
Bermuda 'confident' in regulating reinsurers

By Editorial Staff Thu, Jun 16, 2022

Bermuda Premier David Burt responded to concerns of US Sen. Sherrod Brown (D-OH) about Bermuda's oversight of the \$707 billion of life insurance and annuity assets reinsured on the island, according to a news report.



Bermuda's premier told a Risk.net reporter this week that the Bermuda Monetary Authority (BMA) had addressed the concerns of Sen. Sherrod Brown (D-OH) and investigated the activities of insurers and reinsurers owned by private equity (PE) firms on the island.

The investigation turned up nothing. "We have examined these particular issues," Bermuda's premier David Burt said. "We are confident that we are regulating these companies appropriately."



David Burt

But Burt did not provide any documentation of an investigation by the BMA, which regulates \$707 billion of life insurance assets reinsured on the island, according to Risk.net.

It was not clear why Bermuda authorities responded to a query that Brown sent in March to the National Association of Insurance Commissioners (NAIC) and the Federal Insurance Office.

Brown, the chairman of the Senate Banking, Housing and Urban Affairs Committee, inquired about the growing role of private equity firms in the life/annuity industry. The

NAIC responded on May 31 to Brown's request, and described the state-based oversight of private equity firms in the US insurance industry as adequate and effective.

Regarding Bermuda, "Insurers reinsured an additional \$163 billion of pension and annuity assets on the island in 2020, the biggest annual influx of new business in a decade, according to the BMA's latest annual report published on June 13. For the first time, life insurance assets reinsured on the island overtook assets under management held against property and casualty policies. In another first, capital held against pension and annuity business climbed above \$100 billion," according to Risk.net.

Much of that growth has come from private equity owned insurers. Apollo Global Management was the first to spot Bermuda's potential. It set up Athene Life Re, the reinsurance arm of its in-house insurer Athene, in 2009.

© 2022 RIJ Publishing LLC.