

Live and work in **BERMUDA**

The beautiful island nation is positioning itself as the perfect base for top professionals seeking to embrace the emerging trend of home working



SHUTTERSTOCK: KLAUS NEUENDORF

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Modern financial hub sets benchmark for work/life balance

Blending a great climate with social and political stability, Bermuda is the dream destination for remote workers



When the stunning island of Bermuda proudly states it is “different”, the famous British territory is not just referring to its rare, pink sand beaches, but its enviable political, economic and social stability, strong transparency, ease of doing business, excellent transport links and communications infrastructure and favorable geographical position near the U.S.

Like regional counterparts and far larger economies, Bermuda has been hit hard over the past 18 months by the COVID-19 pandemic—although the nation is less reliant on tourism revenue than in previous decades, given its significant insurance and financial services industry. However, unlike many other countries, Bermuda's small size and agility have actually been one of its greatest strengths. The recently reelected pro-business and investor-friendly government has been quick to roll out vaccine programs and introduce measures to curb the spread of the virus.

Boasting one of the highest Real Gross Domestic Product (Real GDP) per capita in the world, Bermudian officials attribute much of this success to a robust financial services sector that has allowed the country to build an outstanding global reputation. Once the risk capital of the world, Bermuda is now also known as the “Silicon Valley of the Atlantic” courtesy of its strong and attractive legislative framework that has paved the way for a vibrant ecosystem, one in which Fintech and blockchain companies can thrive.

To help persuade more remote workers to move to the country, the government created the innovative “Work from Bermuda Certificate”, which allows executives and students to work and study for up to a year. “A blue-chip destination with business infrastructure, contemporary culture and healthy, luxurious island living awaits,” the program's organizers promise.

According to David Burt, Premier of Bermuda, when professionals decide to analyze and compare different jurisdictions, they will almost certainly settle on Bermuda due to its “perfect mix of location, climate, stability and infrastructure that allows companies to excel”. He explains: “Because of COVID-19, there is going to be an economic reset for the entire world,

including in Bermuda.

“We are changing the way our country is positioned in the world. Bermuda's economy has been one where companies can come and set up, however, we want to be more of a place of substance. Our substance already exists in the insurance industry, for example, where we have many businesses and people who form part of the industry. We want all our economic sectors to also have this substance and be impressive on an international level.”

His government is now working on a long-term plan designed to transform the economy and future strategic direction. Bermuda has historically been conservative, but is looking to change this approach by encouraging development with new residency opportunities. “We want to transform our

“We want Bermuda to be a place where one can come to live and not just a transit country. We would like to see more long-term tourists versus short-term visitors.”

David Burt, Premier of Bermuda

country into a place of year-round residency,” Premier Burt explains. “We are looking into construction projects that will spur developments. We have changed our laws inside the city, including the property ownership law. We want Bermuda to be a place where one can come to live rather than just serve as a transit country. We would like to see more long-term tourists versus short-term visitors. We need to ensure we build massive capacity.”

And the charismatic leader's final message to potential investors and businesses? “We support economic investments as our long record shows. There is regulatory and legal certainty, companies set up in Bermuda are not just here for tax purposes. In fact, many of the U.S. businesses established here still elect to be U.S. taxpayers. They are not here simply for the tax benefits, but the overall regulatory environment.”

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The ‘Bermuda Angle’ attracts only the brightest and the best

SHUTTERSTOCK: NICO EL NINO



A respected conduit for business and investment, the Bermuda Business Development Agency is a crucial cog in the economic engine

With the pandemic accelerating the trend of greater remote working, COVID-19 is certain to have a long-term impact on the way businesses of all sizes and in many sectors choose to function, especially those that see the move to “virtual” operations appearing inevitable.

As a global leader in insurance services, Bermuda needs to ensure it can expand and diversify accordingly, so as to attract more types of financial services. The nation has overhauled key legislation to optimize its rich potential and maximize investment opportunities. “We are not quite Silicon Valley yet, although that’s our aspiration,” states Curtis Dickinson, Minister of Finance of Bermuda. “We started several years ago on this journey toward setting up the framework where Fintech and digital technology can thrive. Given our relatively small size and our regulatory environment and political stability, we are best placed to be an incubator for innovation.

“We are promoting Bermuda as a welcoming environment for people in the Fintech space, who are interested in innovating in the financial services industry. That certainly has grown from beyond Fintech, now to include Insuretech and Regtech. The application of blockchain technology is to make the operations of these businesses and industries more efficient and more accessible by customers. We have had great growth in this space and there is still a lot to come.

“We are well positioned to attract talent, innovation, entrepreneurs and investors to come do what they do best from the most beautiful location in the world.”

Steve Weinstein, Chairman, BDA

“We continue to work with our regulator—the Bermuda Monetary Authority (BMA)—to refine the regulatory regime, to ensure we are keeping pace with worldwide developments. We need to stay focused in order to ensure that Bermuda is top of the list for entrepreneurs looking to tap onto those opportunities in the financial services world.”

Bermuda’s long-established, extensive and dynamic financial services industry has done far more than generate billions of dollars a year in revenue and employ thousands of highly skilled workers from around the world, it has put the country on the international business map and given it a

head start in the global shift to remote working. When it comes to insurance and reinsurance, Bermuda has an unrivaled capacity, a wide choice of products, diverse range of securities, expertise, specialty service providers and an astute regulator, that understands the needs of the market better than any other. The BMA has more than 50 years’ experience in regulating, overseeing and enforcing this key pillar of the national economy, with the industry watchdog helping to convert obstacles into opportunities for progress, with its various solutions for current and future challenges among the tasks handled by Deputy CEO, Craig Swan.

“Bermuda has a history of expanding its capabilities to make space for a wider array of financial services participants,” he says. “Our lead captive position has undoubtedly been reinforced by our rank as one of the three largest reinsurance centers globally. The BMA further secured Bermuda’s pioneering reputation by positioning Bermuda as ground zero for all things related to Insurance-Linked Securities (ILS). For over 20 years, we have worked with and balanced the views of underwriters, policyholders and capital providers to build a robust, progressive framework of oversight and supervisory practices, fostering the sector’s growth and innovation in a pragmatic way while focusing on protecting policyholders. Bermuda has an appetite to adapt and intentionally innovate.”

Wealth of investment and business opportunities waiting to be tapped

Helping the country punch well above its weight in competitive international markets and sectors is the Bermuda Business Development Agency (BDA). The award-winning entity strives to promote the country as a well-respected and successful financial center recognized for worldwide standards of compliance, regulation, transparency and infrastructure.

The BDA works to connect investors and business people to industry professionals, regulatory officials, and key contacts throughout the nation. BDA Chairman, Steve Weinstein, explains that by combining the country’s strategic location, excellent infrastructure and human resources, the island has become a blue-chip jurisdiction with a deep talent pool of highly qualified professionals working across multiple industries.

“We are well positioned to attract talent, innovation, entrepreneurs and investors to do what they do best from the most beautiful location in the world,” he comments. “At the same time, some of our traditional economic pillars may face pressure due to these technology options, but Bermuda can



SHUTTERSTOCK: DENIS BURDIN



SHUTTERSTOCK: NICKOLYA

counteract these potential adverse impacts by continuing to support existing world class sectors and by attracting new entrepreneurs and investors.”

The BDA is also responsible for the formation of viable new business in key markets and across multiple industries, notes CEO, Roland Andy Burrows, who is excited about the country’s prospects. “The Bermuda market has never been more vibrant than right now in terms of its human capital skillset,” he says. “Bermuda’s core competencies have never been more relevant to the world’s problems than at this moment. Combined with our regulatory apparatus, which is robust, sophisticated and respected around the world, the raw materials that Bermuda has to offer have never been more valuable to a financial services or tech investor, sponsor or entrepreneurial manager team. There is no allocator of capital within the insurance sector that does not already understand the value proposition of Bermuda.”

The dynamic business executive is eager to push Bermuda even closer to the top of blue-chip companies’ and top investors’ jurisdictions of choice, with initiatives like the “Work from Bermuda Certificate” playing a part. The program enjoyed a strong finish to 2020, with hundreds of applications approved. “Despite the pandemic, Bermuda has remained open for business. It has not been easy, but we have reinforced our reputation for operational resilience. We welcomed new firms, capital and investors during 2020 and this continued into 2021, despite all of those challenges.”

Launched in early 2020, the “Economic Investment Certificate” (EIC) complements existing residency and work permit options by granting res-

idency rights for five years. Individuals are required to invest a minimum of \$2.5 million in certain Bermuda industries, sectors, charities, or government programs. “This approach supports greater direct economic impact on Bermuda’s economy and workforce,” Burrows explains. “After five years, EIC recipients are eligible to apply for the full “Residential Certificate” for the right to reside in Bermuda indefinitely.”

“There is no allocator of capital within the insurance sector that does not already understand the value proposition of Bermuda.”

Roland Andy Burrows, CEO, BDA

According to his BDA colleague, Bermuda is well-positioned to play a meaningful global role across a range of industry verticals, especially the increasingly pressing needs of climate risk finance. Given his involvement with the Bermuda Institute of Ocean Sciences (BIOS), Weinstein has first hand experience of the development of the use of data analytics and advanced oceanographic abilities to characterize climate phenomena.

“Not only is Bermuda the best place in the world to domicile climate risk-focused businesses, it’s also one of the best places to study the effects of climate change. BIOS is the world’s only custodian and proprietor of an extremely important series of ocean measurements.”

Attractive investment climate benefits from streamlined support services



Bermuda’s legal framework, one of U.K. common law, is one of the oldest legal systems in the world



Stunning sandy beaches and cloudless skies are complemented by a warm welcome



The country’s political system is a parliamentary representative democratic dependency



A new initiative allows executives and students to work and study for up to a year



Bermuda’s well regarded education system comprises schools, colleges and universities

Thriving financial services sector offers investors lucrative returns

SHUTTERSTOCK: VIKTORIA HNATILUK



A magnet for many of the leading players in the vast insurance sector, Bermuda's well-regulated industry remains ripe for growth

Often referred to as “the biggest small place to visit”, Bermuda's growing presence on the world's financial stage is underlined by the impressive number of ILS listed on the Bermuda Stock Exchange (BSX), with the figure increasing by nearly two-thirds in just one year.

“BSX will continue to support our key asset classes and actively provide support to existing or new industries by providing an internationally recognized stock exchange platform for their capital formation and listing needs,” states a delighted BSX President & CEO, Greg Wojciechowski. “Areas of our focus will be the ILS asset class, trading of insurance risk, building momentum in the listing of international debt securities and working alongside stakeholders as Bermuda seeks to deploy a regulated and well-respected commercial platform for digital asset securities.”

Wojciechowski highlights competitive advantages like the level of sophistication of the jurisdiction, regulatory reputation, innovation and the proximity to key gateway financial services centers for its success. “Bermuda stands out for options in the risk transfer spectrum, including ILS, which is why we saw growth this year,” he adds. “It's a unique position for Bermuda compared to other jurisdictions that do not have as much intellectual

“It's still an area of high risk, but we are working very hard, alongside the government's Fintech office, to see how we can create solutions. Again, this puts us in a place where we are learning from each other, but also creating solutions at the same time. Whether it's building on blockchain or digital assets, in Bermuda we are very much focused on creating a solution for each one of these aspects. Clarien Bank has emerged as a banking partner of choice for this particular sector.”

Robust insurance sector blends decades of experience with real talent
For nearly five decades, Bermuda has been known as the “world's risk capital,” in reference to its pole position as global leader in the creation, development and regulation of captive insurers. According to the Association of Bermuda Insurers and Reinsurers (ABIR), more than 30 major international insurance and reinsurance firms now have operations on the island.

The depth of intellectual capital and experience in Bermuda is among the best in the world. John Huff, President and CEO of ABIR, says while the government has given unwavering support to the sector, workers' skill-sets are the number one attribute that continues to set Bermuda apart from its various competitors. “Bermuda has some of the best global talent in insurance and reinsurance, including people able to see the innovation, agility and entrepreneurship necessary to keep this market best in the sector,” he notes. “The market is very cohesive; leaders want to make sure that the best talent is here. We have a very responsive regulator in the BMA. Our work is global and our member companies are present in more than 150 countries.” ABIR Chairman, Marc Grandisson, who is also CEO of Arch Capital Group Ltd—a leading provider of insurance, reinsurance and mortgage insurance on a global basis through its wholly-owned subsidiaries—echoes his colleague's view. “Bermuda is a blueprint for entrepreneurship around the world,” he says. Turning to his company's future strategy, he adds: “There is an opportunity for us to establish ourselves as a first call for clients and brokers. We have solid capital and an appetite to take on risk.”

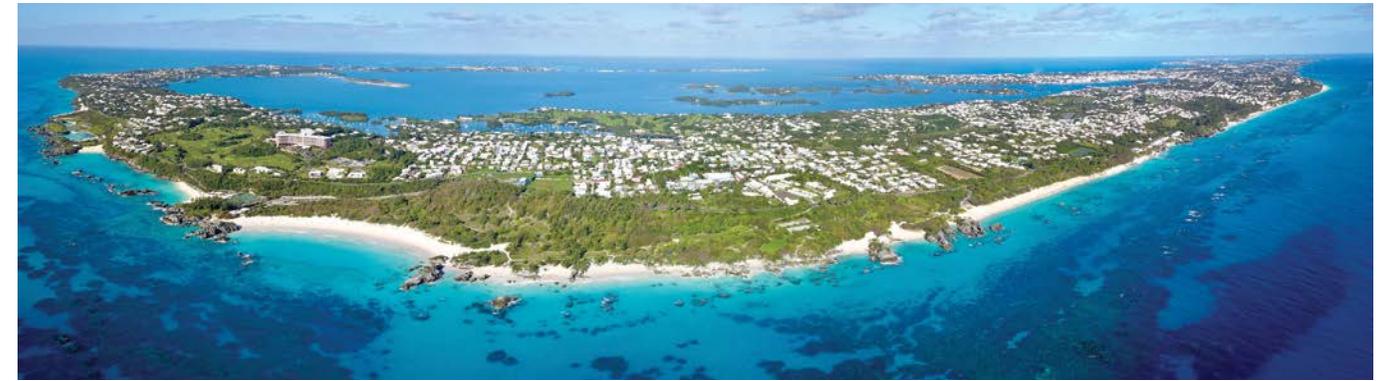
Albert Benchimol, President and CEO of specialty lines insurance and reinsurance provider, AXIS Capital Holdings, suggests firms embrace the next generation of technology. “We have performed any number of proof-of-concept studies on technology innovations,” he says. “Sometimes technology is ready, sometimes it needs more development. Proof-of-concept studies are very helpful, indicating how we can reach a great product.”

“Bermuda has some of the best global talent in insurance and reinsurance; people who can see the innovation, agility and entrepreneurship necessary to keep the market best in sector.”

John Huff, President and CEO, ABIR

expertise in insurance and risk transfer. That promises to grow with the impact of climate change and the large protection gap throughout the world.”

One of the main banks in Bermuda, Clarien Bank offers a range of personal and commercial banking services, and also provides clients asset and wealth management expertise. On the commercial banking side, Clarien Bank is developing its people, platforms and products. “In some areas the sector is growing, while in others we are refining our methodologies and delivery approach to capitalize on opportunities,” says CEO Ian Truran. His company is looking to explore openings in the cryptocurrency space, among other areas, although he admits the fledgling industry is still evolving and involves uncertainty.



SHUTTERSTOCK: BROOK GARDENER

Legal firms help turn the wheels of the insurance vehicle

While insurance majors make all the headlines, behind the scenes are scores of support companies

Although many of the world's biggest insurance and reinsurance providers dominate the sector, just out of the spotlight are a number of specialist firms that provide important legal, corporate and fiduciary services.

“The legal sector is a strong and diverse group of independent firms, specifically Bermuda-owned, offshore-owned, or global financial service center-owned entities, many of which have long-standing roots in the Bermuda economy,” replies Tim Faries, Managing Partner of Appleby's Bermuda office and CEO of Appleby Global Services (AGS), when asked for a brief overview.

“Most, if not all the firms which are operating in the international business sector in Bermuda have affiliated corporate service providers who are also doing that work. There are some other independent providers in that space, as well, all servicing the roughly 15,000 international corporate businesses currently in Bermuda.” The industry expert also highlights how the nation's small size gives it the key competitive advantage of accessibility, with important decisions taken rapidly, fairly and transparently.

“One of the things that separates us from many other business centers is accessibility to key decision-makers in government or key regulatory bodies,” he continues. “We strive as a jurisdiction to have much less ‘red tape’ than most other places. Businesses are able to get in front of senior people in the BMA, or the government who are then able to make the decisions that affect their business on a very quick timescale. If people in New York or London need to get in front of a regulator, it's sometimes 6-8 months before there is a conversation with the decision-maker. Bermuda's accessibility does not come at the expense of a robust regulatory environment as we have shown that it's possible to have both accessibility and robust regulation.”

The Bermuda government has not only worked hard to entice international companies to establish operations, but also introduced legislation and launched initiatives to help new arrivals complete the move in a smooth and transparent manner. Valuable and skilled help is at hand from public and private sector entities and enterprises.

“If you set up a company in Bermuda you need to have a registered office and there are certain legal, government and compliance requirements,” explains Christian Luthi, Chairman of Conyers Dill & Pearman Law Firm. “We support all of that through our network of affiliated entities. Our firm provides the whole ‘gambit’ of professional services that those entities generate here.

Bermuda has historically been one of the jurisdictions for the incorporation and listing of companies on the Hong Kong Stock Exchange. I certainly see a number of areas in which Bermuda can be a good domicile for agents who are looking for a stable and workable domicile.”

Growing number of international remote workers take up residence
Handling more than 800,000 tourists a year prior to the start of the COVID-19 pandemic, Bermuda's LF Wade International Airport has developed a new passenger terminal courtesy of operator Bermuda Skyport Corporation Limited. The substantial investment in the main international gateway means travelers will enjoy a hassle-free process when they step off the plane to enjoy a melting pot of British, U.S. and Caribbean cultures.

“We are in a fantastic position to take on this new nomad lifestyle approach and take it to a whole new level. The numbers are going to increase exponentially.”

Aaron Adderley, President, Bermuda Skyport Corp Ltd

“I remain very optimistic that Bermuda can fairly quickly start to see a resumption of sustained growth in air travel,” states Bermuda Skyport Corporation Limited President, Aaron Adderley. “We are a short flight away from the U.S., which represents 80 percent of our visitor traffic. Short-haul travel stands to benefit when travel resumes, more so than long-haul travel. We are in a position to benefit from that particular dynamic.”

Turning to the number of vastly experienced and well qualified professionals deciding to base themselves in Bermuda, Adderley says: “We are in a fantastic position to take on this new nomad lifestyle approach and take it to a whole new level. The numbers are going to increase exponentially.”

Building economic growth by uniting multiple advantages

David Burt, Premier of Bermuda, showcases the elements that prove Bermuda is different to its competitors



On 1 October, Bermudians voiced their confidence in your leadership when they reelected you as Premier. What are your top priorities in these first months of your new mandate?

The upcoming period is going to be critical for all countries, as we are dealing with the impacts of this health crisis. We have to also consider the impacts of the subsequent economic pandemic, which is certainly the biggest economic challenge that will face the world since the Great Depression. It was really important for our country to decide the way it wanted to move forward in this election. The government and opposition had a clear vision about how to deal with the issues at hand, with the flexibility to make the tough decisions that may be necessary for the long-term benefit of the country. We are satisfied with the election results: the pandemic allowed us to unify and the electorate responded to that. Our task now is to change the structure of the country, so that we can emerge from this crisis much stronger.

New hope and an injection of confidence around the world has come with recent announcements on vaccines. What are some of the programs and initiatives that your government has launched to help mitigate the impact caused by the pandemic?

Hope is high in Bermuda, as we have already managed to secure vaccines from two sources. Overall, Bermuda decided not to go with an all-out suppression strategy against COVID-19 as we felt that it was important to keep our borders open. We implemented an aggressive testing strategy, which worked well, although we are now seeing a small period of challenge due to increasing case numbers, so we are working to tighten things up a bit. We have widespread testing in Bermuda and are confident that we can stay on top of any future outbreak. In addition to the technology that we are rolling out, Bermuda will be the first country to do a nationwide rollout of the Android and Apple Anonymous Notification program that was launched recently. We are also launching WeHealth, a completely anonymous exposure notification app so that people can be informed about and understand their risk status.

There is going to be an economic reset for the entire world, including in Bermuda. The cabinet has approved a stimulus plan of additional measures that we are going to be promoting inside the country for short-term construction projects. On a broader level, we are changing the way our country is positioned in the world. Bermuda's economy has been one where companies can come and set up easily, however, we want to be more of a place of substance. We already have a substantial presence in the insurance industry, for instance, where we have many businesses and people forming part of that sector. Now, we want all our economic sectors to have this scale of substance and be impres-

sive on an international level.

We have to have a long-term plan for transformation and we are going to encourage development with new residency opportunities. The Ministry of Labour is launching an economic investment certificate, with which individuals can remain on the island for longer periods or even permanently. We are also going to be launching family office legislation, which is specifically targeted at attracting family offices to Bermuda. We want to transform our country into a place of year-round residency. We are also looking into construction projects that will spur development in our capital city and have changed some of our legislation to encourage this, including the property ownership law. We want Bermuda to be a place where one can come to live and not just a transit country. We would also like to see more long-term tourists versus short-term visitors, and so we need to build massive capacity here on the island for that.

As the recent pandemic taught us, you do not have to live where you work. Nowadays, many people are able to choose where to live and work. That is going to have a long-term impact on the way businesses operate. We want to be a place where one would like to reside and, from that perspective, we have to take a long-term approach to the direction we are trying to follow.

Under your leadership, what strides has Bermuda made in diversifying its economy and what else is needed for further diversification in key sectors?

Bermuda is certainly challenged from an economic diversification perspective. Our economic policy is based around four main pillars. First, it is based on the idea of building upon what is available. We are building on tourism by trying to reinvent ourselves in that sector through the addition of new components to the mix such as finalizing our gaming product and making sure that we have new hotels, luxury accommodation and the marinas to attract super yachts. In financial services, it is also about continuing to build on what we have. The second pillar is the diversification of our economy. The government has recently formed an economic development department, where concentrated efforts will be made toward economic development and diversification. Light manufacturing is an area that is well poised for diversification, as we are not an appropriate location for heavy industries. We are working to attract investments in healthcare and medical tourism as well, as these are sectors where Bermuda can see itself playing a niche role.

Additionally, we are looking to make sure that we follow up on our promise to develop and exploit our natural resources. The government has committed investments to shoreside facilities for fishermen and we will continue to build those out, because fishing may not be a mainstay in Bermuda's economy, but it has the ability to play a critical role in exports.

Bermuda is renowned for its global financial services sector, especially in the areas of insurance and digitalization. What is your vision for the development of these industries?

Our government embraces and inspires innovation. It is something that I want to focus much of my time and energy as I think that it is crucial for our country's future. We want to be a renowned innovation hub. We want to allow innovators to work with sandboxes and are setting up an initiative that is beneath the sandbox level and requires a licensing fee of only \$1,000. This way, local players can easily gain access, as we want our citizens to be business owners and creators. We have offered them free Fintech education over the last two years and now we are providing them with licenses. We want them to be involved in the sub-sandboxes, test their digital currency ideas and, if they can graduate to a higher level, to be able to secure investments and move on to larger projects.



What are some of the country's biggest incentives and advantages for investors in comparison to other island economies?

Bermuda has seen a lot of benefit from international investments and regulatory changes, with many new companies looking to establish themselves here recently. From an investment perspective, our tourism sector is witnessing growth. The point is to make sure that we position ourselves correctly in the market to leverage new opportunities, as there are certainly opportunities for investments. We are positioning ourselves to attract new investors through the economic investment certificate program and other initiatives as we look for ways to build up our infrastructure. We want to turn the city of Hamilton into an iconic place. It is already beautiful and historic but we intend to revamp and update the city and its services to the 21st century. That will require the infrastructure, sewerage and water pipes, and everything else needed to support the bigger population that will be living inside that city. The government is open to inward investments, seeking people who wish to partner in diverse

investment activities, whether in infrastructure development or services like waste management and water supply. There is work that needs to be done and our government welcomes people interested in our economic investment certificate program, which will be coming online shortly.

What would be your final message for our readers about Bermuda today?

People need to experience Bermuda. Businesses that are looking at how they are going to position themselves for a future economy need to consider where they want to base their operations. Bermuda has unquestionable political stability accompanied by regulatory and legal certainty. If you are looking for a place where you can have a government and regulator that will be attentive to your needs and ensure that you can promote and protect your investment, Bermuda is the perfect choice and we invite you to come and see this for yourself.

What makes Bermuda stand above the rest?



Bermuda is the oldest remaining British overseas territory



According to the United Nations, Bermuda's current population is 62,171



508 out of the 587 applications for the 1-year Residential Certificate Program have been approved



244 applicants already enjoy life in Bermuda and contribute daily to the local economy



The fee to participate in Bermuda's sub-sandbox Fintech initiative is \$1,000



Bermuda has had less than 2,500 confirmed cases of coronavirus since the outbreak



Bermuda is one of the few countries worldwide with single-digit losses due to COVID-19



In 2020, Bermuda reached approximately \$125 million in COVID-19 expenditures



In January 2021, Bermuda was supplied with 9,000 doses of the Pfizer vaccine



Bermuda's goal is to vaccinate and immunize at least 60% of its population

Health and safety alongside plans for economic recovery

Curtis Dickinson, Minister of Finance of Bermuda, provides a glimpse into Bermuda's legislative overhaul to claim its potential



With the news about the vaccines, how optimistic are you about the speed of Bermuda's recovery and this year's economic performance?

Bermuda, like all other countries, has been significantly impacted by the pandemic. Fortunately for us, we put into place a number of health measures that were designed to keep the number of cases low and the island safe. For the first fiscal quarter of 2020 the impact was substantial. From that point onward, we have been seeing further improvements, but our expectation is that we will see a reduction in revenue. We have spent significant amounts of money on testing supplies and equipment and quarantine facilities. I am hopeful with the progress in terms of vaccination that we can, as a global community, start to significantly decrease the rate of spread of this virus and then get back to some semblance of normalcy.

"We are a jurisdiction that has built our reputation for being a place that does good business with good people."

Curtis Dickinson, Minister of Finance of Bermuda

What are your immediate goals and priorities for your new term in office?

We believe that unless we get the health care under control, all the work on the economy will be for nothing. About a year ago, I formed an economic advisory committee of leaders from around Bermuda in both the domestic and international economy, to provide the government with ideas on how we recover from the 'punch in the gut' that COVID-19 had in our economy. The Committee is currently developing medium-term strategies which can be implemented over the next year to three years in order to stabilize and grow the economy. We have mentioned in our legislative agenda that we are going to be looking at banking reform, changing some of the banking laws to allow for a more competitive market place. We are talking with the banks regarding what the best possible construct should be. My approach involves lots of collaboration, identifying the problem and then asking partners how we can solve these issues. We are also looking at potentially liberalizing our banking laws to allow for more kinds of banks to operate out of Bermuda. We have moved some capital expenditures that we were planning to spend in the 2021/22 budget forward, as a way of getting small and medium-sized projects active in order to put

people to work. During COVID-19, we have introduced a number of legislative amendments to private pension plans. We want to encourage people to save, but we also want them to get their own property.

On another note, we are going to be introducing legislation to reconstitute a new tax reform commission. The government had a tax reform commission that did some work during 2018. My only disappointment was that it did not go far enough to provide a wholesale look at our tax system, as I wanted to find holistic ways to raise revenue for the Government of Bermuda. That commission will be reconstituted with the specific mandate to look at designing potentially what the new tax system would look like for our jurisdiction. My plan is to certainly involve key stakeholders as part of that commission, as we try to find a way forward to deal with tax, in light of ongoing threats from the EU and the OECD, with respect to global tax, for which we might need to modify our system to comply with any directive that comes out of those groups.

Traditionally, financial services is its biggest contributor that has allowed the country to build a strong global reputation. What strong and attractive legislative framework has paved the road for a vibrant ecosystem, where Fintech and blockchain companies can thrive?

We started three years ago on this journey towards setting up the framework where Fintech and digital technology can thrive. I have seen this opportunity of promoting Bermuda as being an environment that is welcoming for people in the Fintech space, who are interested in innovating in the financial services industry. That certainly has grown from beyond Fintech, now to include Insuretech and Regtech. The application of blockchain technology is to make the operations of these businesses and industries more efficient and easily-accessible by customers. We need to stay focused in order to make sure that Bermuda is top of mind for entrepreneurs looking to tap onto those opportunities in the financial services world.

Addressing the topic of transparency, this is an area that your jurisdiction has taken very seriously. Could you share with our readers the broad specs of Bermuda's regulatory environment today, new laws in the making and where you want to take it in the future?

We decided as a jurisdiction very early on we were going to take a whole country approach to anti-Money laundering and combating the



financing Terrorism. We have done quite a bit of work over the course of the last eight years, to ensure that we are a leading jurisdiction, when it comes to compliance and transparency. We are a jurisdiction that has built our reputation for being a place that does good business with good people. Our laws and regulatory framework are designed to create a very difficult environment for illicit activities to be detected and appropriately dealt with.

We understand the importance of our financial services to the world, as well as the need to be an active member of the global community. We value our relationships with the EU, the OECD and the U.S. Hence, we took the decision several years ago to ensure that our insurance regulatory regime was fully equivalent with that of Europe. Our view is that doing good business is good for Bermuda, ensuring that we maintain the appropriate relationships with international bodies that have responsibility places us in a good stead.

"The political stability that exists here provides a high degree of certainty to those persons that wish to invest capital."

Curtis Dickinson, Minister of Finance of Bermuda

What are some of the country's biggest incentives to investors and other comparative and competitive advantages vis-à-vis other island economies?

Bermuda has essentially two pillars to its economy: one is tourism and the other is international business, which is insurance, reinsurance and everything that derives from that. When it comes to doing international business, I believe that this is an ideal geographic location, in order to reach renowned markets. The political stability that exists here provides a high degree of certainty to those persons that wish to invest capital. Our legal framework, of U.K. common law, is one of the oldest legal systems in the world. Our regulator, the Bermuda Monetary Authority (BMA), is the principal one for financial services and world-renowned, constantly recognized by colleagues around the world as being a regulator of good standing. We have built expertise over the course of the last several decades in the insurance world. For those who are looking to start a business here, whether it is in insurance or other industry, they can hit the ground running fairly easily here. The government, the regulator and industry have a fantastic and long-standing relationship of appropriately working together.

Bermuda positions itself with a stronger outlook in the post-COVID-19 era



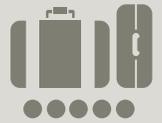
Bermuda has spent **\$60 million** in providing unemployment benefits during the pandemic



The government announced a boost of **\$11 million** for infrastructure development



68% of imports for **Bermuda** come from the **United States**



Americans reflect on approximately **70%** of incoming tourists for **Bermuda** year-on-year



In **2020**, **Bermuda** was upgraded to **EU's 'White List'** status



In **2020**, **Bermuda** marked a reduction in annual inflation rate with **-0.7%**



In the first quarter of **2020**, the **Bermuda** current account recorded a surplus of **\$220 million**



The impact of **COVID-19** led to a **GDP** decline of **-2.8%** over the first quarter of **2020**



Bermuda aims to achieve **GDP** growth by the end of **2021**

Balancing the scales to reach progress

Glenn Jones, former CEO, Bermuda Tourism Authority, notes that creating opportunities is just a matter of tying the right pieces together



Last October, you celebrated the 2020 Tourism Summit under the theme 'Reset, Reimagine and Renew.' How would you describe the experience this year's unique format of the event, considering the event took place a few weeks before the big announcement regarding vaccines?

We held our Summit in a way that we have not before, and that was due to the pandemic. We tried to be innovative, splitting the form into two venues so stakeholders from across our industry could still be together, which is an important part of brainstorming and developing ideas. We connected those two areas by video, so we did not overcrowd them. We allowed an equal amount of people to attend both, and it worked very well. In terms of content, we thought of ways to pivot our tourism industry and get people back to work in the sector, in a way that kept them, and visitors, safe. The country's recognized health and safety record throughout the majority of the pandemic put us in a good position to re-open tourism again, in a safe, responsible way with protocols in place to protect our small community.

"I think that from a lifestyle and a business point of view, Bermuda offers a ton of benefits that many other places cannot."

Glenn Jones, former CEO, Bermuda Tourism Authority

A growing trend in the pre-COVID-19 world is experience-driven tourism, catering to a more responsible traveler. What are some of the experiences you have helped develop and how do you see this trend evolving in the future?

Our ethos around experience development has always been focused on things we can provide in Bermuda that many other destinations cannot. If our visitor is getting a good value, a unique, authentic experience, then the cost is less of a factor to them. This 'quality over quantity' idea is very important for us. We have developed all sorts of experiential tourism offerings around food, history and culture. We aim to put the visitor right at the heart of things that locals cherish. We try to recruit Bermudian entrepreneurs to provide that experience. If we are going to double-down on the luxury traveler profile, this audience needs to be convinced they will get an experience in Bermuda they could not get anywhere else, given that particular type of visitor can literally go anywhere else.

Many destinations around the world have used this period to revamp their tourism product, placing a much bigger focus on sustainability and responsibility. Can we say this is the case as well for Bermuda? What

strides have you made towards more sustainable tourism?

We agree we need to be a greener destination and we are trying to reflect this in many ways. We are working with our government and the Waitt Institute on a strategy around the protection of our oceans and sustainable ways to leverage and develop our 'blue economy'. It is something Bermuda has done very well, and we need to re-double our efforts in that area, not only because the ocean is a critical asset in terms of the environment. We have also introduced some greener goals around transportation. Almost all of the mini-car offerings we have in Bermuda are electric vehicles. The government has aspirations about public transportation becoming greener, as well.

Each spring, we take special efforts to elevate the island's green experiences, highlighting conservation courses offered by the Bermuda Institute of Ocean Sciences, or the Living Reef Foundation that restores damaged corals by planting new underwater gardens. We showcase experiences that allow people to go beekeeping, to understand our colony of bees and the great quality of honey they produce. Those are the kind of experiences we are putting together to make the island greener. When visitors take part in them, they raise the sustainability of our island, so that is crucial for us.

In what ways is tourism catering to the digital nomad profile? What is your point of view?

Interestingly, this group of people technically gains temporary residency that allows them to work from Bermuda. That is not our core business, as we focus on visitors. However, we have realized, for this particular audience, although they are residents, their behaviors are like visitors. That is because, while they are here, they want to explore the place. Part of our strategy is to engage this audience as if they were a visitor, even though they live here. It has been really exciting to watch them respond to that opportunity.

What would be your final message to engender trust among our readers of Newsweek?

Our track record to date has shown in the management of this pandemic that Bermuda can be a safe haven during difficult times. We are isolated, for sure, but not too far away from where people need to be quickly. We represent the exact solution most people are looking for before, during and after COVID-19. My hope is that people who have taken notice of Bermuda will come and visit us to learn more about our island. I think that from a lifestyle and a business point of view, Bermuda offers a ton of benefits that many other places cannot. Once people try us for the first time, they are surprised to discover Bermuda can solve for so much of what they need.

Achieving growth thanks to a strong jurisdiction

John Huff, President, Association of Bermuda Insurers and Reinsurers, values talent as the differentiating factor for Bermuda



At the end of last year, Ministers of Finance across the world were taking stock of the true impact of the pandemic and the lockdown in their economies. How optimistic are you about the speed of Bermuda's recovery and this year's economic performance?

Bermuda is fortunate that we have two major pillars for the economy, one being tourism, which was devastated by the pandemic, and the other is our pillar, international business, primarily insurance and reinsurance. That pillar has been very strong for Bermuda. In fact, it has carried the economy through this storm, bearing most of the burden for the local budget. Our industry is very strong, and it has attracted international attention from investors, because there is a growing sense the industry is going into a harder market, particularly in the property and casualty side of the business.

"If Bermuda decides to get behind a new area of risk in the future, they are going to have a meaningful impact."

John Huff
President, Association of Bermuda Insurers and Reinsurers

Can you provide your analysis on the dynamism of Bermuda's insurance market to date?

In a small geographical area, Bermuda has some of the best global talent in insurance and reinsurance, including people, who are able to see the innovation, agility and entrepreneurship necessary to keep this market best in the sector. We have a responsive regulator, world-class internationally recognized Bermuda Monetary Authority, which is becoming more of a leader in the International Association of Insurance Supervisors. Our work is global, and our member companies are present in more than 150 countries. It is crucial that we work well with other jurisdictions, as our members go out to place their product.

In your view, what are the main trends in the insurance and reinsurance market over the last 12 months?

In the last 12 months, there has been certainly a flight to quality from the investor community. We have seen that from our own ABIR members that have ventured into the market quite successfully, showing real optimism about deploying additional capital against risk. We have also seen the 'class of 2020', start-up companies that have a different flavor than they had in other markets. There are some very experienced executives working now with private capital and investing communities.

What are some of the country's biggest incentives to attract investors and other comparative and competitive advantages compared to other island economies?

First and foremost, it is about the talent. You will not find any place in the world with this level of talent per capita in the industry. Second, we have always enjoyed this wonderful proximity to markets, particularly the U.S. This proximity, when people start travelling again, will continue to be very important for Bermuda but even now in terms of business-friendly time zone. I have to congratulate the government, given that they have done an excellent job in containing COVID-19 on the island. They are one of the leading jurisdictions in testing, contact tracing, mask compliance and vaccinations. Bermuda is a place where you can feel safe, but always be cognizant of the risks of the global pandemic. Finally, the work of the Bermuda Monetary Authority has been exceptional with world-wide recognition of Bermuda's regulatory regime to include Solvency II equivalence and the highest recognition from the U.S. as a reciprocal jurisdiction.

Where would you say that are the most interesting opportunities today for foreign investors in Bermuda?

There is a great deal of interest on what we call 'partner capital.' Traditional insurers and reinsurers, that have the rigor of compliance, governance and strong underwriting talent, seek ways to leverage those opportunities, using that alternative capital markets to create products for their customers.

What are the main existential challenges for Bermuda? How can the jurisdiction tackle these changing paradigms?

The greatest challenge for any market like Bermuda is the threat of protectionism, where countries and other jurisdictions look internally to solve all their problems, missing all the diversification opportunities available from an international insurance market. Protectionism can come in terms of tax, trade and regulation. In those areas, ABIR represents the industry collectively to educate and advocate to regulators, supervisors and policy makers the benefits of an open worldwide market promoting risk diversification for consumers, businesses and governments.

What would be your final message towards our readers of Newsweek?

The three major areas to watch coming out of Bermuda would be climate risk, cyber risk and the unrivalled capacity in the insurance and reinsurance markets. If Bermuda decides to get behind a new area of risk in the future, they are going to have a meaningful impact.

A country always punching above its weight

Steve Weinstein, Chairman, Bermuda Business Development Agency, believes that Bermuda stands united as an island community



As Chairman of BDA since 2020, what are your immediate priorities coming into the role? How has your previous vast experience lent itself to the challenges to come in a post-pandemic environment?

Over the 20 years I have lived here, Bermuda has given so much to me and it has been instrumental to my career and the company that I have been a part of. At the BDA, our most immediate priority has to be contributing to the economic recovery of Bermuda in the wake of the pandemic. On the one hand, Bermuda has outperformed other jurisdictions in the course of this global pandemic. I would attribute that in large part to the leadership and transparency from our Government, alongside their commitment to science for the protection of Bermudians. The response from Bermuda's business leaders has also to be commended, as they were on board with the response plan and nimble and effective in their own operations. Last but not least, we should also applaud the community response. Bermuda has been together during COVID-19, embracing the necessary public policies and practices to help keep each other safe above all. This ability, of acting as a team during difficult times, is also part of Bermuda's success in business. We have been big enough to be relevant on the world stage in targeted sectors while small enough to be nimble and agile. I am confident that we can deal with the emerging crisis and lay the foundation for a period of attractive economic growth.

“We have been big enough to be relevant on the world stage in targeted sectors while small enough to be nimble and agile.”

Steve Weinstein
Chairman, Bermuda Business Development Agency

Could you provide your views on the vibrancy, relevance and the dynamism of Bermuda's insurance market to date?

The Bermuda reinsurance market is the most vibrant and dynamic in the world. The ability of the Bermuda market to innovate and provide new solutions, and to keep its promises more rapidly than any other competing market, has stood the market in good stead over time, including this past year. Bermuda does not shrink from challenge and both provided innovative new solutions and honoured its promises in respect of the pandemic. We meet and exceed the world standards for cooperation and transparency. We are recognized globally for our robust and sophisticated regulatory standards, and yet operate as a well-structured laboratory for innovation. In sum, our country has all the necessary ingredients for success and the production of the next generation of

insurance solutions.

On another note, we are very excited about Bermuda expanding in the most adjacent space to natural catastrophe insurance: the growing market for climate risk finance. Bermuda offers regulatory sophistication, flexibility and speed to the market for appropriately conceived products and services. Based on these characteristics, our human capital in respect of climate driven financial risk, and our other competitive strengths, I am quite convinced that the next wave of innovation for climate risk finance should be done in Bermuda, and optimistic that much of it will be.

BDA is also responsible for the formation of viable new business in key markets and across multiple industries. What can you tell us about the focus in 2021 to expand Bermuda's international footprint?

The world's biggest problem, once we put the pandemic behind us, is the global risk of climate change. Climate change, apart from the obvious risks to health and biodiversity, accordingly entails significant financial risks to businesses and governments. At the same time, climate change is giving rise to the world's biggest investment and business opportunities. Bermuda, with its decades of strength in natural catastrophe risk management, has built a critical mass of highly relevant human capital and talent as well as the ideal regulatory environment to oversee and support this sector. We also build upon a basis of more than 400 years of environmental protection. We have maintained pristine beaches, waters and terrestrial environments for four centuries. Bermuda is ideally positioned to emerge as the capital of climate risk finance and to be a partner to the world, helping address these existential questions. I am confident in Bermuda's ability to play a disproportionate role in climate solutions and adaptation.

What is the opportunity for insurers and reinsurers in understanding the risks associated with the global climate emergency?

In the same way that Bermuda has exciting opportunities in emerging new sectors and products, our traditional core markets, like insurance and reinsurance, have great opportunities in this period. As a market, Bermuda has invested in a superior understanding of climate-driven perils like wildfire, tropical windstorms or flooding. That equips them with tremendous opportunities, in my opinion, to build upon that strength and expand their relevance to their customers worldwide. No one understands the risks of warming waters, or exposed structures and communities, better than the experts in the Bermuda reinsurance market. No one has a better track record of honoring their claims promises than the companies here. The historical default rate in Bermuda is



literally zero. That incredible track record is part of the foundation for a period of enormous opportunities going forward. I know that companies here have the appetite and the expertise to embrace this new world and to do essentially what they have always done, which is being good partners on the global stage.

As part of R Street Institute, a non-profit public policy research think tank, known for tackling present issues that are typically neglected by global headlines, what key insights can you share with us about the future of business in the work that you are involved with in the Institute?

I am very proud to have joined the board of R Street after having supported it for many years. As a non-partisan, non-ideological, principles-driven research institute, their intellectual contributions have been spectacular. Now we have an almost unique opportunity, where data-driven, analytically-sound, pragmatic policy proposals can take hold and have a chance for implementation. By holding fast to its integrity over the recent period and investing in the extraordinary human talent of its researchers, R Street is very well positioned to play a leadership role.

Moreover, and like Bermuda, R Street has a culture based around partnerships. In that partnership culture, we recognize that the world's biggest problems require an 'all hands on deck' approach. This is buried in the DNA of Bermuda and can be witnessed across the market. It's also true of R Street and part of their success. I am excited by many of R Street's initiatives and optimistic that their ideas can be adopted for implementation as we move forward.

Focusing on Bermuda's unique value proposition compared to other small island economies, how would you describe the vibrancy of the business

community there?

On the global stage, I think that Bermuda is competing with jurisdictions like Singapore and Switzerland. For the businesses that we have, those jurisdictions understand they need to make their own investments in their regulatory and compliance apparatus to play in Bermuda's blue-chip market. However, the Bermuda market has never been more vibrant than we are right now. In terms of its human capital skillset, Bermuda's core competencies have never been more relevant to the world's problems than they are right now. When I combine that with our regulatory apparatus, which is robust, sophisticated and respected around the world, the raw materials that Bermuda has to offer have never been more valuable to a financial services or tech investor, sponsor or entrepreneurial manager team. There is no allocator of capital within the insurance sector that does not already understand the value proposition of Bermuda. I think that it is up to us, as the BDA, to help communicate our story across verticals where our competitive strengths are not yet as well understood. That is a challenge that the BDA can both address and start to solve in this coming year.

What would be your final message for our readers of Newsweek?

The Bermuda employee population is fantastic: enterprising, technology-fluent, well-trained and diverse. If you value that proposition, and I hope all employers do, the human capital possibilities here are extremely high. Across my career I have always been rewarded for investing in Bermuda and Bermudians. If your strategy is a good fit for our world class business culture and framework, I am confident you will have the same experience. Come see for yourselves!

An ideal location to invest in financial services with high transparency



Bermuda is a blue-chip jurisdiction with more than 70 years of continual relevance



Bermuda wrote the first environmental protection statute in the Western World in 1610



Bermuda currently has 41 bilateral Tax Information Exchange Agreements



Bermuda's Solvency II Full Equivalence boasts more than 125 multilateral treaty partners



13 of the world's top 40 reinsurers hold licences in Bermuda

Bermuda continues to be a premier jurisdiction of choice

Roland Andy Burrows, CEO, Bermuda Business Development Agency, explains the plan to build upon the country's strengths



What is your assessment, as the Bermuda Business Development Agency, of the impact of the COVID-19 pandemic?

Bermuda's entire international business community has adapted to the current environment and the BDA has been no exception to that. Our focus has not only been on operations and support for businesses in Bermuda. We effectively advocate on behalf of the jurisdiction internationally, trying to put Bermuda in the best possible position through and beyond the pandemic.

Clearly technology has played a huge role in this and it will continue to do so going forward. For the BDA as a small agile team, we were able to move to a remote working environment quite quickly and effectively with little interruption. We have continued to play our unique and important role of liaising with government, the regulator and the private sector to ensure all our stakeholders receive accurate and up to date information on everything from COVID-related safety measures and protocols to industry guidance from the Bermuda Monetary Authority, and any market developments.

A lot of our activities have become virtual and we were pleased to see very successful results. We partnered with numerous organizations, such as RIMS and AIMA, to host webinars and a series of other virtual events that provided an update on the latest from Bermuda. Technology is allowing us to have greater reach into more countries and connect with people wherever they are working from.

“Technology is allowing us to have greater reach into more countries and connect with people wherever they are working from.”

Roland Andy Burrows
CEO, Bermuda Business Development Agency

On another note, we worked with the government and Bermuda Tourism Authority on the launch of the Work from Bermuda one-year residential certificate. This was an initiative designed for the times we find ourselves in, because it offers non-residents the opportunity to work or study remotely here for a full year. As of mid-December, we had 587 applications with 508 approved. Of the approved applications, 244 are currently enjoying life on the island.

Of course, all this activity does not mean that Bermuda has been immune to any economic impact from the pandemic. There has been a fallout, particularly in sectors such as tourism. Amid all of this, all this uncertainty about what the future holds and whether there is a vaccine that will bring back any

semblance of normalcy, there is still cause for real optimism about the current standing and growth of Bermuda's international business sector.

Would you say that these enquiries you had have incremented from this year to last year?

Regarding how the pandemic has affected investment inflows, Bermuda has remained open for business. This is not easy during this time, but we have been able to do so and it reinforces our reputation for operational resilience. We continue to welcome new companies, capital and investors throughout 2020, despite all of those challenges.

We had 502 new international companies and partnerships registered in Bermuda during the first nine months of this year, reflecting to a 5.7 percent increase compared to last year. The Bermuda Stock Exchange has had a record year with approximately 94 percent of the global issuance of all ILS securities coming to Bermuda. Bermuda continues to be at the forefront of global capital raising with estimates of \$15 billion of new capital deployed into the reinsurance sector over the last several months. We are starting to see the new wave of insurers and reinsurers, who are establishing themselves in the wake of the pandemic because of the Bermuda platform.

As the recent news about the vaccines fill people around the world with hope for the future, how are you preparing for the rebound in 2021?

The vaccine has the potential to change everything in a positive way. In Bermuda, the vaccination process has begun since January with quite positive results. However, I do not think anyone expects things to return to 'normal' immediately. There is certainly cause for optimism about Bermuda's prospects in 2021. At the BDA, we are planning for a hybrid of activities, some in person and others through virtual events. Hearing our industry stakeholders, the expectation for the first half of the year today is not dissimilar from the current model we have now. We hope to see things change to allow in-person meetings and business visitors in Bermuda in the second half of 2021.

What are some of the latest initiatives that have come out of the Bermuda Tech Summit of last October? How do you plan to carry the event's momentum forward?

We were pleased with the 2020 Tech Summit, attracting more than 700 registered guests from 36 countries. To anyone who has not seen it, you can view all the sessions on the BDA's YouTube channel.

Bermuda is fully committed to being at the forefront of global commercial trends, especially when it comes to the financial services industry. This



summit clearly demonstrated our focus on realizing this opportunity of innovation it presents. There is a momentum in this phase that will drive further developments. We have a new 'Class T' or test license for digital asset business, which is expected to be introduced by the BMA after legislation was recently approved in the House of Assembly. The government has already created sandbox environments for the development of the Insuretech industry and is in the process of creating additional sandbox frameworks, so Bermuda can become an ideal testing ground for new technologies in a range of industries.

We see on the horizon Bermuda becoming a focal point in the reinsurance and insurance industry for climate risk, and hopefully, creating a platform for beta tech testing in that space.

Could you share the highlights of the recently launched Economic Investment Certificate program? What kind of short and medium-term goals are you aiming to achieve in terms of investment volumes but also strategic projects to fund?

The Economic Investment Certificate was launched on 1 March and complements other residency and work permit options already available. To receive residency rights for five years, individuals are required to invest a minimum of \$2.5 million in certain Bermuda industries, sectors, charities, or government programs. This approach supports greater direct economic impact on Bermuda's economy and workforce.

After five years, EIC recipients are eligible to apply for the Residential Certificate for the right to reside in Bermuda indefinitely. In terms of short to medium term goals, the government has spoken about the impact of 100 people being granted the Economic Investment Certificate over the next ten years—understanding this has been created to appeal to a specific target market. This policy has been designed not only to attract new international investors to the island, but to provide a clear option for those who have already made significant contributions to Bermuda.

We have already started having conversations with individuals who have expressed a keen interest in applying for the program and are now working with them, together with the Bermuda government, on the details of their application. For those interested in living in Bermuda, the BDA offers a personalized concierge service to ensure a smooth and efficient process.

Could you share with us the views for the international readers of Newsweek about Bermuda's comparative and competitive advantages vis-à-vis other island economies? Where would you say are the most interesting opportunities today for foreign investors? What can you tell us about the

momentum in the ILS space, an area where Bermuda stands out as the leading jurisdictions, a jurisdiction worldwide?

We are safe and stable with a quality pro-business environment that embraces innovation. When it comes to insurance and reinsurance, life insurance, brokers, captives and other related insurance-based opportunities including Insuretech, the success we have had so far with the class of 2020 and other new registrations continues to demonstrate the strength of our offering.

From a family office and high net-worth perspective, Bermuda is working on new legislation for an enhanced family office offering to support what we currently do in the trust and private clients' space at the moment. The fact that we also have a long history in climate and environmental risk management, as well as a strong ESG platform, will continue to ensure Bermuda's offer is compelling to the younger generation.

Clearly technology will continuously provide us with many growth opportunities. The digital asset business is one component of that, but we also want to see other forms of tech: Insuretech, Regtech, Softwaretech, Weathertech and Healthtech. All should come to Bermuda as we develop the ecosystem for beta testing.

One of the biggest trends emerging in the post-COVID world is remote working. What kind of visitor do you want to engage with? How do you see the BDA working with longer-term visitor profiles?

The Work From Bermuda program offers an opportunity to experience everything Bermuda has to offer first-hand—and that experience can be incredibly compelling. The remote working professionals coming to the island connect with the world-class business community here, gain an understanding of Bermuda's value proposition. We are already starting to see some looking to establish something more permanent, whether that is a company or an investment in real estate to call home.

The BDA has supported more than 150 direct enquiries—all from C-suite executives, business owners and remote working professionals—around the "Work from Bermuda" initiative through our concierge service, which provides business and individuals with a single point of contact to streamline the process of setting up in Bermuda.

We continue to see strong interest in that regard. Bermuda really is a great place to do business and a wonderful place to raise a family. You can live in an environmentally friendly country with all the efficiencies, sophistication and benefits of an international business centre but with the natural beauty and community vibe of an island nation. All of that is only 90 minutes from New York or a direct flight to London.

Turning obstacles into opportunities for progress

Craig Swan, Deputy CEO, Bermuda Monetary Authority, vouches for Bermuda's strong stance against current and future challenges



What is your analysis on the dynamism of Bermuda's insurance and reinsurance and financial services market to date?

Bermuda has a history of expanding its capabilities to make space for a wider array of financial services participants. Our lead captive position has undoubtedly been reinforced by our rank as one of the three largest reinsurance centres globally. The Bermuda Monetary Authority further secured Bermuda's pioneering reputation by positioning Bermuda as ground zero for Insurance-Linked Securities (ILS). For over 20 years, we have worked with and balanced the views of underwriters, policyholders and capital providers to build a robust, progressive framework of oversight and supervisory practices, fostering the sector's growth and innovation in a pragmatic way while focusing on protecting policyholders. Bermuda has an appetite to adapt and intentionally innovate. This is true of our financial services industry and the Bermuda Monetary Authority as we adapt regulatory regimes to industry developments.

"The Bermuda market is well placed to continue helping businesses and individuals manage these and other risks in these turbulent times."

Craig Swan, Deputy CEO, Bermuda Monetary Authority

What was the impact of COVID-19 on Bermuda's insurance industry? What new opportunities have emerged during this time?

Alongside the rest of the world, Bermuda felt the impact of COVID-19. Nonetheless, the Bermuda Monetary Authority was able to seamlessly transition to working on a fully remote basis, maintaining all of our functions—including licensing—at levels that are comparable to us being in-office. Our insurance firms were largely able to do the same. Bermuda's financial institutions entered the crisis in a strong solvency and liquidity position. This strong position and the expectation that our international business sector will remain strong is a large part of why Bermuda's S&P sovereign rating was maintained at A+.

New licensing activity is a good litmus test to gauge the industry's position throughout 2020. This activity continued at a strong pace throughout 2020, with our registration statistics highlighting 67 new formations by the end of the year. These statistics further underscore the resilience of the jurisdiction as we compare these numbers to the prior year, when we had 58 formations.

For Bermuda's insurance industry it has never been about maintaining 'business as usual'. It is about reframing challenges as opportunities and moving past this pandemic is no different. Opportunities will emerge in certain

lines, such as cyber, as the threat surface expands due to digital transformation, business interruption and other lines that require a tailored coverage, or where there is limited capacity or significant price hardening. We also expect captive opportunities to arise from coverages that become more restrictive in reaction to COVID-19. The Bermuda market is well placed to continue helping businesses and individuals manage these and other risks in these turbulent times.

What are the major changes you see happening in the regulatory environment for financial services?

In terms of climate change, we have begun exploring how it should be integrated into our regulatory framework through engagement with industry and our international peers. While digital transformation is not a new development in financial services regulation, it is becoming a more central theme for regulators, both in terms of our own processes and our oversight responsibilities. For our processes, the development and integration of purpose-built Regtech and Suptech solutions will allow us to appropriately regulate our registrants while reducing their compliance costs and ensuring a sustainable business model. For our oversight responsibilities, it is becoming increasingly important to further hinge our regulatory regime on the understanding of and accounting for digital transformation risks.

What are some of the growth opportunities associated with cyber risks for today's insurers?

Cyber insurance is still a relatively small line, in terms of the percentage of cyber premiums compared to the insurers' overall portfolio. Bermuda has seen an increase in gross and net cyber premiums, driven by an increase in policies being written. Reinsurance continues to comprise the highest premiums on both a gross and net basis, which showcases reinsurers' increasing appetite for cyber risk business. Commercial insurers, through reinsurance premiums written, make up a large portion of total cyber premiums written. However, we are also seeing an increase in captive players as insurers around the world continue exploring how their captives can best be positioned as a risk management tool.

What would be your final message for our readers of Newsweek?

While this year and the coming ones are no different in terms of our responsibilities, we are continuing to identify the best way to fulfil these responsibilities—the best innovations, the best technologies, the best human capital and the most strategic way to re-engineer and harmonise current and future differentiating vehicles.

Cautious optimism in the aftermath of the pandemic

Erica Smith, Executive Director, Bermuda Economic Development Corporation, highlights Bermuda's inherent entrepreneurial spirit



At the global level SMEs represent 90 percent of businesses and contribute to more than 50 percent to employment. In the case of Bermuda, to what extent has the nation's growth ambitions of its SMEs been affected by COVID-19? Bermuda has had a long history of being entrepreneurial right from its discovery.

We had to figure out how to bring value, not only to our people but internationally to the world. We have been very creative as we have transitioned through different revolutions, from agriculture through to the industrial side and now in financial services. Looking to the future on how we position ourselves, SMEs have played an integral role. We have an established base of international companies domiciled Bermuda and thousands of SMEs supporting those international businesses. Our SMEs deliver products and services that support Bermuda and will also reach the global market. Our SMEs are the lifeblood of Bermuda's economy. Without them existing in this country, it would be challenging to achieve anything internationally concerning those larger companies. We have built a reputation for excellent service, a friendly disposition, survivability, and resilience. I believe in our ability to be creative and innovative as a people, which is necessary.

What has been your experience at the helm of Bermuda Economic De-

"Visitors or anyone that want to come and live here are going to have both a global and bespoke experience."

Erica Smith, Executive Director
Bermuda Economic Development Corporation

velopment Corporation? What kinds of critical funding and support programs you have launched during this time?

BEDC has been emulating what is necessary for our clients, SMEs, to pivot quickly, delivering products and services to the consuming public. We modified our products to be able to make them accessible and more affordable to businesses. We reduced the interest rates on our financing products, and we cut our fees.

We extended entrepreneurship education and support mechanisms so that businesses have a lifeline to reach out to even if it was not financial support needed. We dramatically increased our webinars on all types of topics that would be relevant to businesses during and after the pandemic, sharing information on how to navigate, cut costs, negotiate better rates and fees, or even partner up with other businesses to survive. Many companies have

taken advantage of reducing their overhead and infrastructure needs while embracing technology to not just hold onto their customer base.

How do you see the BEDC engaging with this profile of visitor under the Digital Nomad program? Are there any synergies for global entrepreneurs and businesses that can be forged?

Suppose people are starting a business in Bermuda and want to partner with local businesses. In that case, we can provide them with advice and support, navigating them through the Bermuda market, along with our partners. On another note, we are trying to re-adjust our hospitality businesses and work with the Bermuda Tourism Authority to position them alongside our health and lifestyle businesses. Offering higher quality and a broader range of innovative services is also vital for digital nomads. We are trying to position local SMEs to provide a genuine Bermuda experience with quality products and services that these new residents cannot experience anywhere else.

What are some of the country's comparative and competitive advantages vis-à-vis other island economies?

Bermuda has a tropical climate, which is pretty consistent all year round. There are many opportunities for real engagement with the population, as our residents are part of the quality of any experience. Bermuda is located near the United States. We have great immigration processes with regard to pre-U.S. clearance. The ability to get products and services into Bermuda is relatively easy, without delays. Visitors or anyone who wants to come and live here will have both a global and bespoke experience. They can enjoy the best of both worlds—an urban adventure and the ability to have a countryside experience.

What would be your final message for our readers of Newsweek?

Bermudians are genuinely open and friendly people. Our homegrown hospitality is revered worldwide, but the Government also has a vision to position Bermuda as a hub for entrepreneurship and technology. They are doing a fantastic job to get us towards that.

The effort is also to create a solid entrepreneurial ecosystem that allows for innovation and creativity. Anyone interested in the aforementioned can contact the Bermuda Economic Development Corporation or any of our sister agencies such as the Bermuda Tourism Authority or the Bermuda Business Development Agency, all of whom play a crucial role in supporting that ecosystem.

Confidence for swift recovery and progress

Ian Truran, CEO, Clarien Bank, firmly believes that the dynamism of Bermuda's financial services sector will continue to prevail



As we start the year, across the world leaders are taking stock of the true impact of COVID-19 and the lockdown to their economic activity. How optimistic are you about the speed of Bermuda's economic recovery?

As we look at the U.S., our closest counterpart, their recovery is going to be fairly quick towards the end of 2021, with significant GDP growth in comparison to 2020. Bermuda's recovery is more so dependent on the resiliency of our financial services and tourism sectors versus a reliance on natural resources as experienced in other parts of the world. The government is extremely focused on economic recovery, acknowledging where we stand on the cycle. In terms of our financial services industry, I think that we will recover fairly quickly in 2021. I think that the tourism sector will be challenged throughout 2021 and hopefully will see a better recovery in 2022, with the extensive use of the vaccines by then.

"We all fundamentally know that having people work from Bermuda and then in Bermuda will assist our economic recovery."

Ian Truran, CEO, Clarien Bank

Clarien Bank is one of the four main banks in the country. As CEO, what are your main priorities for the Bank for 2021?

The fact that we are a purpose-led organization has put us in a good place through the pandemic. Our purpose is that we make it easier for our clients to navigate their financial future. Having set bold aspirations, we have been working very closely with our major shareholder, NCB Financial Group, leveraging their size and scale as well as their digital capabilities and thought leadership on certain subjects to accelerate our strategic aspirations. We have also been working closely with McKinsey & Company on developing not just a framework but also instilling a mindset across the organization that embraces innovation, change and transformation.

Out of the commercial banking, private banking and asset management services you offer, what are the areas that are experiencing the most growth for you right now?

On the commercial banking side, we aim to be the best commercial bank in Bermuda. I always look at it from a people-product-platform-perspective, to gauge whether we are solving the needs of our customers in a way that they need or they have not even thought about yet. Like many firms, we had to rapidly pivot during the crisis, as the delivery of commercial banking services changed during the lockdown. We were able to shift our solutions from traditional brick

and mortar transactions to building e-commerce ecosystems for our clients to ensure they remained viable providers of goods and services for their customers.

On the wealth management side, we have doubled down our strategy in that aspect. Clarien's aspiration is to be the preeminent wealth manager in the region and, therefore, we have looked at the way we have historically delivered our wealth management solutions with a view to meeting evolving client needs. We have hired some very good talent, changing the way that we are delivering our investment and advisory management services and growing new lines of business to solve for new opportunities. We are now actively providing family office solutions, while also coupling that with our corporate service provider solutions as well. We have also rolled out a digital solution for asset management, where we have taken institutional capabilities and packaged that into a discretionary management platform, which is the first of its kind here in our jurisdiction. We are looking to roll that out throughout the Caribbean, through our partnership with National Commercial Bank of Jamaica and NCB Group more broadly. That is an exciting step as it democratizes wealth, which is one of our goals, but also offers the capabilities for individuals who are seeking to have their wealth managed in a more simplistic and transparent manner.

What do you envision will be the implications for the economy and the banking and insurance industry of the Work from Bermuda Residential Certificate Program?

This program enables people to work from Bermuda but not in Bermuda. It can create an economic stimulus, which then can support economic recovery and later on economic growth. I am a huge supporter of this initiative and I think that we can go even further in this regard. Anything associated with immigration is a politically and socially sensitive subject, so we need to be aware of all the dimensions. We all fundamentally know that having people work from Bermuda and then in Bermuda will assist our economic recovery. The collaboration that is needed from the government and all the sectors of the economy, to make sure that we can all benefit from that, is vitally important. I think that we should be even bolder in our thinking, as Bermuda has an extremely enticing offering and some other jurisdictions are making it easier for us, thus, the time is now.

What would be your final message for our readers of Newsweek?

It is important to make sure that we learn from the horrible things we experienced during this past year. I would encourage all of us, Bermuda and other jurisdictions, to work together to create that vibrant environment, as we will not benefit as much without each other.

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Bermuda staying at the cusp of innovation

Albert Benchimol, CEO, AXIS Capital, suggests that companies should embrace the age of technology with decisiveness and caution



As we start the year, across the world leaders are taking stock of the true impact of COVID-19 and the lockdown to their economic activity. How optimistic are you about the speed of Bermuda's economic recovery?

I have to commend the government's approach to protect its people in terms of COVID-19. They were very quick to recognize the situation, putting some clear controls and quarantine measures in place. Bermuda, like any other country, has suffered significantly from an economic perspective with regard to COVID-19. The two areas that have suffered the most are tourism and the typical retail industries. The government has done what it could to shelter the economy from that. Focusing on our industry, we have been able to work from home and deal with our customers in 150 countries across the world. We have proven our value, both from the perspective of paying claims that came out through the catastrophes of this year, but also in continuing to provide continuous cover for ongoing risks in the world. To date, the Bermuda insurance and reinsurance industry has been more than able to withstand this situation, protect its product and even achieve some growth.

"We have a very successful collaboration between the government, the regulator and the industry, knowing that our success is intertwined"

Albert Benchimol, CEO, AXIS Capital

Could you provide an analysis on the dynamism of Bermuda's insurance market to date?

We are quite responsive in terms of the market's trends and needs, alongside a very responsive regulatory environment. Frankly, industry participants have a very global entrepreneurial mindset to respond to the world. The Bermuda insurance industry is truly global and our peers and competitors are all over the globe. Our industry may be headquartered in Bermuda, but it is fundamentally a global industry. We 'make-up' approximately 36 percent of the global reinsurance market, based on property and casualty net premiums earned. For a very small island in the middle of the ocean, this is a major achievement. We have gotten there, thanks to our responsiveness and ability to be creative and innovative when it comes to raising capital when it is needed, developing new products as well as becoming the center of the world when it comes to matching risk and capital. One of the great things that Bermuda, AXIS and our peers have done is to turn insurance risk into investment risk. We have a very strong ILS (Insurance Linked Securities) market, allowing various funds and even individual investors to participate in certain insurance and reinsurance

risks, without necessarily buying the securities of insurance companies. All of those innovations have allowed Bermuda to stay at the cusp of innovation in insurance, reinsurance and risk transfer.

What kind of new and innovative products have you got coming to market this year? What is your vision for the company coming into 2021?

One of the great attributes of being on an island like Bermuda is that we are very sensitive of the impact of climate change. We saw a new industry being born and we decided early on that we wanted to gain access in renewable energy insurance capability. Today, we are one of the largest global insurers of renewable energy risks. We have great expertise on wind and solar farms, batteries and storage. We are able to evolve in order to meet the needs of an everchanging global environment. We are also introducing a new line called 'Home-Based Business' that will provide insurance coverage specifically targeted to U.S. small businesses operating out of people's homes, whether they conduct operations there or on the go. This product will leverage technology to make sure that we can very efficiently provide low-cost products designed to meet this sector's unique needs and cover an important insurance gap in a homeowners insurance policy. This product meets the future as it comes to us.

What is your insight on these developing regulatory innovations in the Bermuda and global market?

We are very excited about the new capabilities that are offered by insurance technology. We have teams, just like many other companies, looking for ways to move towards that direction. Sometimes technology is ready and can be used today, sometimes it is not quite ready and needs further development. These proof of concepts are very helpful, indicating how we can reach a great product. It is very exciting to be able to use technology around data and analytics, so that you get to better underwriting decisions faster. We are eager to tap into this potential of improving the quality of our service, our underwriting and the responsiveness to our customers. However, it is fundamental not to get overtaken by the hype.

What would be your final message for our readers of Newsweek?

Bermuda offers the best of both worlds, providing a paradise to live in and the global centre of insurance and reinsurance to work in. It is a uniquely cosmopolitan place, incredibly modern with outstanding people all round. We have a very successful collaboration between the government, the regulator and the industry, knowing that our success is intertwined.

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Driving development towards immediate recovery

Greg Wojciechowski, President & CEO, Bermuda Stock Exchange, declares that 'Bermuda is the biggest small place to visit'



How optimistic are you about the speed of Bermuda's economic recovery after this global pandemic?

Bermuda was incredibly quick in reacting to the pandemic. It was a collaborative approach between the government and the community and people adhered to lockdown, public notifications and guidance. As a fully electronic market, all of our trading members and institutions that required access to our platforms could do so remotely. Other than the inconvenience of not physically being in the office together as a team, and how that impacts collaboration and team spirit, we did not miss a beat from a commercial perspective. In fact, the areas of business which we focused our attention on were very strong throughout the period and we ended last year with record numbers of securities listed as well as some really exciting developments.

"Bermuda is an efficient and connected island and the support services such as telecommunications and health care are world-class."

Greg Wojciechowski, President & CEO, Bermuda Stock Exchange

The BSX operates the regulated market platform for the trading and settlement of domestic company stocks. Important disclosure requirements ensure information flows to the market so that investors are aware of and able to assess the financial well-being of the companies in which they invest. The BSX provides capital market support to over 1,130 listed securities, a mix of local and international securities spanning many different asset classes.

One of the things we pride ourselves on is the reinsurance industry which provides the world a safe harbor in adverse circumstances, predominantly natural catastrophe. Bermuda's position as the 'World's Risk Capital' was reinforced in 2020 by a new wave of capital entering the market which augers well for our post-pandemic recovery. An estimated \$19 billion in new capital was raised by existing and new companies which reflects a flight to quality, experience and expertise in a well-regulated and respected environment underpinned by speed to market and innovation.

In just one year alone, the number of insurance linked securities (ILS) listed on the Bermuda Stock Exchange has increased by 63 percent. Is that a result of Bermuda's 'Silicon Valley effect'?

The BSX is one piece of an important Bermuda mosaic that has effectively come together to create a platform that has emerged as a center of excellence for the creation, support and listing of global ILS vehicles. Due to Bermuda's

prominence in the specialty reinsurance industry, we are seeing robust activity in companies seeking to establish operations or corporate vehicles here during the pandemic. Despite the systemic pressures across the broader capital markets early on in the pandemic, the ILS asset class has performed well and continues to be transformed by ILS structures and investors continuing to allocate to ILS securities. The market and investors are very comfortable with Bermuda and the BSX, and as a result choose us to support their business.

As President and CEO, what are your main priorities for the Bermuda Stock Exchange in 2021?

A recent and significant development for the BSX is the integration into Miami International Holdings, Inc.'s group of securities exchanges which obtained full ownership in 2020. This partnership will assist MIH in expanding its world-class technology, derivatives trading and regulatory expertise to address emerging markets, such as digital assets, providing the BSX with additional support in the evolving global reinsurance risk market and substantial upgrades to the Exchange's technology infrastructure. The Exchange continues to focus on business expansion and the development and support of the domestic and international capital markets.

What is Bermuda's unique value proposition compared to other small island economies and what is it like to live there?

One of the many things that is most striking about Bermuda is that the island is a thriving international financial center. The depth of intellectual capital, experience and knowledge based in Bermuda is extraordinary. Bermuda is an efficient and connected island and the support services such as telecommunications and health care are world-class.

What would be your final message for our readers of Newsweek?

The level of sophistication of the jurisdiction, our regulatory reputation, innovation and the proximity to key gateway financial services centers are key Bermuda advantages. Bermuda stands out for options in the risk transfer spectrum, including ILS which is why we saw growth this year. It is a unique position for Bermuda compared to other jurisdictions that do not have the depth of intellectual expertise as we do in insurance and risk transfer. That promises to grow with the impact of climate change and the large protection gap that exists throughout the world. While the world adapts to a 'new normal' the BSX will play a critical role in many aspects of the global financial infrastructure and remains one of the world's preeminent offshore securities exchanges and Bermuda the place where business happens.

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The BSX is a full member of the World Federation of Exchanges. Bermuda is a British Overseas Dependent Territory and is part of the UK for the purpose of OECD membership.

www.bsx.com

The perfect domicile for agents looking for stability

Christian Luthi, Chairman, Conyers Dill & Pearman Law Firm, underlines Bermuda's nimbleness as the key that sets it apart from other jurisdictions



Could you provide us a glimpse into the Bermuda legal and fiduciary space?

Bermuda's legal and fiduciary services' space has developed over a number of decades, starting in the 1950s, when people were concerned about risks to their capital and investments in the wake of the Second World War. They looked to commonwealth jurisdictions, particularly Bermuda, to redomicile and put their wealth and assets somewhere safe and stable. At the same time, visionary insurance people saw Bermuda as a stable and sophisticated jurisdiction in which to set up offshore operations. Over the course of the next four decades, those businesses developed and a number of large corporations began using Bermuda as a focal point for their international operations. In the 1970s and early 1980s Bermuda became the leading domicile for captive insurance, and in the 1990s the mutual funds industry took off.

Bermuda has a very strong legal and financial services sector to support those international entities. If you set up a company in Bermuda you need to have a registered office and there are certain legal, government and compliance requirements. Our firm provides the whole 'gambit' of professional services that offshore entities require in Bermuda.

"Bermuda has been well regulated for a significant period of time, which means that clients doing business here are legitimate players."

Christian Luthi, Chairman, Conyers Dill & Pearman Law Firm

You have had over 90 years of history in Bermuda. You are a home-grown success story of Bermuda, which is unlike many other firms that have joined in from outside. As Chairman, what are your main priorities for the firm going into 2021?

One of the main priorities is to continue to do what we can to support the growth and attractiveness of the jurisdictions in which we operate as a firm, particularly Bermuda, where we have our oldest and largest practice. In terms of markets, we continue to focus on the U.S., Europe and Asia, with a particular emphasis on Hong Kong and Southern China. Our firm in Asia did 43 out of 111 IPOs last year in Hong Kong. We certainly have a robust presence in Hong Kong. Bermuda has historically been one of the jurisdictions for the incorporation and listing of companies on the Hong Kong Stock Exchange.

Addressing the topic of transparency and compliance, this is an area that Bermuda has a jurisdiction that continues to take it very seriously. Can

you share with our readers the broad specs of Bermuda's regulatory environment today? Where do you see legislation moving towards in the near future and how this could relate with your firm?

Bermuda's high regulatory standards have been internationally recognized and that is a feature that distinguishes the jurisdiction from other offshore centres. There is no question that Bermuda has reached a standard of regulation that is well ahead of many of its competitor jurisdictions. That is crucial, as investors and major international financial institutions want to participate in an appropriately-regulated jurisdiction. Bermuda's EU Solvency II equivalence for insurance regulation was a huge coup in that respect. At the same time, there is a strong initiative in leading Western economies, which are heavily represented in the EU and the OECD, to require offshore jurisdictions to implement laws requiring high-levels of economic substance, as opposed to just being used as bases for incorporating holding companies. On the one hand, the goal is to get jurisdictions to raise their standards. On the other hand, which I think is more financially oriented, the goal is related to tax competition. The OECD and the EU view jurisdictions like Bermuda as somehow 'off-side', because we have a very friendly tax environment. I deliberately use the term 'tax competition', because a sovereign nation, such as Bermuda, should have the ability to make its own fiscal laws.

Regulation in the broader sense, to combat money laundering and terrorist financing, is a given. Bermuda has always been at the forefront of compliance with such regulation. As a result, Bermuda's portfolio of clients is absolutely blue-chip. Anywhere you go, you are going to get a few bad apples, but in Bermuda we have been fortunate to see reasonably low numbers in that regard. Bermuda has been well regulated for a significant period of time, which means that clients doing business here are legitimate players.

What do you think the implications to the economy will be with the Live and Work in Bermuda Residential Certificate Program?

The new initiative creates a fairly achievable route to residency for someone who wants to live here and do business here indefinitely. It is important to realize that we want people to come into the jurisdiction that are willing to invest in it. If you are not investing in the jurisdiction, you have less incentive to develop the jurisdiction. We also have this wonderful Digital Nomad program, for people who can come and live and work in Bermuda for a year at a time. When it comes to setting up in Bermuda as a resident, I think it is important for people to have a stake in a community. This gives them a certain level of flexibility, which will benefit Bermuda but also them in the longer run.

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Speak to one of our experts:

Corporate

Charles Collis
charles.collis@conyers.com
+1 441 299 4918

Litigation

Christian Luthi
christian.luthi@conyers.com
+1 441 298 7814

Private Client & Trust

Peter A.S. Pearman
peter.pearman@conyers.com
+1 441 299 4996

Regulatory & Compliance

Julie E. McLean
julie.mclean@conyers.com
+1 441 299 4925

Corporate Services

Tracey Spevack
tracey.spevack@conyers.com
+1 441 299 4942

Trust Services

Natasha Hernandez
natasha.hernandez@conyers.com
+1 441 278 8060

CONYERS

Success based on Bermuda's knack for reinvention

Aaron Adderley, President, Skyport, is confident that the success story of their hybrid business model can be transferred to other countries



How would you sum up the essence of Bermuda? What makes the island, its culture and people so unique?

Visitors are looking for a special consumption-based tourism experience where they are interacting with locals, and Bermuda affords them that opportunity. There are a number of countries to the south of us where visitors are somewhat ring fenced in on a resort property that they never leave and do not get to fully experience the destination. Here, in Bermuda, the entire island is open for you to go out and enjoy an adventure. This freedom is a key value proposition we have that many other countries do not. A visitor can go out and explore, because it is readily accessible, safe, with some very welcoming people.

Can you talk us through the redevelopment upgrade process of the new airport that has happened across the last few years?

The old terminal was constructed in the early 1940s and over the years bits and pieces were added on. By 2008, it had grossly exceeded its life expectancy, with portions of the structure dating back 70 years. The government and the airport management, at the time, got together and developed a master plan to consider future needs and requirements, with a new terminal as the centerpiece.

"We feel that we can look at other jurisdictions, and help them out with their business challenges."

Aaron Adderley, President, Skyport

The government ended up pursuing a hybrid business model which had built into it, a government-to-government component, and a three-P aspect. The government-to-government component was an arrangement between the government of Bermuda and the government of Canada, specifically with the Canadian Commercial Corporation (CCC). Aecon was the Canadian company that Canada brought to the table as the private sector component of this hybrid model. Aecon and CCC proposed a design and committed to building, operating and maintaining the airport for Bermuda at their sole expense. When we reached the end of our due diligence, everybody was satisfied with what they saw and gave the 'go ahead'. We can apply this plan to many other airports around the world in countries which are in a similar position as Bermuda was, with this type of ageing infrastructure, and that lack the financial resources for redevelopment.

Airport Council International has looked at the project structure used in Bermuda and considers it a model for its small airport members. As a country, we are proud that whether we are talking about reinsurance or about the financial services sector, Bermuda always comes up with innovative business solutions. We have been able to do something here in Bermuda that we think may just work for you. We feel that we can look at other jurisdictions, and help them out with their infrastructure needs.

In what ways is the tourism industry catering to the profile of digital nomads, and what has been your experience so far?

From an airport perspective, the numbers are growing, so I applaud the government for pursuing this initiative. Across the world, especially here and in the Caribbean for example, we are all fighting for human capital. We are in a fantastic position to take on this new nomad lifestyle approach and take it to a whole new level. The numbers will hopefully increase exponentially. I know the Bermuda Tourism Authority is certainly looking at initiatives that are especially geared toward that particular market.

What does the future hold for L.F. Wade International Airport and the tourism offering in Bermuda as a whole?

Bermuda like many other destinations has been hit very hard by the pandemic. We have seen a drop in traffic of about 80 percent which is an enormous blow, coming at a very unfortunate time. Credit to the Bermuda Tourism Authority, because we were just in the middle of an upward trajectory in our visitor arrival numbers, and to have this global shock event take all the momentum out of that growth period is really unfortunate. However, I remain very optimistic that Bermuda stands to be in a position where relatively speaking, we can fairly quickly start to see a resumption of sustained growth, and there are a couple of things that contribute to that.

First of all, we are a short flight away from the United States, and they represent 80 percent of our visitor traffic. We feel that people within the U.S. are going to want to travel again, but they are going to be a bit hesitant in terms of where they go. They will want to stay close, minimizing the amount of time they spend on a plane. All industry pundits agree that short-haul travel stands to benefit when travel resumes, more so than long-haul travel. We are in a position to benefit from that particular dynamic. Bermuda is also a safe jurisdiction from a COVID-19 perspective, because the government has done an admirable job in managing our numbers. From that standpoint alone, we should be in a strong position once things turn around.

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Investing on Bermuda's unrivaled capacity

Arthur Wightman, Territory Leader, PwC Bermuda, expects the high level of confidence in the market to translate into investments



Could you provide your analysis on the dynamism of Bermuda's insurance and reinsurance market to date?

Innovation describes perfectly the dynamic in this market. It is a market that knows and understands risk very well and seeks for opportunities to innovate, in order to help businesses around the world mitigate risk. Bermuda is very well-regulated, giving people the confidence to put billions of dollars of capital into the market. I would say that our regulation is globally equivalent and less bureaucratic than others and is more risk-based, consequently, bringing in that aspect of dynamism into the market.

You have stated that Bermuda can lead the industry, driven by a new generation of reinsurance start-ups. Can you tell us more about how you are seeing this panning out?

Bermuda is the place to raise capital in the world of reinsurance. That has been prevalent thanks to the billions of dollars that floated in during the back end of last year into the new year. There is a great level of confidence in the market. I see some changes in the types of companies that are forming, meaning that they are not the traditional type of casualty or catastrophe risk companies that much. There is investment in developing products and solutions around cyber security and around pandemic risk.

Cyber risks are on the rise and industries are racing to protect themselves opening a window of opportunity for insurance and consultancies, like PwC, to advise on cyber security implementation. What are some of the growth opportunities associated with cyber risks for today's insurers and consultancies alike?

It is safe to say that, in spite of the fact that we have seen some major cyber events around the world, we have not seen the worst of it by a long way. Because of the prevalence of technology and its increasing use on our everyday lives, these risks continue to grow exponentially. The opportunity for the market is to work out how it can help mitigate that risk through the provision of insurance. For consultancies like ours, we advise our clients in all manner of things related to cyber, whether is protection related aspects or the development of solutions against risk managements objectives.

What are the main existential challenges for Bermuda and how can the country adapt towards today's changing paradigms?

As a small island state, climate change could have a very acute impact on the country, on a very practical level. As long as Bermuda can continue to innovate and be a relevant reinsurance domicile, which it has done for

decades now, it should weather this existential threat that it faces. Another point I would like to make is that, by nature, the reinsurance market concentrates on providing coverage against natural disasters. This is one of the critical instruments in the sustainability of the planet. Sometimes it is not seen that way, but these businesses are providing certainty to commercial organizations around the world that are getting struck down by the increasing number, frequency and severity of big natural disasters that are happening because of climate change.

Over the last decade in Bermuda, the reinsurance market is very much focused on the holistic approach of being a sustainable organization. Reinsurers are all looking at ways to drive the agenda away from carbon-centric flow towards a de-carbonized environment.

With an invested interest in the country's long-term success, can you highlight the key reforms taking place in the country and offer a final message of optimism for potential organizations and investors thinking on making a bet on Bermuda?

There is a willingness to ensure that the level of foreign direct investments continues and is strengthened over time. When we are looking at governmental reform, there is a number of areas that are important to invest in. Education is clearly one and there is some transformational change being performed within education already. Just like in the private sector, it is crucial to look at the quality of your talent and how to nurture and

"The industry itself needs to be responsive to some of the biggest macro-economic risks that the world faces today."

Arthur Wightman, Territory Leader, PwC Bermuda

develop it. The quality of technology and how your technology solutions are being deployed in order to make the overall machine of government work more efficiently, are key. The ultimate goal is to drive our citizens of this country towards a better outcome.

I am optimistic about the future of the island and I am very bullish on Bermuda. There are opportunities and willingness for the capital markets to look to the immediate to deploy that capital. The industry itself needs to be responsive to some of the biggest macro-economic risks that the world faces today. I am fascinated by this evolving story that we see in the Bermudan market and I am eager to venture into the future.

Showing trust in Bermuda's ability to persevere

Kevin Taylor, Managing Partner, Walkers (Bermuda) Limited, shares his confidence regarding Bermuda's post-COVID-19 recovery



How optimistic are you about the speed of Bermuda's recovery as well as the projected economic performance for the firm?

I think our government has done a very laudable job in how they have dealt with protecting the island. They have struck the right balance between ensuring that Bermuda's residents are safe, but at the same time, having the island open for commercial purposes, wherever that is possible. In terms of how I feel about vaccination, the government again has done a very good job securing an adequate number of doses. When COVID-19 hit a year ago, many of us found this to be a peculiar change of dynamic, not knowing what was going to follow. As a firm, we have been pleased with how our business has fared and how we have responded to ongoing changes and requirements necessary as a result of COVID-19. We have managed to navigate through the pandemic relatively well, led by our government and the measures they have put in place for the country. As an island, we are historically known for being resilient against the challenges that come our way. I am optimistic in our ability to respond and come out of this in a strong position.

"There are many factors rendering Bermuda as a top-tier option for people who wish to balance their working career with quality of life."

Kevin Taylor, Managing Partner, Walkers (Bermuda) Limited

Could you provide us with an overview into the background of the company and the services that you are currently offering?

Broadly speaking, we have a corporate and transactional practice as well as a disputes practice. In the corporate and transactional practice, we divide our focus into various industry sectors. We have a strong insurance practice, with services ranging from setting up and assisting new capital in Bermuda in relation to licensing, to ongoing advice as structures develop and grow.

In addition, we have a premier banking and finance practice as well as a leading Fintech practice with one of our partners being the only Bermudian lawyer recognized in that practice by the top directories for the industry. The Fintech team also works very closely with the Bermuda government and Bermuda's Fintech developers. Our corporate and transactional practice also boasts a dedicated regulatory practice as well as a traditional merger and acquisitions practice.

On the disputes' side, we have a commercially-based practice. We specialize in insurance disputes and we have a world-class insolvency and restructuring team. We also have significant experience in a broad range of commercial disputes. If you are doing business in Bermuda and you have legal needs, we are able

to advise across a broad range of sectors and legal areas, acting as a one-stop shop.

What do you think are the main challenges for a jurisdiction like Bermuda and how they can tackle these changing paradigms?

One key challenge we have seen is that there has been some relocation of services elsewhere, particularly in relation to back-office-type support. Ultimately, to tackle this, the island needs to continue to be a place that people wish to be. Bermuda is a wonderful place to live and work, whether as an individual or an entire family. There are many factors rendering Bermuda as a top-tier option for people who wish to balance their working career with quality of life. The key to maintaining our place in the market and continuing to improve it is largely due to having an appropriate regulatory environment.

The advantage we have had over a number of years derives from the aforementioned balance of regulatory trust and commercial freedom. Because of that, the regulatory environment manages to cater towards the needs of business, while also maintaining Bermuda's reputation as a blue-chip financial center. As long as our regulatory environment continues to be fit-for-purpose and evolves on the basis of listening to our stakeholders, Bermuda will be very well positioned.

High net-worth individuals are looking to move into Bermuda, with this new Bermuda Residential Certificate program aiming to increase the number of newcomers a lot. How do you envision the implications of that to the Bermudan economy?

I think these implications will be very positive for the economy. Firstly, the initial feed of people living and working here, who otherwise would not have, will increase and will create a positive, direct impact to local service providers now catering to the additional mass of newcomers. Secondly, once you have lived in Bermuda, it is difficult to let it go. I envision that there will be a number of newcomers who will have very much enjoyed their time here and love the work-life balance and the warmth of the people of this country. Once they have experienced that for some time, they may explore other reasons to stick around.

What would be your final message for our readers of Newsweek?

Walkers (Bermuda) Limited is a leading international law firm and the commitment to establish in Bermuda speaks highly of the jurisdiction. Most firms and organizations have had their challenges over the last year, in particular. However, from my perspective, I continue to be optimistic that we will continue to meet those challenges and pull through successfully. When this is behind us, we will continue as one of the premium financial jurisdictions in the world.

Providing unique opportunities on a global scale

Kevin O'Donnell, President & CEO, RenaissanceRe Holdings, believes that Bermuda is the place to be when it comes to innovation



As CEO of RenaissanceRe what are your main priorities moving forward this year?

Everything that we thought we were going to do in February last year, changed in March when the pandemic started to set in and we went from having fully-staffed offices to having nobody in offices. Even at this point, the most open office that we have is in Bermuda. Our offices in New York, London, Singapore, and around the world are generally shut down. From an operational standpoint, we went from having a normal year to having quite an exceptional year in thinking about how we were going to maintain the efficiency of the organization while nobody was really working together in-person. Additionally, we saw that the market was changing. Last June, we went to the capital markets and we raised \$1 billion equity with the expectation that we would be able to deploy it.

“Nonetheless, 2020 was a year that I will look back at as probably one of the finest years of our organization’s history.”

Kevin O’Donnell, President & CEO, RenaissanceRe

The second half of the year went from not only working remotely but into a full mobilization of our efforts to make sure that we could deploy more capital into what we saw as a better market. I am thankful to report that in the January renewal, we deployed an additional \$1 billion of capital to risk. Our customers were excited about our being able to expand our offering to them. Our shareholders were excited about the opportunity for us to expand the overall footprint of the organization to serve our customers better. Our staff went from trying to survive the pandemic to trying to do something exceptional, which was to grow the organization pretty materially.

When I think about 2020, it was a year that was very different than what we anticipated it to be when we set our strategy in February and then reset our strategy in March. Nonetheless, 2020 was a year that I will look back at as probably one of the finest years of our organization’s history.

You have mentioned that an important lever for the business is ceded retrocessional coverage. What does the aspect of this business look like in 2021?

We participate in the retrocessional market in two ways. We write a fair amount of retro, which is us providing capital to other reinsurers, and then we buy protection on our own portfolio. We are looking for opportunities for

us to achieve adequate returns on our capital to provide capital to others to write business. Much of that comes through one of our vehicles called Upsilon. By bringing that type of capital to that market, we can be highly efficient. We also purchase retrocessional coverage on our books of business to improve the efficiency of the portfolios. Retro can allow capital to be used at a higher level of efficiency in more territories on a rated balance sheet.

What can you share with us regarding the action points associated with your strategy to promote climate resilience to close the protection gap and induce positive societal?

We are not looking at environmental, social, and corporate governance as something on the side of the company, but as a core element of who we are. As an asset allocator, we are focused on investing where we can make a difference. More importantly, our core business, which is protecting against natural catastrophes, is at the heart of climate change resilience. We think about our understanding of that risk and how we can make sure that we are still providing the protections that the most vulnerable need, even in a changing world. Our business is affected by climate more directly than many others. We are heavily invested in understanding how that changes, looking for ways to bring the right price to risk for those who choose to or need to live in places where they are more vulnerable.

Could you give us a first-hand account of what it is like to invest in Bermuda and comment on the doing business climate in Bermuda, and also your experience of living and working in the country?

Bermuda is an incredibly resilient country. Maybe because of their size, they see opportunities quickly and the regulator is able to mobilize and make sure that they can meet the needs of the market in a way that is rigorous, so that they can maintain equivalence with other regulators around the world. From that standpoint, I think it is an amazing place to do business. We, as a company, have been here since our formation. We have grown here and I think it is an amazing market to do business. Bermuda is not only beautiful, but also a vibrant market and a cheerful community.

In your opinion, what is Bermuda’s unique value proposition compared to other small island economies?

Innovation is tied with Bermuda mainly thanks to the accessibility and expertise characterizing our regulator. Apart from its undeniable specialization, the regulator here appears to be more adaptive and well-informed on market changes than anywhere else in the world.

A powerhouse when it comes to offshore law

Michael Hanson, Managing Partner, Carey Olsen Bermuda, underlines the advantages of having a truly global footprint



Service-led jurisdictions are bolstered by the legal sector. Could you highlight why firms, such as Carey Olsen, are so important for a jurisdiction to remain globally competitive?

Investment capital and flows of money are highly fluid, so clients and advisors will always look at the financial center that best suits their needs. When you have a global footprint, you can react far quicker to those needs as they rise and fall. For us, for example, we give Bermuda legal advice in Bermuda, but we also give Bermuda legal advice in London, Singapore and Hong Kong. That global presence helps to ensure that Bermuda is always considered as an option.

We have Carey Olsen lawyers on the island talking to clients about Bermuda and Bermuda structures, be it funds, companies or trust foundations, so information is available instantaneously and decisions are made on the spot. Bermuda has a slightly unique global position, because of our reinsurance and insurance market, which is an especially important market that gives us an undeniable edge thanks to its differential to other offshore jurisdictions.

“One of the advantages of being a small island is that we are incredibly adaptable, able to move very quickly with the times.”

Michael Hanson, Managing Partner, Carey Olsen Bermuda

Could you highlight what differentiates the Carey Olsen Corporate Services Bermuda offering in amongst the mature Bermuda ecosystem?

The Carey Olsen historic model has always been law firm first, to be the lawyer’s lawyers. It did not have, like many other offshore law firms, a global fiduciary business. There was much more of a focus on the law. What is different in Bermuda is with businesses incorporating they want a one-stop shop. Clients want more than just legal advice.

We knew that in Bermuda we would have to change the model slightly. However, what we did not want is to be a corporate services-led business. What we wanted is for the corporate services team to very much focus on servicing the law firm and the law firm’s clients. We would rather provide real added value, highly personalized service, which is a differential to the local market.

What services does Carey Olsen offer that can accommodate for highly mobile clients?

Nowadays, with the digital nomads, Fintech, cryptocurrencies and other developments, we are getting more new types of businesses. But ours, like many law firms are very geared towards dealing with various types of one-off queries.

As a law firm, dealing with, especially on the high-net-worth side, the family office side you must answer any question they have about the jurisdiction, not just about the legal side of things. This is a missed trick sometimes in our local market, because lawyers should be trusted advisors. When you are a trusted advisor you provide more than the legal advice. It is not necessarily a service line that we would call our concierge service but all our staff are cognizant of it, and it is naturally ingrained into the service. We have boots on the ground here. Unlike some other offshore jurisdictions, service providers are used to international executives walking around our island because of our insurance sector.

What is like to invest in Bermuda? What is the business climate like in Bermuda alongside the experience of living and working in the country?

One thing that people get wrong about Bermuda is they have a picture of a nice beach and a mojito. Even though we have the world’s best beaches and mojitos are lovely, the atmosphere you pick up on when you come to the island is that there is serious business here and great substance to our corporate identity. There are lots of reasons we have ended up in this place, but one of the fundamental reasons is, we have an extremely professional and highly regarded regulator in the Bermuda Monetary Authority (BMA). International business has people on the ground who require that level of service, so the island is geared to it. You have this fantastic polar identity of a beautiful island with an extremely sophisticated infrastructure. It is hard to conceptualize it unless you come to the island and see it for yourself. One of the advantages of being a small island is that we are incredibly adaptable, able to move very quickly with the times. Bermuda is a place worth seeing. The feedback I always get whenever we have new clients on the island is the surprise about the sophistication of the jurisdiction.

What are some of the growth opportunities associated with cyber risks for today’s insurers and legal practices alike?

Cyber risks are evolving at such a rapid pace that it is extremely hard for everyone to adapt and change, particularly onshore. The BMA, our regulator, and the lawyers and service providers here are very used to a fluid market and the need for flexibility. That makes it one advantage, particularly in dealing with this issue.

What would be your final message for our readers of Newsweek?

I would like them to get Bermuda more on their radar and do some research into it. With the new, flexible world we are looking at over the next five years, this is the jurisdiction you really want to be sure you check out.

A textbook one-stop-shop coming from Bermuda

Henri Winand, CEO & Co-Founder, AkinovA, guides us through the leading marketplace for the transfer and trading of insurance risk



Could you provide your views on the vibrancy, relevance and dynamism of Bermuda's insurance market to date?

I would say that it is first-rate for many reasons. In Bermuda, the regulator and the people backing regulators are investing the right resources in the right people. When you speak to the regulator, you have someone that is knowledgeable, proactive and reactive at the same time. That is not the case in a lot of geographies, where it can take months to get things done. By its location, it is between two of the largest markets, the U.S. and the U.K., and the rest of Europe. It has an ecosystem of 30 or more years, of people who understand risk and capital allocation, doing it for a very long time.

As CEO of AkinovA, believed by many to be the first regulated insurance marketplace since the formation of Lloyd's in 1871, can you guide us through the genesis behind the rise of Insuretech?

Insuretech has been a way for the industry to access the end-clients. We found that a lot of the value is in the back-office and the plumbing of the risk value transfer chain. It is harder to do this, as you need to take into consideration the regulation, the data and all the interests from the various parties to make it work. That is where the amount of value comes at the intersection between risks, data lakes, analysis of those data and capital.

"In Bermuda, the regulator and the people backing regulators are investing the right resources in the right people."

Henri Winand, CEO & Co-Founder, AkinovA

Between businesses and capital markets, there is a very long chain of brokers going to the insurers, insurers going to other brokers, brokers into reinsurers, then going into other brokers and so on. While all actors add value to the chain, the length of this chain was proven by COVID-19, more recently, to be too long. This chain is not able to react quickly enough, as it requires more than a year to reach a response. Instead of a long chain, you need to have all the actors around one particular platform. Then you have two regulatory frameworks usually distant from each other meeting on the same platform. To avoid getting crushed, we have created a new regulatory framework.

When you want to transform an industry, the worst thing you can do is to tell people within that industry that you are going to 'shrink them into prosperity'. We are all about growth, to enable them to do things of scale alongside existing business-like intangible assets and, as part of it, cyber.

What are the key differentiators for AkinovA that set it apart from its competitors?

AkinovA is the first regulated venue, where global capital can meet insurance, reinsurance and insurance link securities, directly, in a regulated way and electronically. We are the only venue with capital from 42 countries, with rated and unrated funds, where you can build collateralized and uncollateralized transactions within a direct insurance to capital markets regulatory framework. That gives certainty to the capital markets investors, but also to the insured, as the structure is there to operate front to back from the first day.

We maintain the view of that long chain I mentioned earlier, bringing it together in a more compact way without cutting any people out of the equation. We just provide one simple place where they can all work.

You were named 'Insuretech Company of the Year' for the second year in a row at the 2020 Reactions London Market Awards. What particularly impressed the judges was your facilitation of innovative cyber products and new data room SAAS offering. What is next for the company and how does the five-year roadmap look like?

With fantastic support from Bermuda, we have done the regulatory piece. Now, it is about deploying that. What you need is a couple of products that catch the eyes of the insured, the clients. We are working very hard on that.

After the announcement of regulatory approval, we also did some really innovative climate and cyber transactions which won us awards. In essence, for us now, it is all about putting the foot on the accelerator and play to our tremendous assets backed by a phenomenal advisory board.

How would you describe the doing-business climate and experience of working in Bermuda?

Bermuda is a country where you can have the right access and do business at speed. There is good rule of law, so you know that contracts will be enforced. Bermuda also pays a lot of attention to make sure it stays on the right lists around the world and offers transparency.

When you come up with something new, you have a lot of people in the country willing and ready to help and make things happen. You work with knowledgeable people as Bermuda is one of the very few global risk transfer venues around the world. They have the corporate knowledge of understanding your idea and helping you set up, as they see you moving from the very beginning. Bermuda is also a fantastic destination and a phenomenal place to live in.

A global market competing with the best in the world

David Brown, Chairman, The Argus Group, describes Bermuda as the perfect combination of life and work



Could you provide us with an analysis on the dynamism of Bermuda's insurance and reinsurance market to date?

Bermuda has long had a critical mass, not only measuring the count of companies, but the critical mass that we have developed in terms of the substantial workforce present on the island, the proper infrastructure to support all those businesses and the high standards of its regulation, including the focus of the regulators to keep pace with innovation. We have office space, broadband, and a massive talent pool of people already on the island, equipped with all the necessary skills. We have many service providers, accountants, and lawyers, just as we have a critical mass of insurance and reinsurance business. New companies coming into the island can plug into this already existing flow of business.

"The Bermuda market has demonstrated its relevance and maturity during this crisis as it has during prior crises."

David Brown, Chairman, The Argus Group

How has the impact of the pandemic affected the stability of Bermuda's insurance industry?

The Bermuda market has demonstrated its relevance and maturity during this crisis as it has during prior crises (for example, Hurricane Andrew, 9/11 and Hurricanes Katrina, Rita, and Wilma). We have seen more capital attracted to existing players and have also seen some new entrants.

Our companies were well prepared to move to a remote working protocol, as they already transact business globally and many have offices around the world. In other words, I did not see any reduction in business as a result of the challenges posed by the pandemic.

Normally there would be many more face-to-face meetings with clients, brokers, and colleagues, but everyone has been in the same situation and coped well. On another note, there have been new opportunities presented by working with clients and brokers remotely. Some lines of business were previously considered less than optimal to be written in Bermuda, because they require frequent visits and extensive interaction with clients, for example to do underwriting and claims audits. These have been done very successfully on a remote basis and this may open them up more to being written in Bermuda. An example of this is casualty reinsurance.

A silver lining has been that companies have saved a lot of money with reduced travel and entertainment.

What are your insights to this developing technological and regulatory innovation in the Bermuda and global marketplace?

We all see around the world that the business model for innovation is moving much faster in many areas and jurisdictions. In this regard, Bermuda has never stood still. As an example, the Digital Business Asset Act of 2018 is perhaps not the first, but certainly one of the earliest frameworks for recognizing and regulating businesses that hold or transact digital assets.

On another note, our Fintech sandbox is less well-known, but an extremely innovative initiative. This regulation provides for the very close supervision of businesses that are operating in an experimental and innovative manner, where there is no existing codified regulatory framework. Nonetheless, we can help them develop their businesses and figure out the regulation overtime, as they are being closely watched over their initial experimental phase.

Cyber risks are on the rise and industries are racing to protect themselves. What do you see as some of the growth opportunities in the area of cyber risk for today's insurers?

It is certainly a developing market and the growth is very rapid. There has been a concern about what is called silent cyber. Those are insurance companies who may have provided cyber cover implicitly, as the wording of the contracts was not precise enough to exclude cyber. There needs to be clarity around that area. I think that cyber is one of the risks that belong substantially in the financial markets, rather than just the insurance markets. The financial markets already have the risk. If a massive cyber event hits a company, the shareholders will suffer. Those shareholders already have that risk, they just do not necessarily recognize it. If you could separate that risk out and price it independently, those capital markets could then decide whether they want cyber risk or not. Markets are more efficient when risks are more specifically separated, so the right risk goes to the people with the right appetite. This is a great example of how slicing and dicing a risk can be good for keeping the price as efficient as possible.

What are your thoughts on the initiatives currently under discussion as options for the private and public sectors to collaborate on protection from systematic risks such as pandemics?

The huge scale of the risk and the immense government financing needed indicates to me that this is too big an issue for the industry alone to solve. The solution likely lies in some combination of government funding, perhaps capital markets, and the industry participating as a partial risk taker and also an administrator of the program.

Maintaining a robust profile at the top of multiple sectors

Tim Faries, Bermuda Managing Partner, Appleby, underlines the value of quality over quantity for Bermuda's admirable success



As Managing Partner of Appleby's Bermuda office and CEO of Appleby Global Services (AGS), could you provide us a glimpse into the company?

Appleby traces its history back to the late 19th century and we have developed with the international business sector, as it has grown up since the 1950s. The sector is open to all businesses of quality and substance, but you could say that insurance and reinsurance has been our longest standing specialty.

Presently, we have a half dozen firms in the legal sector who have a significant amount of focus on the international business sector, insurance and reinsurance, banking and investment management, energy and natural resource development, tangible and intangible asset financing, public and private capital markets, private wealth, and digital asset business.

AGS is a licensed trust and corporate service provider, operating in Bermuda and other jurisdictions in which Appleby operates. There is a natural connection between the legal advisor of corporate structures and transactions, and the administration of the structures that are set up to do those transactions. For regulatory and other reasons, the two entities are run separately but side-by-side to offer clients a holistic solution to their corporate needs in Bermuda.

"When I think of Bermuda, three words come to mind: transparency, efficiency, and accessibility."

Tim Faries, Bermuda Managing Partner, Appleby

How did 2020 look for AGS, and where did you see growth for the company this year?

In 2020 we more than doubled the number of structures we support in Bermuda and by our second-year anniversary in the spring of 2021, we tripled our growth globally. For a new business coming in we would expect year two to be better than year one in ordinary circumstances, so the pleasant surprise for us was even though year two was a pandemic, we still saw that trajectory continuing upward. The growth has come from our traditional areas of business. Firstly, we have seen a lot of insurance startups. The pandemic has thrown off new risks that need to be financed through insurance products, meaning new opportunities in new jurisdictions. Secondly, growth has come in the digital asset business sector. Looking forward, we expect more of the same heightened activity that we have already been seeing across the various elements of insurance and reinsurance, namely ILS, life reinsurance, catastrophic risks, large, capitalized companies, small to medium-sized companies, and digital assets as well.

What are your main priorities for the firm going through 2021?

We were successful in 2020 to navigate our way to where we steadily increased business flow, with high employee engagement and productivity. Our number one priority for 2021 remains keeping our people safe and productive as we continue to navigate and change with what the pandemic presents to us. International business for the jurisdiction has been strong through 2020 and 2021 so far.

Our focus is to help our staff to continue the transition to what I think is going to be the new way of doing business. How we marketed our business in the past is going to be different in the future. How we engage on a day-to-day basis with colleagues and with clients is going to be different. We have been dealing with that already, but as 2021 continues we will be figuring out which elements are permanent changes, and which were just a function of a temporary crisis period. I think that the pandemic has changed the way people will want to work in the future. There will be more flexibility in the workplace, a greater use of technology to permit real-time interactions. These are good and positive outcomes which have the potential to improve both work-life balance and productivity.

I am optimistic of the changes that may come. Working with our staff to transition to that new way of doing business is my key focus for our business for the remainder of 2021 and going into 2022.

What are the main existential challenges for Bermuda and how can the jurisdiction tackle the most recent paradigm changes?

We have operated in a global economic environment where, over the past 20 years, there have been almost constant shifts in terms of the playing field and challenges that have been described as 'existential'. Whether they be changes designed to shut out the international financial centers entirely from global commerce, or regulatory changes that make it more difficult for insurers or reinsurers to underwrite businesses, Bermuda has faced a steady stream of these challenges in the past and has successfully come through them. I think that we will, as a jurisdiction, look to address emerging challenges in the same way that we have done and had success in the past.

What is Bermuda's unique value proposition compared to other small island economies and what is it really like to live there?

When I think of Bermuda, three words come to mind: transparency, efficiency, and accessibility. Transparency has always been a hallmark of our jurisdiction. It is a lovely island with warm friendly people. Obviously, I am biased, but even from an objective perspective, I do not think there are many places like Bermuda in the world.

INSURANCE & REINSURANCE

Our Insurance & Reinsurance practice involves advising on the establishment, regulatory compliance and business operations of re/insurance companies (life and non-life), as well as re/insurance managers and brokers in international jurisdictions.

Our market-leading practice in Bermuda is renowned for its expertise in all aspects of re/insurance, including catastrophe bonds, SPIs, sidecars and other insurance-linked securities, in addition to capital raising, M&A and insurtech.

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A blueprint for entrepreneurship around the world

Marc Grandisson, CEO, Arch Capital Group Ltd., declares the company's availability for business in the aftermath of COVID-19



Could you provide your analysis on the dynamism of Bermuda's financial services industry to date?

Over the last 40 years in Bermuda, there has been consistent growth in terms of insurance and financial service companies coming here to establish themselves and create roots, not only as local companies, but as providers of international capital to the world. Lately we have less of an emergence of new players, but, I would argue that more capital has found its way onto existing balance sheets, such as our own.

Bermuda has been ever growing. Every time there is a crisis or some sort of global scale challenge, Bermuda has risen to the occasion to fill the void and provide solutions to the world. It has been tremendous in terms of ingenuity, innovation, capability, willingness, and entrepreneurial spirit. We are probably top of mind when people think about creating a new enterprise. From an insurance perspective, Bermuda has also clearly been a 'go-to', or a first-call for anyone that wants to create something new.

"It may not be the first place you would think of to come, but once you discover Bermuda, it is somewhat of a healthy addiction."

Marc Grandisson, CEO, Arch Capital Group Ltd.

How do you plan to drive the company towards growth this year after such a challenge in 2020 in the industry?

For Arch, it is all about growth at this point in time. There is an opportunity for us to establish ourselves as being a first call for our clients and brokers. We have solid capital, and we have an appetite to take on risk where some of our competitors are not as forthcoming. 'We are open for business', is what we like to say, trying to be as thoughtful and as supportive of the market as possible.

We have been very proactive in supporting our people in so many ways. Our people are our number one asset in this company. This company does not exist without its people. Insurance is an idea, a promise. I could not be prouder of what they have accomplished. When COVID-19 hit, we did not skip a beat which was tremendously surprising and positive. There is amazing growth opportunity out in front of us throughout our platform, and our ability to deploy it is there. Our number one task is to make sure our people realize that, appreciate it, and seize the moment.

As Chairman of the Association of Bermuda Insurers and Reinsurers (ABIR), can you tell us about the planned initiatives you have and your

thoughts on how your professional experience will bolster your role?

ABIR has done exceptionally well for almost 30 years now. It is an exceptional forum to discuss things among industry leaders, as well as a very capable advisor to the government and other entities around the world who are thinking about financing risk. One of my biggest goals internally within Bermuda, within the industry and externally, is to represent the interests of Bermuda and explain what Bermuda is. My role is to be a sort of scientific explainer to make sure that Bermuda is accurately represented.

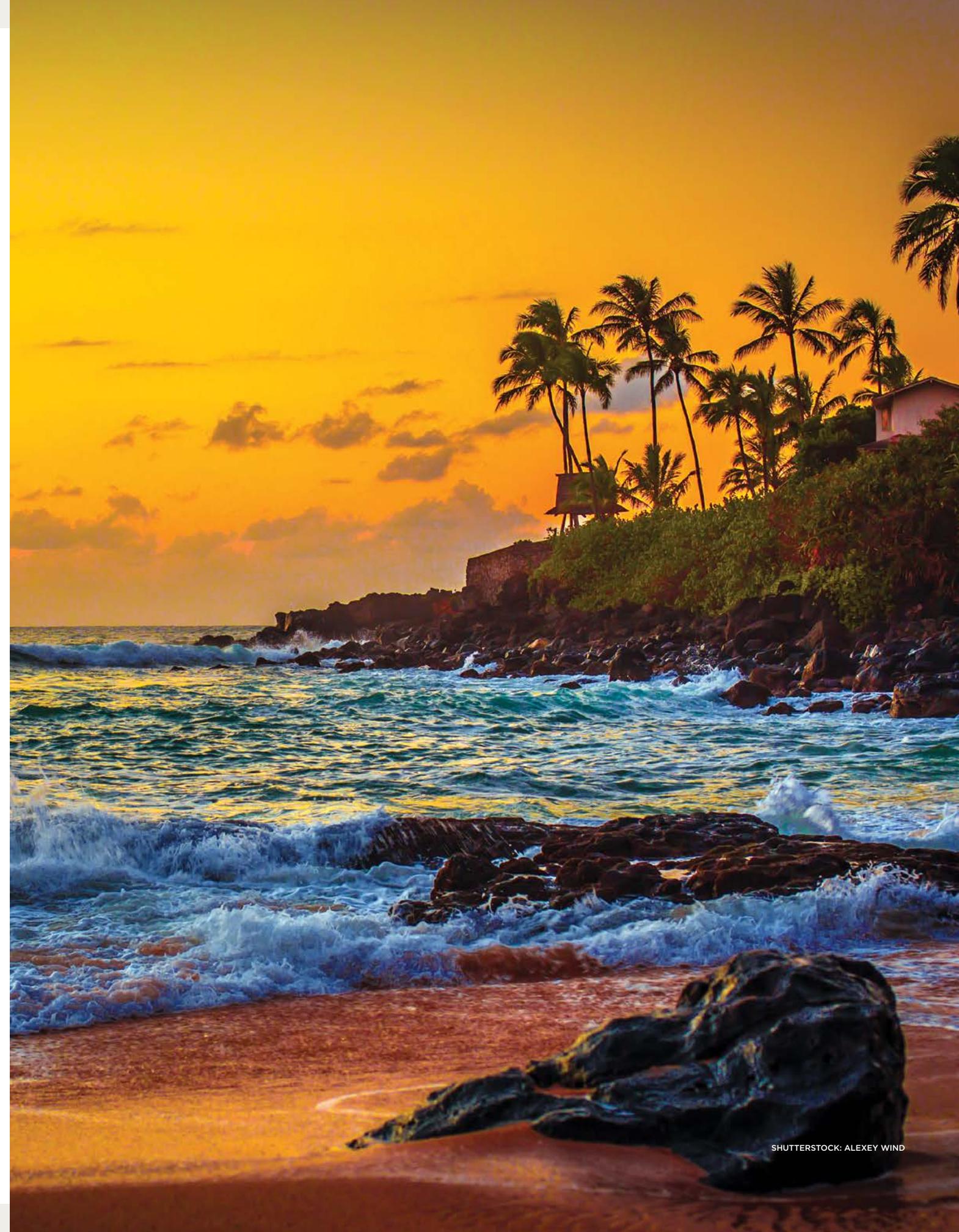
Bermuda provides a lot of support to the world in ways that people do not appreciate, to not only investors, but politicians and organizations. We have Bermudians who have been working here for 20 years, possessing an amazing amount of knowledge about the business and this ripples through the entire economy. There is really sound knowledge here about insurance and risk management that should be known and celebrated. I sincerely believe that anybody who wants to put a company together, new capital, or a new idea will always find someone that can help them here in Bermuda to make their dreams come true.

What is Bermuda's unique value proposition compared to other small island economies, and what is it really like to work here?

There are so many wonderful things about Bermuda. We have access to all the major airports in the world. Our geographic proximity permits accessibility to the major centers. Schooling in Bermuda is top notch, and it is an extremely safe place. There is an extensive expat community filled with smart, dedicated and accomplished professionals from here and all around the world who you might not otherwise have the opportunity to meet. There is also a solid and robust infrastructure with high-speed internet. Whatever you want or need, Bermuda has it.

What would be your final message for our readers of Newsweek?

Bermuda is one of the best-kept secrets in the world. For anyone that has a chance, when COVID-19 restrictions are lifted, I would invite everyone to come and spend a week here, or at least a weekend, and see it for themselves. Those of you who are business people, come and look around, set up several meetings to get to know who is here, what they do, and how they do things. Get to know the business and the marketplace and bring your family. It is a lovely, quaint location where you can do some work and stay a couple of extra days to enjoy yourself. It may not be the first place you would think of to come, but once you discover Bermuda, it is somewhat of a healthy addiction. There is something extraordinarily special about it and the more people come, the more they repeat.





WORLD CENTRAL

Perfectly balanced between East and West, Bermuda is just ninety minutes from New York, with direct flights to London and Toronto. Stable, long established and highly entrepreneurial, the island is a unique business ecosystem where established and emerging industries connect with a deep talent pool of professionals in finance, insurance and the law. In Bermuda gold-standard compliance meets blue-chip transparency to create the natural home for global businesses, professionals and private clients.

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