CLASS D and E – Filing Requirements for the 2025 financial year-end

Filing requirements for the 2025 financial year-end for Class D and Class E (re)insurers			
	ITEM	***REFERENCES***	***DETAILS***
1.	**Regulatory Submission**		The Bermuda Monetary Authority (Authority or BMA) would like to notify Commercial Business Insurers (Class D and Class E insurers) that they are now required to be registered and provide regulatory submissions using the Submit Portal ("Submit" or submit@bma.bm) in relation to: 1. Applications and notifications as per the Insurance Act 1978 and the Prudential Rules; 2. Quarterly financial returns; and 3. Annual regulatory returns The Authority would like to remind registrants that submissions in related to new Licensing and Deregistration applications are to continue to use the *Authorisations_eApplications* inbox at authorisations_eapplications@bma.bm. Any questions in relation to the Submit portal are to be sent to submit@bma.bm.
2.	**Statutory Financial Return (SFR)**	a. Section **15 to 18** of the Insurance Act 1978 (Act) b. Insurance Account Rules 2016	The SFR includes: a. Insurer Information Sheet b. Auditor's report c. Statutory Financial Statements Form 1SFS, Form 2SFS, Form 8SFS (including notes to the unconsolidated financial statements) d. Statutory Declaration of Compliance **NOTES:** 1. The SFR should be **filed within four months** after the end of the financial year or longer period, not exceeding seven months, as the BMA may determine on the application of the insurer; 2. The SFR may be reported in any currency that the insurer deems appropriate; 3. If an insurer has no investments in affiliates as reported on line 4 of the unconsolidated statutory financial statements, the insurer may select "No Subsidiaries" in the Company Information tab and complete the amended consolidated BSCR model; 4. The Insurer Information Sheet and Statutory Financial Statements are included in the BSCR model and the Authority does not require a separate submission of these; and 5. Notes are only required for the Unconsolidated Statutory Financial Statements, which are included in Form 1SFS of the BSCR model

3.	**Capital and Solvency Return (CSR)**	a. Section 6A of the Act b. The Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirement) Rules 2011 c. Insurance (Eligible Capital) Rules 2012 d. Section **15A** of the Act e. Insurance (Public Disclosure) Rules 2015 f. Guidance Note Actuary's Opinion on EBS Technical Provisions – December 2017	The CSR includes the BSCR and associated Schedules plus any supporting attachments (or where applicable, an approved internal capital model), specifically: a. Capital and Solvency Declaration b. AML Questionnaire – (for direct long-term insurers only) c. Sanctions – (for all insurers) d. BSCR Schedules - Form 4EBS, and Schedules II to VIIIA and Schedules XVIII to XXI e. Commercial Insurer Solvency Self-Assessment (CISSA) – Schedule IX f. Eligible Capital - Schedule XII g. Commercial Insurer Risk Assessment (Operational Risk) h. Schedule of Regulated Non-Insurance Financial Operating Entities – Schedule XVI i. Schedule of Solvency – Schedule XVII j. Financial Condition Report (FCR) k. Actuary's Opinion (on the EBS Technical Provisions) l. Alternative Capital – Schedule V(m) m. Lapse, Liquidity and Scenario Based Approach (LLSBA) template **NOTES:** 1. The CSR may be reported in the currency the insurer deems as appropriate. 2. The CSR should be **filed within four months** after the end of the financial year or such longer period, not exceeding seven months, as the Authority may determine on the application of the insurer. 3. **Declaration** of capital and solvency return should be signed by two **directors** and the insurer's **principal representative**. 4. The FCR should be signed by the i) chief executive of the insurer and any ii) senior executive responsible for actuarial, risk management, internal audit or compliance function. The FCR is to be published on the insurer's website within 14 days of the date the report was filed with the Authority. If an insurer does not have a website, the insurer is must provide the public with a copy of its latest FCR within 10 days of receipt of a request made in writing. 5. Alternative Capital is defined as "Insurers that conduct business that is financed by a mechanism other than shareholders' capital of the (re)insurance company. This may take various forms such as catastrophe (cat) bonds, industry loss warrants, sidecars, collateralized reinsurers, longevity and mortality bond/swaps, hybrid securities such as preference shares, swaps, and contingent capital such as letters of credit, among others." If insurers have such capital arrangements, insurers are to complete Schedule V(m) of the BSCR model.

4.	**Updated CSR Calculation for 2019 Year-End and 2024 Year-End Methodologies**	a. The Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirement) Rules 2011	**NOTES:** For the 2025 year-end, insurers are required to complete the BSCR based on the 2018 year-end methodology, the 2019 year-end methodology and 2024 year-end methodology for the CSR calculation (these methodologies are included in the latest release of the BSCR model) If an insurer wishes to determine their capital charge based on the 2024 year-end methodology only, insurers are required to apply for permission via email request to RiskAnalytics@bma.bm.
5.	**Audited Financial Statements**	a. Section 17A of the Act	**Additional financial statements prepared in accordance with GAAP** Such financial statements shall be prepared in accordance with any one of the following standards or principles — a. International Financial Reporting Standards (IFRS); b. Generally Accepted Accounting Principles (GAAP) that apply in Bermuda, Canada, the United Kingdom or the United States of America; or c. Such other GAAP as the Authority may recognise. Every insurer shall file with the Authority a copy of the **audited financial statements** prepared under this section (together with the notes to those statements and the auditor's report thereon) **within a period of four months** from the end of the financial year to which the financial statements relate or such longer period, not exceeding seven months, as the Authority may determine on the application of the insurer. **17A (6) The Authority shall cause to be published in such manner as it considers appropriate a copy of every audited financial statement filed with it under subsection (5) together with the notes to those statements and the auditor's report.**
6.	**Quarterly Financial Return**	a. The Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirement) Rules 2011	Every insurer, where the insurer is not a member of a group for which the Authority is the group supervisor, shall prepare and file quarterly financial returns to the Authority on or before the last day in the months of **May, August** and **November** of every year. An insurer's quarterly financial return shall comprise the following – a. Quarterly unaudited financial statements in respect of its business for each financial quarter - shall minimally include a balance sheet and income statement (on a consolidated statutory basis). b. Intra-group transactions that the insurer is a party to and the insurer's risk concentrations including: i. Details of material intra-group transactions that have materialised since the most recent quarterly or annual financial returns prepared and filed, as the case may be, to the Authority by the insurer; ii. Details surrounding all intra-group reinsurance and retrocession arrangements, and other intra-group risk transfer insurance business arrangements that have materialised since the most recent quarterly or annual financial returns prepared and filed, as the case may be, to the Authority by the insurer; and iii. Details of the ten largest exposures to unaffiliated counterparties and any other unaffiliated counterparty exposures or series of linked unaffiliated counterparty exposures exceeding 10% of the insurer's statutory capital and surplus. c. Enhanced Capital Requirement ratio; and d. Total Quoted Bonds and Unquoted Bonds by BSCR rating;

Bermuda Long-Term Commercial Insurers

Changes to the 2025 BSCR Model

Below are the changes from the 2024 to 2025 year-end model for Long-Term insurers:

1) Regulatory submission – for the 2025 year-end and beyond, the Authority is requesting all insurers file their regulatory using the SubmIT portal at https://submit.bma.bm. If any issues or inquires with this application, please contact submit@bma.bm ;

2) Attachments – for the 2025 year-end and beyond, the Authority is requesting all insurers to include all regulatory attachments as attachments within the SubmIT portal (previously attachments were included in the BSCR model using the attach macro). This enhancement will assist in resolving data corruption and file issues encountered when attaching with the BSCR model;

3) Data Validation – the Authority has enhanced the 2025 YE return by the inclusion of a comprehensive data validation checks found on the tab "DV Dashboard" which provides a Score of the data accuracy and validation checks within the BSCR model. These checks are informative purposes only and will not prevent filing submission;

4) Bermuda Corporate Income Tax Exposure – including in the 2025 year-end model is a new schedule which the Authority is requesting insurers to complete in relation to their exposure of the new Bermuda Corporate Income Tax (if applicable);

5) Bermuda Named Rating Agencies – the Authority has updated its listing of named rating agencies, please refer to the updated listing in Insurance Handbooks in the section for 'Schedule of Fixed Income and Equity Investments by BSCR Rating';

6) Lapse, Liquidity & Scenario Based Approach (LLSBA) template – the Authority would like to confirm that for the 2025 year-end, all long-term insurers are to complete the revised LLSBA template within the SubmIT application. The template and instructions will be made available shortly;

7) Public Disclosure of Assets and Liabilities - In December 2024, the Bermuda Monetary Authority issued a Consultation Paper entitled Proposed Enhancements to Public Disclosure Regime: Public Disclosure of Assets and Liabilities for Commercial Long-Term Insurers. The Authority is now advancing this initiative in accordance with the proposals outlined in the consultation paper.

   The legislative process required to enable the collection and public disclosure of assets and liabilities information is currently being finalised. The Authority continues to target an effective date of 31 December 2025, which will require inclusion of the relevant information in the 2025 year-end filing.

The prescribed disclosure template will be published on the BMA's website during Q1 2026;

Additional Guidance

i) Insurers that write long-term business shall select the valuation basis on the "Insurer Information" tab by choosing "Standard Approach", "Scenario-Based Approach" or "Both".

ii) "Information Sheet" tab paragraph (e) Filing Period – ensure that the filing period start date has been completed and is correct. Note that this will affect the transition rate for the BSCR calculation;

iii) "Information Sheet" tab paragraph (g) Multiplier Exchange/Translation Rate to Bermuda Dollars – ensure that the exchange rate has been completed. Note for insurers that report in currencies other than the Bermuda Dollar or United States Dollar, that the exchange rate to report is the rate to convert the figures to Bermuda Dollar / United States Dollar. For insurers reporting in Bermuda Dollar or United States Dollar, enter 1.000.
For example, if an insurer reported in Canadian Dollars with an exchange rate of CAD to BMD of 0.7657 and BMD to CAD of 1.3060.
the exchange rate to report in paragraph (g) would be 0.7657

iv) "Information Sheet" tab paragraph (m)(iv) – the Authority would like to advise that in relation to paragraph (m)(iv) a qualified opinion would not include qualifications for reporting its financial statements as condensed general purpose financial statements.

v) Investment reporting – the Authority would like to remind all commercial insurers are required to provide on an unconsolidated basis their Investment by BSCR Rating on Schedule II and unconsolidated Funds Held on Schedule IIA, which reconciles to statutory balance sheet.

vi) Underwriting reporting – the Authority would like to remind all long-term insurers whom report IFRS 17 that on:
   a. Schedule IV(f) Schedule of Exposure of Risk - Gross Reserves, and Claims & Benefits Paid are to be reported on a best efforts basis using the IFRS 4 principles.
   b. Schedule VII Schedule of Long-Term Insurance - Net Reserves are to be reported on a best efforts basis using the IFRS 4 principles.