations mentioned that they have completed an initial high-level assessment but need a more thorough materiality (impact) assessment in the future. Moreover, these organisations are currently in the process of engaging external stakeholders for feedback on their approach and findings.

## **Climate change and DEI are at the top of the industry's agenda**

As indicated in the graph above, among the risks that organisations have assessed and addressed, the most significant strides were made in the areas of climate change and DEI. The advances made in climate change were expected, given the proficiency of the industry on this topic. The materiality of physical climate risks written by especially P&C insurers, as well as the regulatory enhancements made in this space, have contributed to companies' advancements in this area. The level of progress the insurance industry has made in addressing DEI shows the importance of this topic to the industry. The remaining areas are still being initially assessed or are viewed as immaterial.

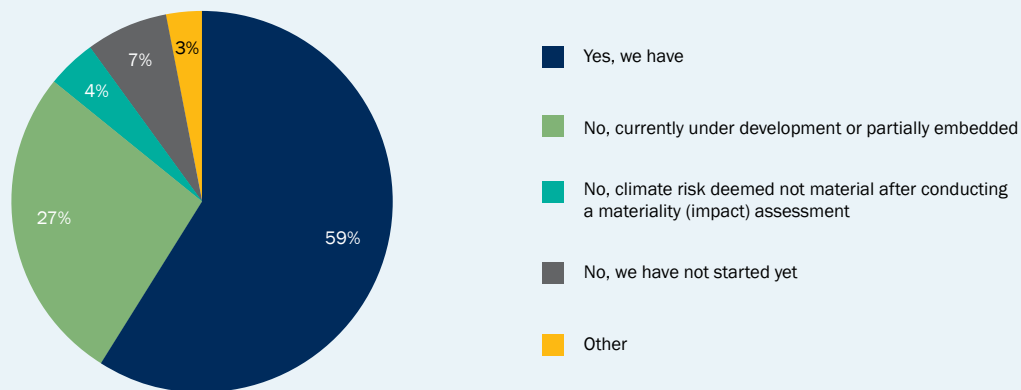
The mentioned focus areas are quite broad-ranging among insurers and contain single and double materiality aspects, such as business ethics, human rights, whistleblowing, responsible investing, employee well-being and cybersecurity, amongst others.

## Climate Risk

This section intends to explore industry's progress around climate change risk since the previous surveys on the topic were conducted. There were a few key areas of focus, such as the inclusion of climate risk in the risk management framework, scenario analysis and the associated hurdles and liability (legal) risk, which is an emerging area of concern.

### Growing climate change incorporation into risk management frameworks

Has your organisation embedded climate change into your risk management framework?

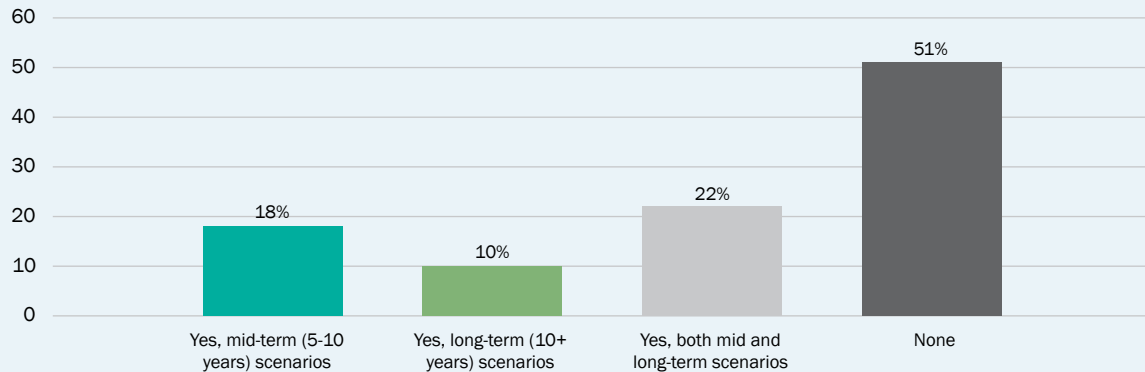


The findings demonstrated that the majority of the industry (86%) has embedded climate change into risk management frameworks to a certain extent. This demonstrates an increase from 73% in 2020, based on the findings of the Climate Risk Survey. The survey also shows that the industry is continuing to make progress, with over half (59%) fully embedded in climate risk within their risk management frameworks, while just over a quarter (27%) are in the process of doing so. Those companies who have not yet started (7%) have made some progress on this topic, but it has been independent of their risk management framework.

The progress made by P&C and LT insurers is similar when considering fully and partially embedding climate risks in risk management frameworks; however, a greater proportion of P&C insurers (66%) compared to LT (43%) have fully incorporated these considerations. While most P&C insurers still focus on the most material risk, namely physical risk, a significant number have expanded towards a more transversal view. A greater portion of LT insurers are still making improvements in this area compared to P&C insurers. This could be due to climate risk being seen as more of an emerging risk for the investment area; additionally, climate risk can be viewed as immaterial or currently undergoing a materiality assessment. Ultimately, the outcomes of these assessments will drive further work.

**The industry is still in the process of developing a scenario analysis approach while confronting challenges.**

Does your organisation currently conduct analyses that are mid-term (five to ten years) and/or long-term (10+ years) in nature?



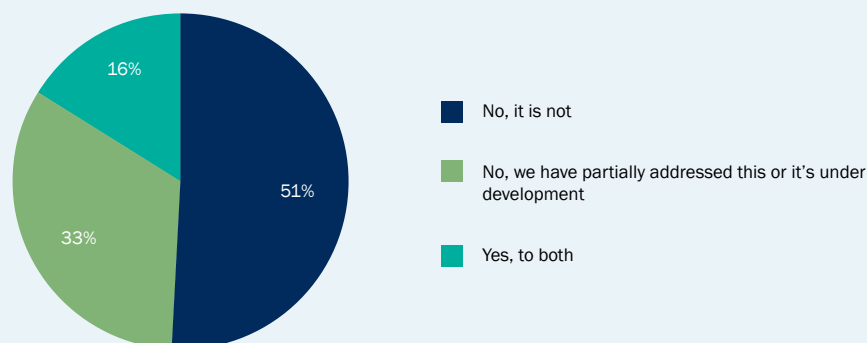
Most of the insurance industry (51%) has not conducted scenario analyses as they initially focused on short-term scenarios and stress-testing (five years or less). The remaining 49% have completed scenario analysis, of which 22% have completed both mid-term and long-term scenario analyses. Likewise, 18% focused on mid-term, and 9% on long-term scenarios. The information provided, however, suggested that the approaches used by the insurers that utilise mid or longer-term scenario analysis are simplified, fixed balance sheet exercises, or driven by regulatory exercises in various jurisdictions rather than a fully-fledged sophisticated scenario analysis. The limited focus on long-term scenarios appears to be driven by either the limited availability of data and concerns with accuracy or meaningful insights in exploring such scenarios or by the short-term nature of written perils.

In terms of general barriers to scenario analysis, organisations have noted that they struggle to select appropriate scenarios and often require expert guidance due to the complexity of scenario analysis, expressing a need for standardised scenarios. One notable source of information mentioned by several insurers who have carried out scenario analysis is the Network for Greening the Financial System (NGFS), noting their publications as beneficial in developing scenario analysis.

The survey results demonstrate that the industry's greatest barriers to carrying out scenario analysis are data, information and scenario limitations caused by the reliability, availability and consistency of climate change data and information. Other factors include data collection challenges (data granularity), especially for large and complex organisations, lack of industry standards, lack of consensus regarding the impact on assumptions and a lack of in-house expertise, with many entities experiencing at least three or more barriers in this area. The lowest selected area of challenge was skillset and knowledge, either due to having the requisite knowledge in-house already, while some noted that hiring experts will take place once data and information challenges are addressed. The majority of the industry noted that practices are still evolving and there is currently no consensus on the best approach to scenario planning.

## Liability (legal) risk is not a material risk to the majority of the industry

Is liability (legal) risk pertaining to climate change deemed material to your organisation at this point? Is it being monitored and managed?



The majority of insurers do not view liability (legal) risk as material at this time or are currently assessing this risk. Insurers are mainly focusing on the underwriting side, particularly for P&C insurers, with very few comments made by P&C and LT insurers on their own legal risk. There is a consensus that this topic is still evolving, particularly as legal precedents in several pending cases have not yet been established. As the overall understanding of this risk increases, more formal management practices are expected to follow. At this time, many organisations view this risk as low in importance or limited in nature and, therefore, are not actively addressing this risk.

In proactively assessing liability (legal) risk, certain P&C insurers noted that the following approaches are helpful:

- Assessing the wording of the most at-risk lines of business
- Taking underwriting actions that include pivoting away from certain sectors and adding effective exclusions, where possible
- Considering litigation related to climate change in business planning, as well as distinctly considering litigation risk alongside climate risk, when establishing the overall business plan

Notably, the topic of liability (legal) risk is evolving for both P&C and LT entities, and no notable variations in results were documented.

## The industry is focused on single materiality

The majority of insurers have either not addressed or are in the early stages of addressing double materiality, focusing on single materiality (outside-in) with limited instances of double materiality assessments (e.g., the entity's carbon footprint, etc.) completed at the time of this survey. Where a double materiality path has been chosen, it seemed to be influenced by the entity's ownership and overarching strategy, as well as by involvement in global initiatives where the work and respective approaches are being required or recommended.

## Protection Gap

The protection gap section explores the drivers and the association between closing the insurance protection gap and aligning this with an organisation's business strategy. Another goal is to examine the barriers that exist in addressing the insurance protection gap from an organisation's perspective. As the Bermuda market consists mainly of reinsurers, which are active internationally in various jurisdictions, addressing the protection gap is somewhat complex.

### Views based on the type of insurer: Nat Cat for P&C insurers and pension for LT insurers are seen as the largest protection gaps

The industry identified the following protection gaps in order of prevalence: Nat Cat, cyber, pension, and health, with Nat Cat and cyber considered the overall drivers of the insurance protection gap.

Given that the majority of survey respondents (59%) comprise P&C entities, protection gaps in this segment were seen as the largest, with insurers selecting drivers relating to the business they write.

The industry has identified several protection gap factors that contribute to the following protection gaps:

- **Nat Cat:** A change in the insurers' risk appetite has resulted in higher premiums and more policy exclusions. Increasing severity and frequency of losses globally or in specific regions is spurring a lack of affordability in the most vulnerable regions
- **Cyber:** A lack of understanding of the scope and nature of cyber risks is due to the constantly evolving threat landscape, as well as a lack of industry-accepted standardised exposure models
- **Pension:** Many factors have contributed to a decline in guaranteed defined benefit pensions, including low pension contribution rates. The low contribution rates are often due to lack of affordability, increasing life expectancy compared to static retirement age, gaps in savings and financial education, poor investment returns, changes in social demographics and pension provisions shifting from governments to employers/individuals, as well as macroeconomic volatilities (i.e., interest rates)
- **Health:** A lack of awareness of the need for protection, a declining number of advisers, product complexity, affordability and cost, lack of personalised life and health products, as well as rising medical costs and inflation

Almost half (46%) of insurers have a strategically aligned approach or product that addresses closing the protection gap. Some of the solutions presented include making products more accessible via digital technologies, offering competitive pricing of certain products or offering cost-effective, simple protection products covering specific medical conditions. Other methods that could assist in closing the protection gap include partnering with organisations to educate individuals about insurance products, developing products to reach those most uninsured and creating risk protection and mitigation products and services. Another area for consideration is offering discounts for risk mitigation in certain lines. The remainder of the market (54%) either have not yet clearly aligned their solutions or are currently gaining expertise on the protection gap. Overall, there is an appetite for the insurance industry to gain more knowledge on this topic, as increased knowledge will likely drive additional industry efforts to close the protection gap and enhance product offerings.

## **The industry's recommendations for closing protection gaps**

A variety of suggestions were provided on how to close insurance protection gaps, including:

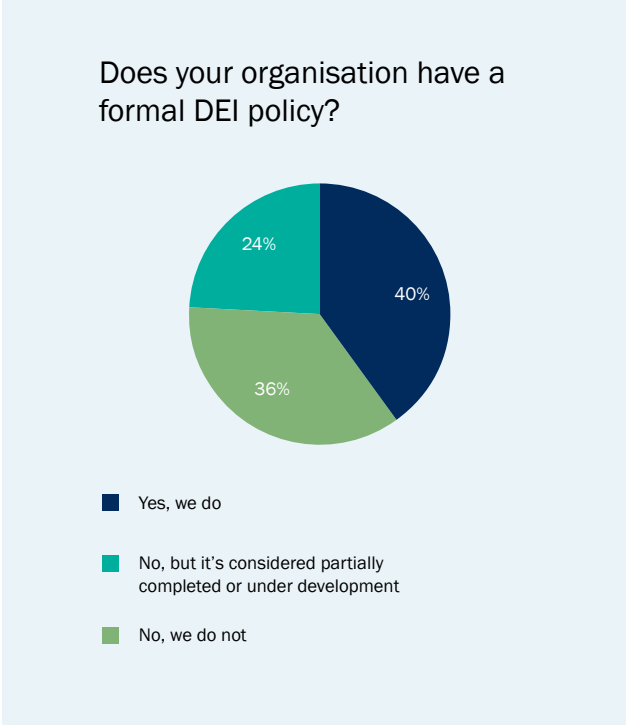
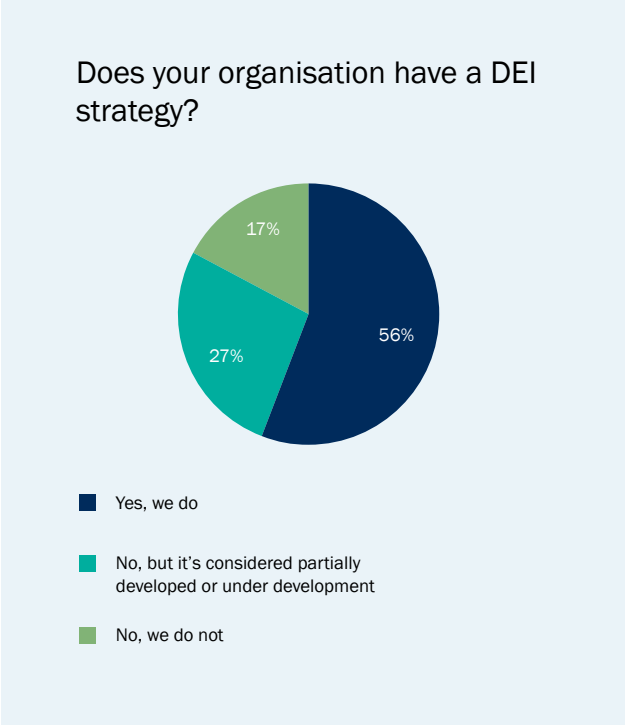
- Investing in and creating space for innovative and tech-enabled products that address emerging risks and areas of protection gaps
- Considering regulatory reforms on minimum coverage standards and strengthening consumer protection
- Investing in financial literacy and obtaining more granular data on vulnerable communities

Many insurers believe collaboration between the private and public sectors (including governments, NGOs and regulators) is necessary to comprehensively address the overall protection gap.

# Diversity, Equity and Inclusion (DEI)

This section pertains to the following components of an overall DEI approach: strategy, policy, recruitment and gender balance, as well as any hurdles to DEI implementation.

## The majority of companies are developing a DEI strategy and policy

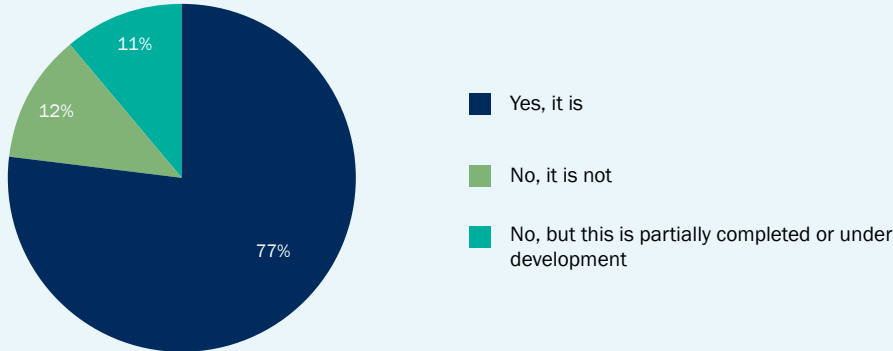


The majority of insurers (83%) have made progress on developing a DEI strategy, whereas slightly above half (56%) of respondents indicate that they have a fully implemented strategy. While the degree and type of integration of DEI strategy among insurers vary, the strategy is often complimented by Key Performance Indicators (KPIs) and internal DEI reporting and training, as well as a focus on organisational culture. About a quarter (27%) of the market indicated that they are currently developing a strategy or approach to DEI, suggesting that a systemic DEI approach is moderately advanced for the market as a whole, while it is in its infancy for smaller organisations. Additionally, a number of organisations mentioned that they have DEI embedded in various existing programs and initiatives related to culture, codes of conduct and sustainability-related documents, but it is not yet a stand-alone strategy.

Furthermore, a significant portion of the insurance industry (64%) has made progress on developing a formal DEI policy, which includes those that have a formal DEI policy (40%) or where it is currently under development (24%). This shows that for many insurers, developing a DEI strategy is the first step and having a formal DEI policy in place is the second step in implementing a DEI approach. According to the survey, the majority of the market agrees that an overall focus on DEI can help a company realise benefits, such as attracting talent, improving employee satisfaction and retention, improving and ensuring a sustainable business performance and having a positive influence on innovation, among others.

**Most companies are considering DEI and gender balance in board and senior management appointments**

Is DEI currently considered in board and senior management recruitment and succession planning?



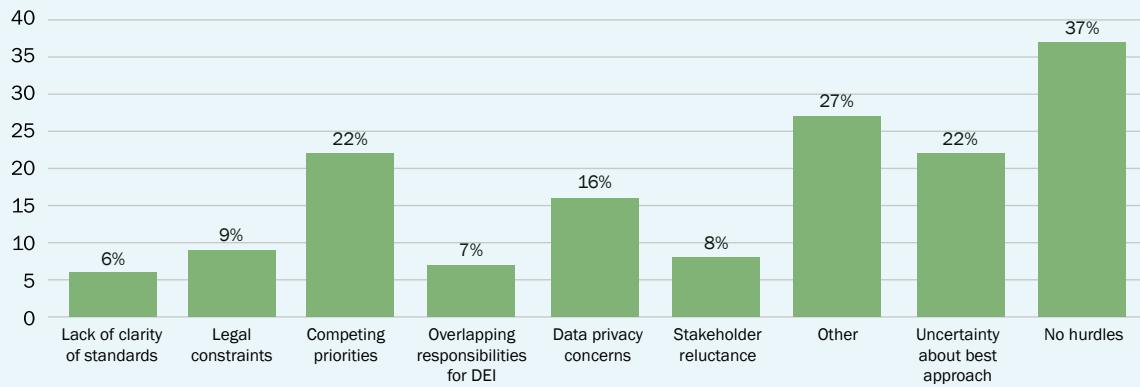
The majority of organisations (77%) have DEI as a key consideration in their recruitment and succession planning for both the board and senior management positions. Considering DEI factors in board and senior management appointments typically results in a greater diversity of thought and more varied perspectives, which generally strengthens overall decision-making. The majority of the industry expressed that DEI considerations are especially important for organisations with an international reach, as well as organisations that are looking to expand their operations in international markets.

Additionally, the majority (93%) of insurers consider gender balance in their board appointments, along with ensuring appropriate qualifications and skills. Several insurers indicate they also incorporate the following considerations: race, ethnicity, sexual orientation, gender identity, socioeconomic background and beliefs.

A number of respondents indicate that they have diversity targets for their board composition (i.e., 40% female leadership targets by a given date) while others monitor the gender makeup of their board without specific targets in place. Organisations that monitor gender balance may use this information to drive potential future target-setting.

## Limited DEI obstacles experienced

What hurdles do you find, if any, in making progress on DEI in your organisation?



According to the survey, most organisations did not encounter any of the DEI hurdles listed. This indicates that either they had no challenges (31%) in implementing DEI or that their obstacles differed from those mentioned in the survey (24%). For instance, smaller entities may face challenges like a limited talent pool, market competition, historical lack of diversity and limited advancement opportunities that can reduce the availability of diverse candidates. It was also noted that in certain fields, there are challenges with recruiting diverse senior management candidates, especially in areas of Actuarial and IT, which tend to be more male-dominated fields. An additional hurdle was data privacy considerations, which can vary across jurisdictions, resulting in challenges in consistently tracking various DEI metrics (such as employee attributes) across the organisation.

## Common DEI approaches

It was noted that DEI considerations within the insurance industry are quite varied, as demonstrated by the different approaches taken to date:

- Conducting DEI surveys for employees
- Establishing a DEI employee resource group
- Including DEI considerations in the recruitment process
- Operating DEI-focused training programmes or courses, with examples including leadership training for female staff and courses on topics such as microaggressions, honest conversations and unconscious bias
- Recruitment, retention and development of local talent in Bermuda, including formal internship programs
- Pay and benefit equity, inclusive of DEI considerations
- Community engagement and philanthropic efforts

## Conclusion and Next Steps

Responses to the 2023 survey will assist the Authority in considering future enhancements to regulatory and supervisory frameworks applicable to the Bermuda insurance market.

The Authority's future focus for the insurance industry will remain on climate risk, but the BMA plans to continue to gain insights into broader environmental and social sustainability topics, especially in areas that were newly explored in this survey, including DEI and the protection gap. The BMA may take further regulatory action in line with international standard setters.

The Authority's next steps include an insurance supervisory focus on the implementation of the Climate Risk Guidance Note, with implementation requirements set to take effect from 2023 to 2025. Following industry feedback on the recently closed Climate Risk Disclosure Discussion Paper, the Authority will engage with the industry further before crafting a disclosure guidance note following a consultation period.

The Authority would like to thank all stakeholders for their feedback and participation in this survey. The BMA remains committed to working with all stakeholders and other interested parties to ensure optimal protection for policyholders.



**If you would like to find out more about  
this report, please contact:**

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