BERMUDA MONETARY AUTHORITY

22nd January 2018

NOTICE

ALTERNATIVE CAPITAL SCHEDULE FILING REQUIREMENT

Bermuda Monetary Authority (the Authority) wishes to inform Bermuda's insurance market of a new filing requirement in the form of the Alternative Capital Schedule (Schedule) to be applied to all (re)insurers with alternative capital structures (described below.)

"Insurers that conduct business that is financed by a mechanism other than shareholders' capital of the (re)insurance company. This may take various forms such as catastrophe (cat) bonds, industry loss warrants, sidecars, collateralised reinsurers, longevity and mortality bond/swaps, hybrid securities such as preference shares, swaps, and contingent capital such as letters of credit, among others."

This new filing requirement is applicable for **31st December 2017 year-end filings** and **onwards**.

The Schedule collects essential alternative risk transfer data to assist the Authority in maintaining a prudent supervisory regime for this rapidly growing sector. In addition, the information will provide the Authority with the ability to produce valuable aggregate statistics for publication. Publishing such information promotes transparency and further enhances the Authority's and Bermuda's credibility with key stakeholders.

For those (re)insurers that file via the Electronic Statutory Filing System (E-SFR), the Schedule should be filed as an attachment to the E-SFR submission. Similarly, for those (re)insurers that file via the Bermuda Solvency and Capital Requirement (BSCR), the submission should be filed as an attachment to the BSCR template.

The Schedule will be posted on the Authority's website.

The Authority is committed to working closely with industry on this initiative, including granting an extension on the filing of the Schedule, if warranted. Should you have any queries please do not hesitate to contact riskanalytics@bma.bm.