



SOCIETY OF ACTUARIES

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Bermuda Update

by Michael Gabon and Philip J. Bieluch

Regulations are changing in Bermuda. All insurance regulatory authorities are being reviewed as part of an international initiative on insurance regulation. The regulatory review is done through the International Association of Insurance Supervisors (IAIS) and the International Monetary Fund (IMF). Bermuda has undergone an initial review by the IMF and is in the

process of making some changes and clarifications to the regulatory procedures. Under these new requirements, the Bermuda regulatory authority will become more proactive in reviewing and monitoring Bermuda insurers. The Approved Actuary's Opinion is crucial to the regulatory process, and requirements are more formal, have greater depth and breadth, and must be unqualified.

“Outlined below are companies recently forming and exiting/in run off, existing companies expanding their life reinsurance operations, and companies rumored to be forming.”

Companies forming more recently:

Name	Type of Business	Approx. Initial Capital	Notes
Citi Insurance Reinsurance (Bermuda) Ltd.	unknown	unknown	unknown
Global Life Ltd.	unknown	\$100 million	unknown
Catalyst Re	variable annuity guarantees	unknown	parent constitution Re/Soc Gen
Manulife	universal life product for worldwide (non-U.S.) distribution	unknown	recently established a Bermuda operation
MassMutual	unknown	unknown	recently established a Bermuda operation
NF Reinsurance Ltd.	unknown	unknown	unknown
Northstar Reinsurance Ltd.	unknown	\$100 million	unknown
Quanta Life Reinsurance Ltd.	finite/structured multi-line	parent \$100 million	unknown
Transamerica	annuity reinsurance	acquisition of Global Preferred Holdings Ltd.	owned by Aegon (as is Transamerica)
Wilton Re Bermuda	life reinsurance	approx. \$600 million	parent (also Bermuda)

Companies exiting / in run-off:

Annuity & Life Re	in run off
Centre Re	in run off
Global Preferred Holdings Ltd.	by acquisition sold itself to Aegon/reinsured annuities written by a producer group
Hampton Re Limited	in liquidation

Insurance Admissions Committee

The Insurance Admissions Committee meets on Friday mornings to review applications for new insurance companies. The two life actuaries who sit on the committee are John Rayner of Abbott & Assoc. and Michael Smith of Wilton Re Bermuda Ltd.

Existing reinsurers expanding their life reinsurance operations in the business include:

- **Ace Tempest**, currently underwriting variable annuity guarantees reinsurance, existing company, wanting to enter new product line
- **XL, Life Reinsurance**, existing company, recently emphasizing life side

Several reinsurers are rumored to be setting up in Bermuda including:

- **Boston Re**, a subsidiary of CSFB to write variable annuity guarantee reinsurance
- **Fenimore Re** is rumored to be setting up by former Centre Re employees to reinsure blocks of Centre Re business.

- **Goldman Sachs** is rumored to be setting up a subsidiary to write VA death and living benefit guarantee reinsurance
- **Lennox Re** is looking for capital to write VA guarantee reinsurance

Bermuda is the venue of choice for companies setting up a reinsurer to securitize Guideline XXX business.

The following life actuaries have been named to senior positions of non-life companies:

Gregory E A Morrison
President & CEO, Platinum Underwriters (BM) Ltd

John F Mulholland
Co-CEO, Independence Re

Miodrag Novakovic
Vice-president, Underwriting, Catlin Insurance Co Ltd □



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