12th March 2012

NOTICE

QUARTERLY FILING REQUIREMENTS

The Bermuda Monetary Authority (the "Authority") wishes to clarify that quarterly filing requirements are only applicable to the following entities:

1. Bermuda insurance groups[1] (for which the Authority is the group supervisor) – Required under *paragraph 8(1)of the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011*; and
2. Insurers that are NOT members of a group for which the Authority is the group supervisor – Required under *paragraph 6AB(1) Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Rules 2008*.

An insurer that is a member of a group for which the Authority is the group supervisor is not required to file quarterly returns under the aforementioned Rules.

INTRA-GROUP TRANSACTIONS

The Authority further wishes to clarify the scope of material intra-group transactions with respect to:

1. Bermuda insurance groups: The intra-group exposures, as required under *paragraph 8(1)(b) of the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011,* must disclose material transactions between all members of the group.
2. Class 4 and Class 3B insurers that are NOT members of a group for which the Authority is the group supervisor: The intra-group exposures, as required under *paragraph 6AB(2)(b) of the Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Rules 2008*, must disclose

[1] Insurance group as defined under the Insurance Act 1978

material transactions between the insurer and other members of the group to which it belongs. That is, only those material intra-group transactions affecting a Bermuda licensed entity are to be reported.

The Authority will allow those insurers and insurance groups that are subject to the aforementioned quarterly filing requirements to report only those material intra-group transactions that have materialised since the most recent quarterly or annual returns prepared and filed to the Authority. For instance, if a transaction reported at year-end has not changed, or it has been reported in a previous quarter of the same year, then there would be no need to report again for the next quarter.

Should you have any questions or concerns with respect to the aforementioned, please contact the Authority at riskanalytics@bma.bm