BERMUDA MONETARY AUTHORITY

24th October 2016

NOTICE

Insurance Accounts Amendment Regulations 2016 (the Regulations)

Bermuda Monetary Authority (Authority) proposes to make the following minor housekeeping amendments to the Regulations:

1. **In Schedule I to revoke**:
    a. **Form 3 -** (Statutory Open Year Business Revenue Statement) **-** this form was previously "temporarily omitted" from the Regulations and the Authority is now proposing to remove it permanently as the information requested in this Form is no longer required;
    b. **Form 6 –** this form refers to the combined General Business and Long-Term Business Statutory Balance Sheet for composite insurers, to section 24(6) composite insurers, and to Special Purpose Insurers. The Authority is proposing that these insurers prepare the General Business Statutory Balance Sheet (Form 1A) and Long-Term Business Statutory Balance Sheet (Form 4) separately. With the Statutory Balance Sheet reported separately by type of business, the Authority would be able to assess the insurer's underwriting, liquidity and solvency risks more effectively; and
    c. **Form 7-** this form refers to the combined General Business and Long-Term Business Statutory Income Statement for composite insurers, to section 24(6) composite insurers and to Special Purpose Insurers. Similar to revoking Form 6, the Authority is proposing that these insurers prepare General Business Statutory Income Statements (Form 2A) and Long-Term Business Statutory

Income Statements (Form 5) separately which will allow the Authority to better assess the profitability of an insurer's business.

2. **In Schedule II:**
    a. **Part IV Line 2(c)** "Dividends paid and payable" definition **- to remove** the reference "*that the dividends paid that was other than a cash dividend*" in order to provide greater clarity that all dividends should be deducted from statutory capital and surplus regardless if the dividend is cash or non-cash; and
    b. **Part V Line 17 - to include** a *note disclosure for discounting of reserves*, which is similar to the note disclosure that was in the Form 1 Line 17 which Class 1, 2 and 3 insurers previously reported, but was erroneously omitted when transferring the requirements to Form 1A Line 17.

Comments on the changes to the Regulations are invited by **10th November 2016** and should be sent to riskanalytics@bma.bm.