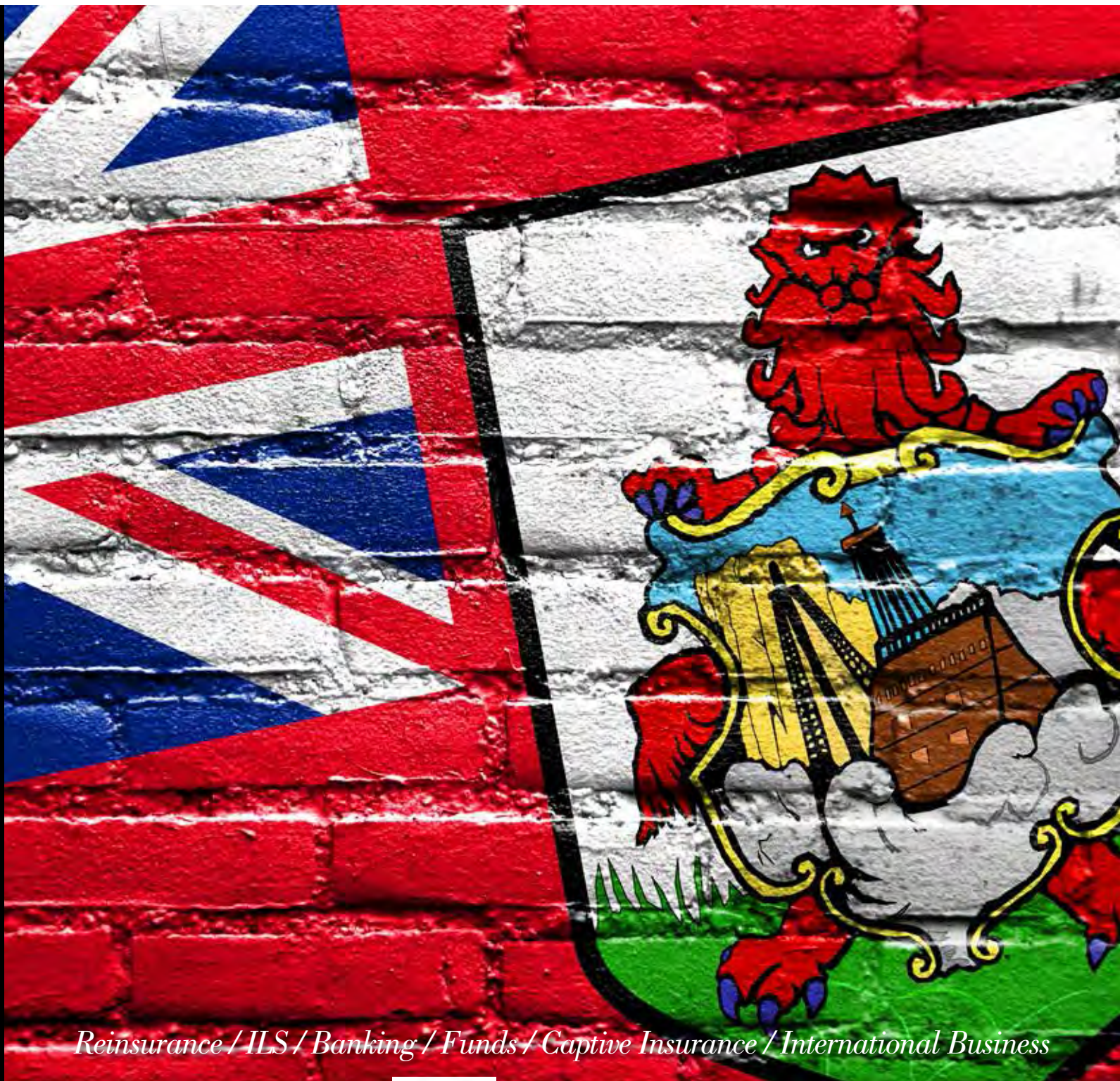


2015

BERMUDA FINANCE

TWO THOUSAND AND FIFTEEN



Reinsurance / ILS / Banking / Funds / Captive Insurance / International Business



APPLEBY





A PERFECT COMBINATION

The Bermuda Business Development Agency pulls out all the stops to help businesses achieve their goals, working with regulatory officials and key contacts in the Bermuda government, as Ross Webber, the agency's chief executive officer, describes.

Innovation has long been the true currency of Bermuda and that has never held so true as in today's rapidly shifting marketplace. At a time when the regulatory landscape is evolving in tandem with the globalisation of national economies, only those jurisdictions transparent, agile, and responsive enough to foresee change and then adapt appropriately will survive intact.

Bermuda is a trailblazer in this respect, forging its niche in the respected top tier of compliant international financial centres. That should come as no surprise, for we have a recognised track record of 'firsts'. Our history chronicles the world's first captive insurers, the first true excess liability carriers, the first prop cats and cat bonds. We were the first offshore jurisdiction to make the white list of the Organisation for Economic Cooperation and Development (OECD), demonstrating our regulatory leadership.

The world's insurance capacity crunch of the 1980s was solved in Bermuda and alternative risk-financing is now forging the future. Our domicile has proven a dynamic little foundry for corporate engagement, and Bermudians appreciate the fact that creative business minds know they will find good karma here.

At the Bermuda Business Development Agency (BDA), we work as a catalyst for that karma. We do so, first, by supporting established business on the Island—from law firms and asset managers to global

reinsurers. We seek their insights and plan strategy via industry focus groups, and collaborate with government and the regulator to push for legislative updates or lobby efforts that position the Island at the top of its game. Simultaneously, our agency seeks out new companies, sectors and startups that could benefit by basing themselves in this uniquely high-achieving jurisdiction.

We take a united and thoughtful 'Team Bermuda' approach to tackling complex issues around the Alternative Investment Fund Managers Directive, anti-money laundering/anti-terrorist financing, the Foreign Account Tax Compliant Act, Solvency II and other regulatory initiatives. That means working closely with the Bermuda Monetary Authority, the Ministries of Finance and Economic Development and industry partners to ensure Bermuda's stellar reputation is understood worldwide.

We're justifiably proud of the 80 treaty partnerships and 41 tax information exchange agreements Bermuda holds with nations around the globe, and the fact our domicile is considered a leader on tax transparency issues by the US Departments of Justice and State, the US Treasury, the OECD, the Financial Action Task Force, and G20 nations.

An incubator for success

So what makes the Island such a petri dish of success? A perfect combination of elements. Bermuda offers a one-stop shop of sophistication, infrastructure, robust regulation and world-class expertise, not to mention an ideal location to easily manage various market time zones. No wonder, then, that Bermuda has become an incubator for top corporations and industry visionaries to grow their pioneering ideas.

Access to an unrivalled pool of intellectual capital in just a few square blocks of the City of Hamilton ensures doing business is ultra-convenient—and the BDA pulls out the stops to facilitate those vital connections. We streamline things. We help businesses navigate necessary channels and forge productive links with industry professionals, regulatory officials and key contacts in the Bermuda government.

The result benefits Bermudians and the corporate entities that call Bermuda home. What is perhaps less known is the positive impact our tiny country has on the global economy. According to a 2015 report commissioned by the government from Washington DC-based economist Charles Ludolph, Bermuda supports an estimated 500,000 jobs worldwide—including 70,000 in the UK and 330,000 in Canada and the US—through trade, foreign direct investment and portfolio investment capacity. Indeed, Bermuda stood out among its peers and other advanced economies, the report found, for the size and geographical reach of its economy based on its large captive insurance and reinsurance industry, rapidly expanding stock exchange, and its shipping industry.

Bermuda is the largest supplier of cat reinsurance to US insurers. Over the past decade, Bermuda-based companies have contributed \$35 billion in

“Access to an unrivalled pool of intellectual capital in just a few square blocks of the City of Hamilton ensures doing business is ultra-convenient.”

payment of catastrophe claims to US clients, including 9 percent of 9/11 claims and 30 percent of insured losses from the US Gulf storms such as Hurricanes Katrina, Rita and Wilma. Our market also contributes more than a quarter of capacity for Lloyd's of London—a total of £6.6 billion.

Increasingly, Asian interests are also looking to Bermuda for financial solutions. Between 2007 and 2013, the Island experienced \$50 billion in two-way trade with the US, Canada, UK, Germany, France and China, including Hong Kong and Singapore.

“For Chinese investors, Bermuda is a preferred jurisdiction that provides more developed company law and dispute resolution,” according to the Ludolph report. That trend is being felt across industry sectors. In 2015, a new healthcare insurance vehicle was established by Guangdong Wing Yue Investment Co, and Panda Re was listed on the Bermuda Stock Exchange (BSX)—the first China catastrophe bond set up on the Island.

It is worth highlighting the latter as yet another example of an area in which Bermuda has been an incubator for a novel business approach. All eyes these days are on the burgeoning ILS trend, which has revolutionised the risk transfer industry and can no longer be considered 'alternative'. A record \$17.5 billion-worth of cat bonds, sidecars and reinsurance investment funds were listed on Bermuda's exchange as of June 2015, closing in on 70 percent of the world's capacity. At least \$3 billion more in such listings is projected by year-end.

If those statistics aren't enough to prove that Bermuda punches far above its weight economically, we look to the 2017 America's Cup to raise our global profile even higher. Like Bermuda's other 'firsts', our hosting of this pinnacle sporting event marks the first time the regatta is being held in international waters by choice over necessity.

We're more than pleased to set that precedent. The next couple of years promise to showcase our jurisdiction's tangible and sometimes not-so-obvious strengths to worldwide audiences, and both the economic and public awareness benefits could be substantial.



BDA

BERMUDA
BUSINESS
DEVELOPMENT
AGENCY

BERMUDA A WORLD-CLASS FINANCIAL CENTRE

Visionary industry leaders. Sophisticated infrastructure. A hub of talent, experience and innovation. Bermuda is a blue-chip financial centre built on globally respected regulation. We're home to a 400-year-old judicial system, capital markets expertise, and more than 60 percent of the world's insurance-linked securities listings—just two hours from New York, with daily flights to Miami, Toronto and London. **Learn more at bda.bm**

Connecting Business



Maxwell Roberts Building, 6th Floor
1 Church Street
Hamilton HM 11
Bermuda

+ 1 441 292 0632
info@bda.bm
www.bda.bm