



Global Regulatory Framework for Insurance

Gerald Gakundi, Deputy Managing Director – Head of Insurance and
Investment Funds

February 2026

Section 01

BMA Overview

Bermuda Monetary Authority (Authority or BMA)

Our Vision: - A globally respected and trusted financial services regulator enabling solutions for customer needs.

Background

- The Authority was established in 1969 as an integrated, cross-sectoral regulator, independent of government
- The Authority supervises, regulates and inspects financial institutions in Bermuda
- It manages the national currency, exchange control transactions, and assists in preventing financial crime
- The Authority develops risk-based financial regulations that it applies to supervising financial services businesses in Bermuda

Mission Statement

We contribute to Bermuda's financial stability, protect customers of financial services and protect Bermuda's currency through:

- Maintaining effective and proactive regulatory frameworks through our highly skilled and engaged workforce
- Delivering efficient operations and sustainable business practices, and
- Supporting responsible innovation locally and in global markets

BMA Development Journey

Milestones

- 1978:** Introduction of the Insurance Act
- 1995:** Creation of captive and commercial insurer classifications
- 2008:** Implementation of Enhanced Capital Requirements (ECR) for Property and Casualty (P&C) insurers
- 2010:** Introduction of Own Risk and Solvency Assessment (ORSA) mandates
- 2011:** Establishment of group supervision, supervisory colleges, and ECR for Long-term insurers
- 2013:** Requirements for internal capital models introduced
- 2015:** Strengthening of governance standards and attainment of US National Association of Insurance Commissioners (NAIC) **Qualified Jurisdiction Status**
- 2016:** Adoption of economic valuation standards, enhanced public disclosure obligations, and achievement of EU Full **Solvency II Equivalence Status**
- 2019:** Further updates to ECR and attainment of US **NAIC Reciprocal Jurisdiction Status**
- 2021 and beyond:** Implementation of ComFrame, Holistic Framework, and Insurance Capital Standard (ICS)



The BMA's Approach to Supervision

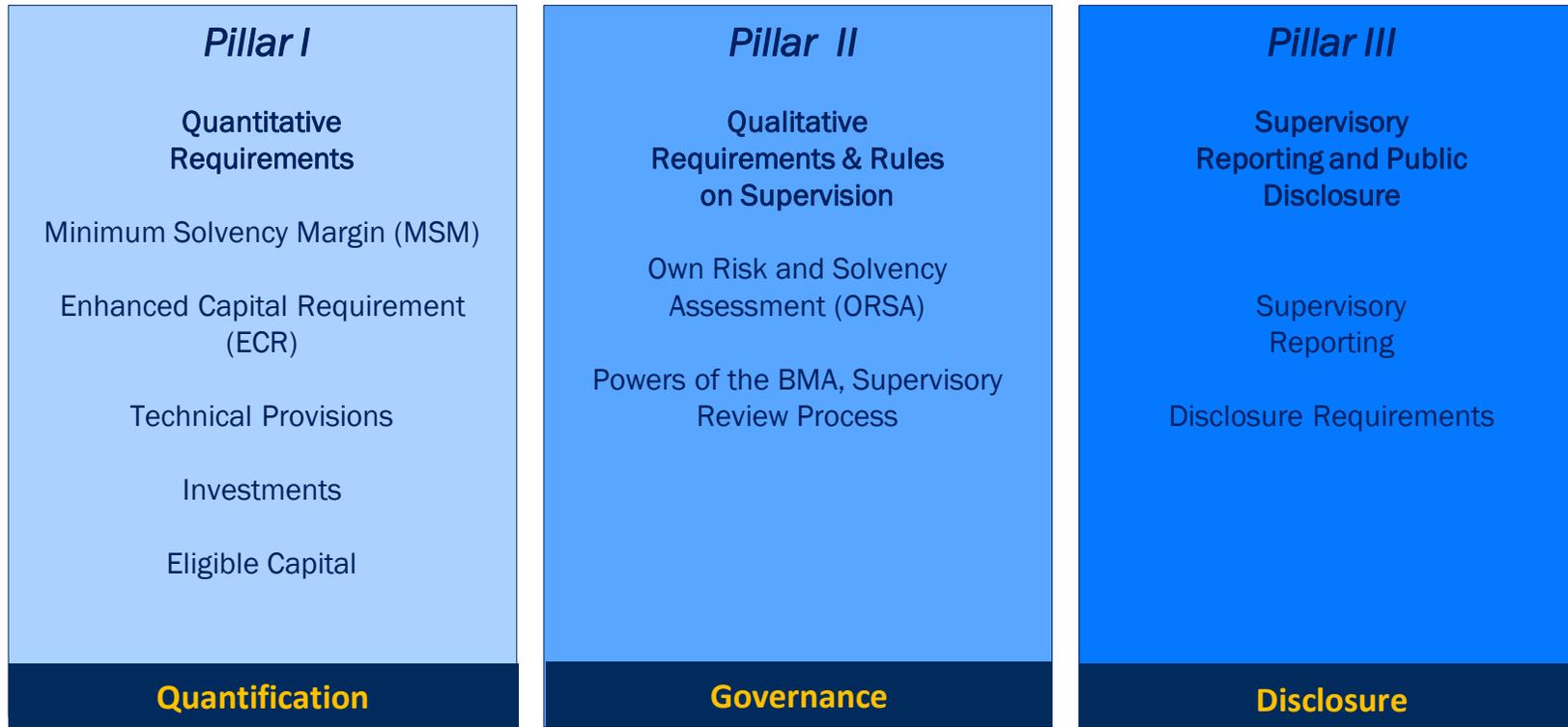
Supervision Methodology

- The Authority uses a risk-based approach to conduct its supervisory programme, which enables it to:
 - Carry out the responsibilities placed on the Authority by various Acts in an effective and efficient manner
 - Allocate resources to the most pertinent risk areas
 - Ensure that standards are appropriately calibrated to Bermuda's wholesale and domestic financial markets
 - Observe and adhere to international best practices while monitoring and responding to external developments, taking into consideration the nature of the Bermuda market
- This risk-based approach has been endorsed by a variety of international regulatory and standard-setting bodies



The Basis of Bermuda's Solvency Regime

Commercial Regime



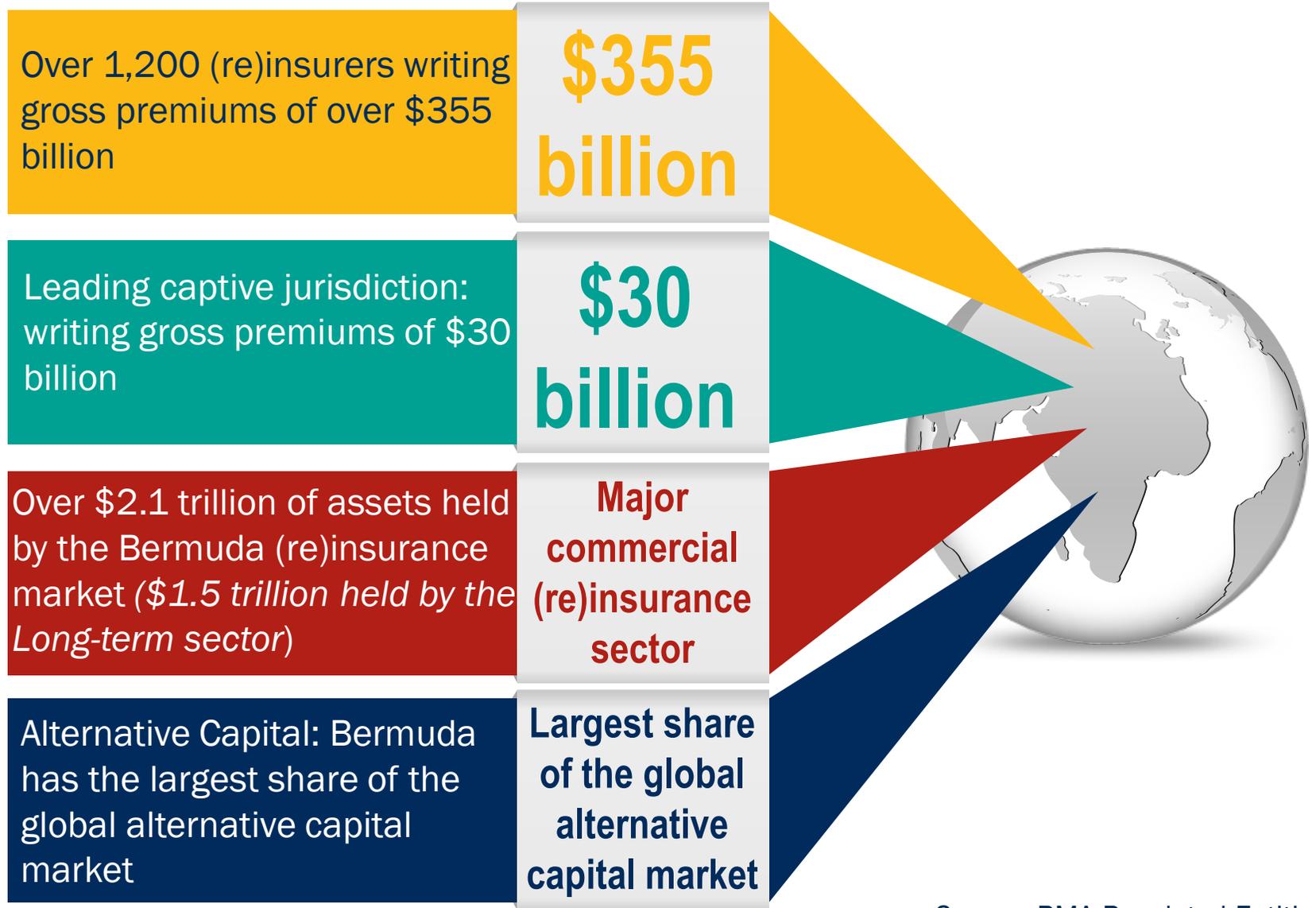
- Compliant with the Insurance Core Principles (ICP) of the International Association of Insurance Supervisors (IAIS)
- Full Solvency II Equivalence
- National Association of Insurance Commissioners (NAIC) Qualified and Reciprocal Jurisdiction status

Section 02

Introduction to Bermuda's
(Re)Insurance Market

Bermuda's (Re)Insurance Market – 2024 YE

Bermuda has an established and sophisticated insurance market with:



Source: BMA-Regulated Entities' Filings.

Bermuda Market Overview

Bermuda is a 70-year-old diversified reinsurance market

Commercial P&C (re)insurers

- Premium split: 53% US, EU 9%, UK 10%, Other 28%
- Premium split: Property 26%, Property CAT 17%, US casualty 13%, International casualty 14%, other 30%

Commercial Long-term (LT) (re)insurers

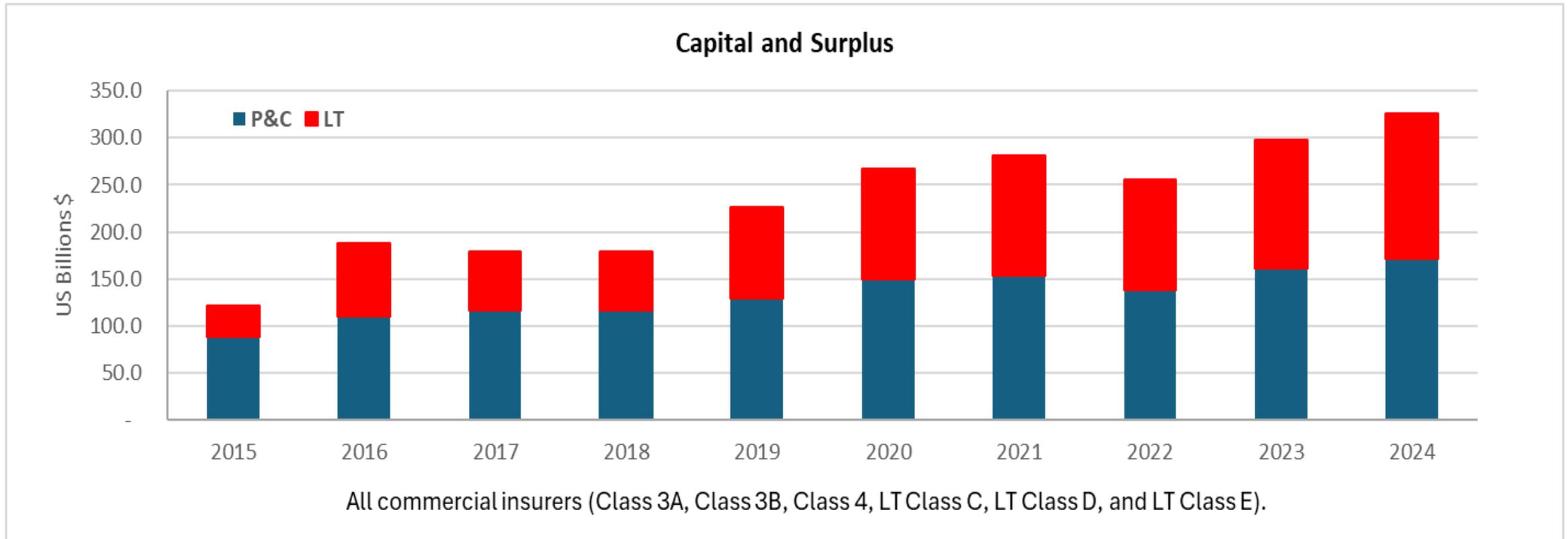
- Two-thirds of the business is in longevity and financial business, and the remaining business is related to mortality and critical illness
- US accounts for over 70% of Bermuda's LT insurers' reserves followed by Asia
- Diversified investment portfolio with fixed income investment grade representing 75% of total investments
- The sector had a robust solvency position with a median solvency ratio of 286% at year-end 2024

	Gross Premiums 2024 (BN USD)
Commercial - LT	200.1
Commercial - P&C	111.5
Captives	30.3
ILS	13.7
Total	355.6

- Full Solvency II Equivalent
- NAIC Reciprocal & Qualified Jurisdiction

The industry is assessed as having sufficient liquidity

A View of Industry Capital and Surplus Growth



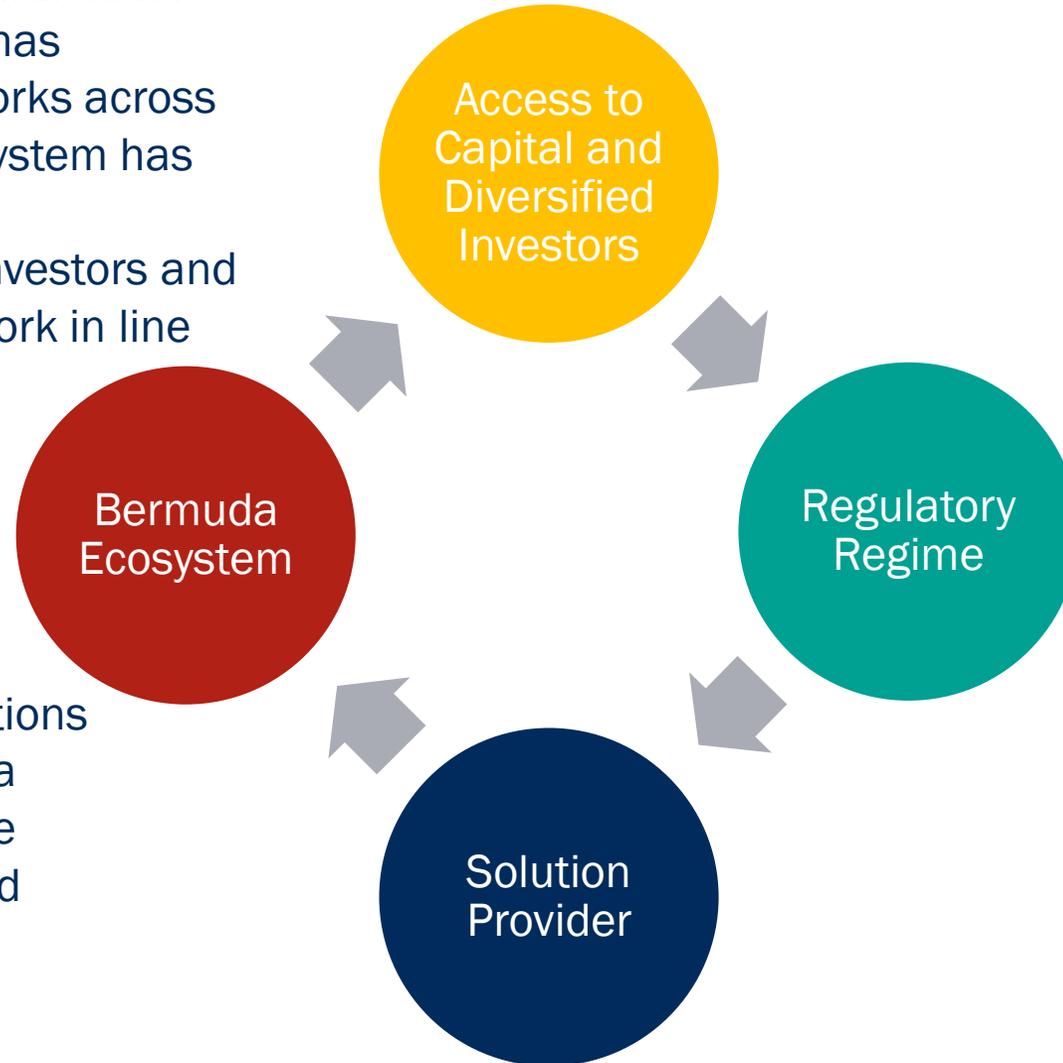
Source: BMA-Regulated Entities' Filings.

Sustained growth in industry surplus reflects Bermuda's strong regulatory framework, providing a stable environment for (re)insurers to meet the changing needs of the market.

Bermuda Ecosystem

Bermuda has been providing reinsurance for over seven decades. As a result, it has developed a rich ecosystem that works across both P&C and LT sectors. The ecosystem has been tested through many cycles, strengthening confidence among investors and reinsurers. The BMA keeps framework in line with international standards.

Bermuda (re)insurers provide solutions as they have greater access to data and ability to diversify their balance sheet across different products and jurisdictions.



Providing access to capital and diverse investors, where the public insurance sector has declining relevance among investors.

Fit-for-purpose regime, equivalent to main trade partners' regimes, compliant with international standards, enabling responsible innovation and reduction of global protection gaps.

Key Industry Risks

Geopolitical Risk - Market fragmentation and likely macro-economic impacts



Growing Cyber Risk - Amplifies underwriting uncertainty and operational disruptions



Increased frequency and severity of **Climate-Related Natural Disasters**



Social inflation resulting in increase in P&C insurance claims costs due to increased litigation and larger jury awards



Increase in **private and alternative assets, strategic asset allocations** and the need for **differentiated supervisory approaches**

Section 03

Summary & Conclusion

Summary and Conclusion

- Bermuda's regulatory regime is **robust, consistent and globally recognised**, helping reinsurers manage growing operational uncertainty
- The island has long-standing expertise in reinsurance and maintains strong access to capital and investors
- Demand for solutions to **global protection gaps** continues to grow, and Bermuda is well-positioned to meet that need
- The BMA supports industry competitiveness through collaboration, innovation and strong regulation





Thank you!

For additional information, please visit www.bma.bm or contact:

Bermuda Monetary Authority
BMA House
43 Victoria Street
Hamilton, Bermuda
Tel: +1 441.295.5278