

# BERMUDA CAPTIVE CONFERENCE

Leading Global Risk Innovation **SEPT 10-13, 2017**

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## Bermuda Captive Market Briefing

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# Agenda



- Introduction
- Geography of Risk Assumption
- Industry
- Line of Business
- Asset Composition
- Loss & Expense Ratios



- Overview of the captive insurance sector of the Bermuda Market Review
- What is the Bermuda Market Review?
  - General captives only for 31 December 2016 year end
  - Data from eSFR system implemented in 2017
  - Submissions received as at 31<sup>st</sup> July 2017 (64%)
  - Provides granular detail breaking down by class and industry
  - Separate commentary on Special Purpose Insurers

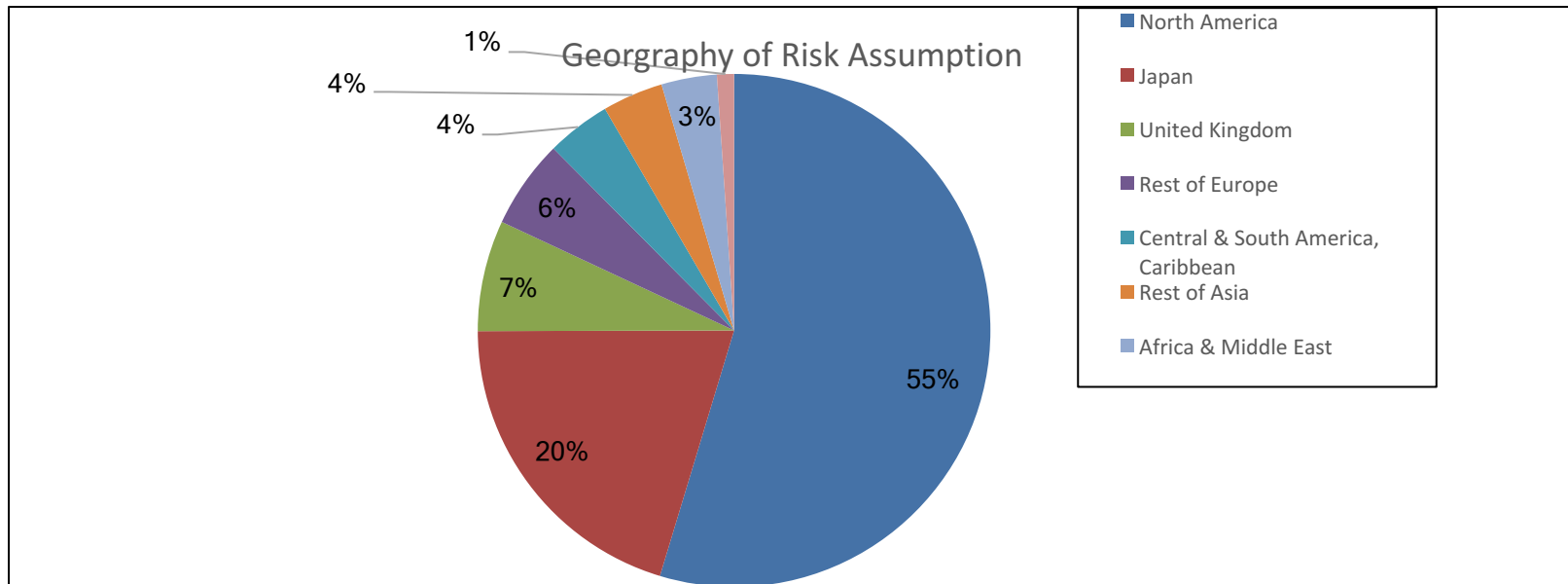


- Composition of Class of Insurer:
  - Class 1      28%
  - Class 2      38%
  - Class 3      34%
  
- Market Composition
  - 14% are in run-off
  - 18% have segregated accounts
  - 61% have a pure captive company structure
  - 21% have an insurer/reinsurer company structure

# Geography of Risk Assumption



- Majority of premium risk is North America (55%)





- Bermuda remains one of the few captive domiciles that is home to a broad range of industries

Top Industries by Parent		Top Industries by Premium Written	
Industry		Industry	
Financial Institution	18%	Financial Institution	26%
Shipping, Transport & Storage	12%	Shipping, Transport & Storage	11%
Automotive, Manufacturing and Retail	11%	Wholesale and Retail	11%
Energy, Power and Utilities	9%	Administrative and Support Services	10%
Healthcare	8%	Automotive, Manufacturing and Retail	9%
Professional Services	8%	Energy, Power and Utilities	7%
Administrative and Support Services	7%	Technology and Telecoms	7%
Wholesale and Retail	6%	Construction	4%
Construction	5%	Healthcare	4%

# Line of Business



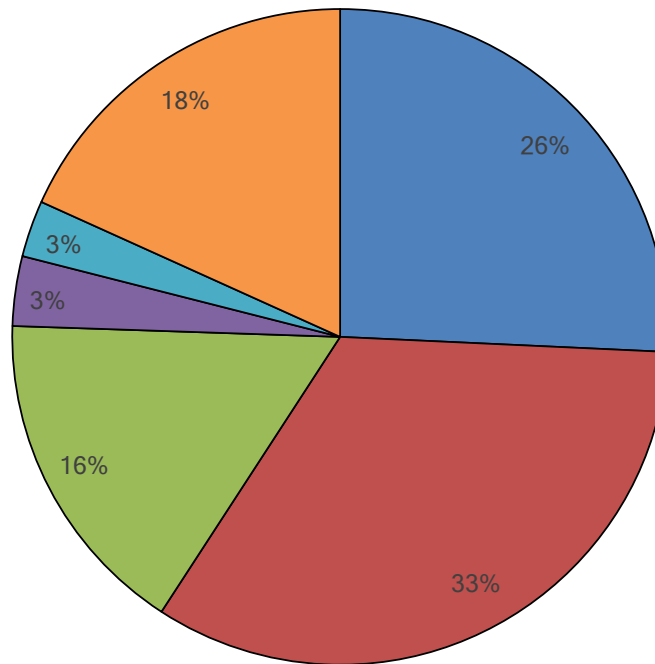
- Property represents 67% of all captive business
- Casualty represents 33% of all captive business

Property Business Written		Casualty Business Written	
Line of Business	%	Line of Business	%
Property and Casualty Catastrophe	34%	Workers Compensation/Employers Liability	32%
Property Damage and Business Interruption	23%	General liability - Public, Products, Umbrella, Product recall	21%
Warranty, Residual Value	22%	Accident and Health, Travel, Personal Accident	18%
Marine - P&I, Cargo, Hull and Liability, War	15%	Motor - APD and Liability	10%
Construction	2%	Professional Liability - Professional Indemnity, D&O, Bankers Blanket, E&O	10%
Energy - Onshore and offshore	2%	Credit / Surety	6%
Agriculture	1%	Crime and Fidelity	2%
Aviation - Hull, Liability and War	1%	Medical Malpractice	1%
Cyber Risk	0%	Political Risks	1%
Environmental Risk	0%	Finite Reinsurance	0%
Mortgage	0%	Incidental long-term business	0%
Property Retrocession	0%	Total Casualty Premium	100%
Terrorism	0%		
Total Property Premium	100%		

# Asset Composition



Asset Composition



- Quoted Investment
- Intercompany Investment Advances
- Cash
- Accounts & Premium Receivable
- Unquoted Investments
- Other Assets



# Assets Composition



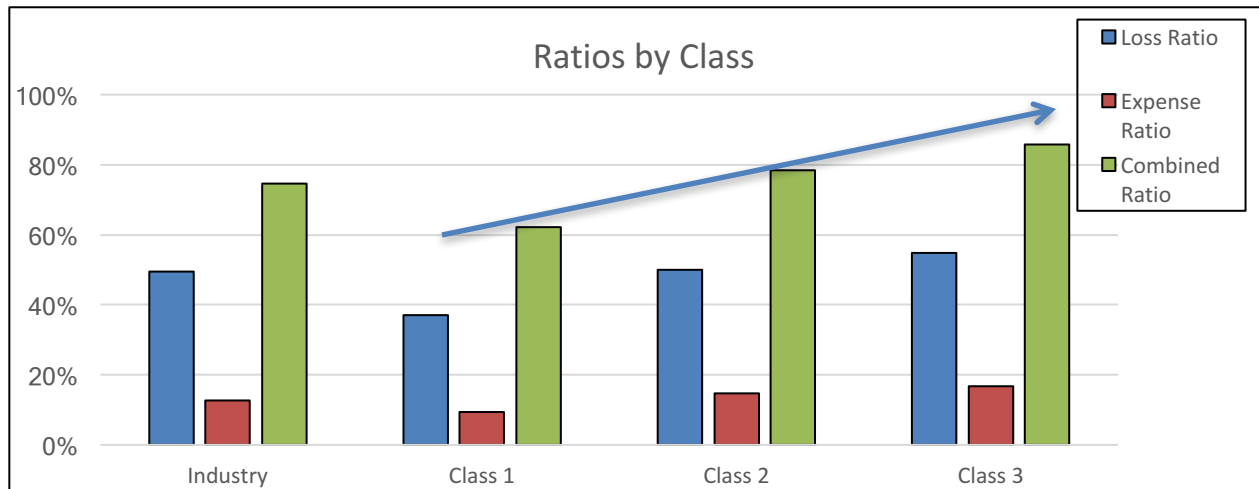
Quoted Investments		Bond Investment Ratings	
Bonds	85%	AAA	30%
Equities	13%	AA	39%
Other	1%	A	19%
		BBB	8%
		BB	2%
		B	2%
Total	100%		100%

- Conservative Portfolio
  - 85% Quoted Investments Bonds
  - 88% Bonds rated A or better

# Loss & Expense Ratios



Ratio	2016
Loss Ratio	49%
Combined Ratio	75%





## Key Captive Insurance contacts at the BMA

- Craig Swan, Managing Director – Insurance Supervision, [cswan@bma.bm](mailto:cswan@bma.bm)
- Timae Flood, Assistant Director – Captive Insurance Supervision, [tflood@bma.bm](mailto:tflood@bma.bm)
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