



16 December 2021

NOTICE

Insurance (Prudential Standards) (Class 4 and 3B Solvency Requirements) Amendment Rules 2022

The Bermuda Monetary Authority (Authority or BMA) proposes to amend the Insurance (Prudential Standards) (Class 4 and 3B Solvency Requirements) Amendment Rules 2022 (Rules) to make provision:

1. For the introduction of a new Schedule IVF “*Risk Exposure*” which requires Class 4 and 3B insurers to provide information to the Authority relating to risk exposures in respect of the number of subsidiaries, gross premium written, gross losses incurred, and reserve details during the financial period.
2. To amend the quarterly reporting requirements to include Enhanced Capital Requirement ratio, Commercial Insurers Solvency Self-Assessment requirement, Bonds by Bermuda Solvency Capital Requirement rating, and details of catastrophe risk exposure during the quarter.

The Authority proposes these amendments to become effective as of 1 July 2022.

Comments to the proposed amendments to the Rules are invited by 16 January 2022 and should be submitted to riskanalytics@bma.bm.

INSURANCE (PRUDENTIAL STANDARDS) (CLASS 4 AND CLASS 3B SOLVENCY REQUIREMENT) AMENDMENT RULES 2022

The Bermuda Monetary Authority, in exercise of the powers conferred by section 6A of the Insurance Act 1978, makes the following Rules:

Citation

1 These Rules, which amend the Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Rules (principal Rules) may be cited as the Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Amendment Rules 2022.

Amends Paragraph 6

2 Paragraph 6 of the principal Rules is amended in subparagraphs (1), (2) and (2A) (b) by inserting the reference “IVF,” after “IVE” where it occurs.

Amends Paragraph 6AB

3 Paragraph 6AB of the principal Rules is amended by inserting after subparagraph (2)(b) the following:

- “(c) Enhanced Capital Requirement ratio for the financial quarter;
- (d) Commercial Insurer Solvency Self-Assessment requirement for the financial quarter;
- (e) Total quoted bonds and total unquoted bonds allocated by Bermuda Solvency Capital Requirement Rating for the financial quarter;
- (f) Provide details of the catastrophe event that occurred during the reporting period. A qualifying catastrophe event is defined as the occurrence of a catastrophe by an approved catastrophe modelling firm that has publicly estimated industry insured losses from the catastrophe at US\$5 billion or more, or by any event that the Authority has prescribed.”

Inserts Schedule IVF “Schedule of Risk Exposure”

4 (1) The principal Rules are amended by inserting the new Schedule IVF “*Schedule of Risk Exposure*” after Schedule “IVE”.

(2) The Schedules inserted by this paragraph shall be published separately on the website of the Authority at www.bma.bm.

SCHEDULE OF RISK EXPOSURE

**SCHEDULE IVF
(Paragraph 6)**

[blank] name of insurer

As at [blank] (day/month/year)

All amounts expressed in (currency used)

1. Provide jurisdiction of the ultimate parent company of insurer:
2. All insurers shall provide the following information for the reporting period:

	Location	Number of Subsidiaries	Gross Premium Written (GPW) - Property Catastrophe	GPW – Other Lines other than Property Catastrophe	Reinsurance Retroceded to Bermuda Cedants	Reinsurance Retroceded to Other Cedants	Net Premium Written	Gross Incurred Losses	Gross Reserves at Year-End
1	Austria	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2	Belgium	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3	Bulgaria	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
4	Croatia	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
5	Cyprus	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
6	Czech Republic	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
7	Denmark	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8	Estonia	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9	Finland	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
10	France	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
11	Germany	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
12	Greece	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
13	Hungary	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
14	Ireland	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
15	Italy	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
16	Latvia	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
17	Lithuania	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
18	Luxembourg	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
19	Malta	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
20	Netherlands	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
21	Poland	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
22	Portugal	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
23	Romania	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
24	Slovakia	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
25	Slovenia	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
26	Spain	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
27	Sweden	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
	Sub Total European Union	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
28	Bermuda	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
29	United Kingdom	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
30	Switzerland	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
31	United States of America	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
32	Canada	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
33	China	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
34	Japan	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
35	Hong Kong	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
36	Australia	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
37	All Other Locations	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
38	Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

Instructions to Schedule IVF

- (a) “Location” shall be based on the location of the risk being underwritten. If the location of risk being underwritten is not available, then insurers are to allocate based on the location of the cedant;
- (b) The “number of subsidiaries” refers to the number of subsidiaries licensed within the jurisdiction;
- (c) All amounts shall be reported on a consolidated basis only.