



28 August 2020

NOTICE

CAPITAL MANAGEMENT OF BERMUDA, LTD

HAMILTON, BERMUDA – The Bermuda Monetary Authority (Authority or BMA) has successfully petitioned the Supreme Court of Bermuda to wind up Capital Management of Bermuda, Ltd (CMB) pursuant to section 35 of the Insurance Act 1978 (Insurance Act) and the provisions of the Companies Act 1981. CMB was registered as a Class C insurer on 15 September 2011 by the Authority.

Pursuant to the winding-up order of the Supreme Court of Bermuda dated 28 August 2020, Rachelle Frisby and John N Johnston of Deloitte Ltd. Corner House, 20 Parliament Street, Hamilton Bermuda were appointed as the joint provisional liquidators of CMB.

The Authority deemed it appropriate to petition to the Supreme Court to wind up CMB for several breaches of the Insurance Act:

- (i) Section 15– Failure to prepare accounts in respect of its insurance business (Statutory Financial Statements) from 2015 – 2019
- (ii) Section 15A – Failure to deliver a declaration to the Authority attesting that the insurer has complied with the requirements of that section for the years 2016 – 2019
- (iii) Section 16 - Failure to appoint an auditor to audit its Statutory Financial Statements
- (iv) Section 17 - Failure to file a copy of its Statutory Financial Statements with the Authority from 2015 – 2019

The Authority viewed the above breaches as serious because of their extent and duration, and no longer had confidence in the CMB’s ability to manage its affairs. The Authority’s actions highlight the importance of its role in protecting the reputation of the jurisdiction and protecting the interests of policyholders.

If anyone has any immediate questions related to the CMB or the liquidation going forward, please contact Rachelle Frisby at rachelle.frisby@deloitte.com or Susan Davis-Crockwell at sdcrockwell@bma.bm.