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## PRESS RELEASE

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### **Bermuda (Re)insurers Have Paid \$35 Billion to United Kingdom Policyholders since 2016**

HAMILTON, BERMUDA – The Bermuda Monetary Authority (Authority or BMA) completed its United Kingdom (UK) Data Claim Survey in June 2021, with the data showing that, during the five-year period from 2016 to 2020, Bermuda (re)insurers paid out US\$35.2 billion to UK policyholders and cedants for large catastrophes, property and casualty losses and life insurance claims.

Craig Swan, Deputy Chief Executive Officer, said, “The Bermuda and UK (re)insurance markets are vital to the supply of global risk capacity and are prominent in their own right. However, when these two markets converge, their synergy and complementary access produce outsized results that benefit the global economy. This can be seen by Bermuda (re)insurers’ supply of nearly half of Lloyds of London syndicates’ capacity in 2019<sup>1</sup>. The key role that Bermuda plays in the supply of risk capacity to the UK makes a notable contribution to a thriving London (re)insurance market.”

By contrast to the 2020 survey, the BMA’s 2017 survey<sup>2</sup> showed that, during the twenty-year period from 1997 to 2016, Bermuda (re)insurers paid out US\$36.8 billion to UK policyholders and cedants. These two surveys, when taken together, reveal that Bermuda (re)insurers have paid out over US\$65 billion to UK policyholders and cedants since 1997 and reflect the growing significance of the Bermuda (re)insurance market’s contribution to the UK over these two and a half decades. Moreover, the results display an increasing trend of annual loss payments to UK policyholders and cedants, with annual payments rising steadily from US\$5.2 billion in 2016 to US\$8.8 billion in 2020. The US\$35.2 billion in total losses paid is comprised of US\$25.7 billion relating to property and casualty insurance losses and US\$9.5 billion attributable to life insurance claims. Bermuda has embraced the role of being a global solutions provider in areas ranging from narrowing the protection gap arising from climate change to supplying capacity that populations around the world require for retirement. In alignment,

<sup>1</sup> <https://business.abir.bm/resources/Details/2021-abir-fact-sheet-8253>

<sup>2</sup> <https://www.bma.bm/news-and-press-releases/bermuda-reinsurers-pay-out-over-70-billion-to-eu-customers>

the UK is a key partner benefiting from the valuable capital based in Bermuda.

Gerald Gakundi, Director, Insurance Supervision, said, “The roughly US\$65 billion in UK losses paid since 1997 by Bermuda (re)insurers reflects the resilience of Bermuda’s (re)insurance market. This resilience is underscored in the results of a joint stress test exercise on natural catastrophes and economic scenarios for property and casualty insurers conducted by the BMA and the UK’s Prudential Regulatory Authority in 2019<sup>3</sup>. The ability of UK (re)insurers to cede risk to Bermuda enables diversification of risk globally, making the cost of buying insurance more affordable to policyholders and significantly lowering the insurance protection gap. The additional capital and sophisticated risk and asset management from Bermuda’s life reinsurance market continue to enable UK insurers to meet the promises made to their policyholders.”

This information comes from the BMA’s UK Data Claims Survey completed in June. The loss information includes both direct insurance and reinsurance, with 230 commercial (re)insurance companies responding to the survey. “The BMA is grateful to the companies that took part in the survey,” Mr. Gakundi said.

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<sup>3</sup> <https://www.bma.bm/pdfview/4300>