



BERMUDA 2020

SECURE

A time-honoured
jurisdiction

EFFICIENT

All provisions
in one

INNOVATIVE

Nurturing tech
advancements

From the publishers of

CAPTIVE
REVIEW

Alignment, by BUTTERFIELD.



Butterfield has worked with captives from the beginning, and our expertise has evolved in step with the industry.

Our banking services are fully aligned with the needs of modern captives, providing key cost, tax and risk mitigation advantages, delivered by our highly responsive team.

Let's have a conversation about how we can put our captive banking experience to work for you.

For more information please contact:

Rick Manuel
rick.manuel@butterfieldgroup.com
(441) 298 4683

Jordache Rawson
jordache.rawson@butterfieldgroup.com
(441) 294 2007

butterfieldgroup.com



BUTTERFIELD

The Bank of N.T. Butterfield & Son Limited is licensed to conduct banking business by the Bermuda Monetary Authority. Address: 65 Front Street, Hamilton HM 12, Bermuda.
Butterfield Bank (Cayman) Limited is licensed to conduct banking business and investment business by the Cayman Islands Monetary Authority. Address: 12 Albert Panton Street, George Town, Grand Cayman, Cayman Islands.

A time-honoured domicile

Contributors to the *Captive Review* Bermuda report focus on the recent trends they are seeing in their respective lines of business within Bermuda, and how exterior influences are playing their part on the insurance space.

For the legacy acquisitions space, the coronavirus pandemic is giving rise to a locus of activity, in contrast to those involved in other areas of the financial services ecosystem experiencing downturn.

All of the contributors within also provide their views on how the pandemic is influencing business opportunities at this time.

As a time-honoured domicile, we also hear how Bermuda is well-positioned and forward-looking in terms of fostering innovation in the technology and cryptocurrency space.

Overall this report is sure to give our readers a firm understanding about the current state of Bermuda as a first-rate captive insurance domicile.

Ross Law
Report editor

CAPTIVE

REPORT EDITOR

Ross Law

+44 (0)20 7832 6535
r.law@pageantmedia.com

CAPTIVE REVIEW EDITOR

Lauren Ingram

+44 (0)20 7832 6684
l.ingram@captive-review.com

HEAD OF PRODUCTION

Claudia Honerjager

HEAD OF DESIGN

Jack Dougherty

SUB-EDITORS

Charlotte Sayers
Todd Palmer

PUBLISHING DIRECTOR

Nick Morgan

+44 (0)20 7832 6635
n.morgan@captive-review.com

SENIOR PUBLISHING EXECUTIVE

Mansi Khatwani

+44 (0)20 7832 6582
m.khatwani@captive-review.com

BUSINESS DEVELOPMENT MANAGER

Richard Freckleton

+44 (0)20 7832 6593
r.freckleton@pageantmedia.com

DATA/CONTENT SALES

membership@captive-review.com
+44 (0)20 7832 6513

HEAD OF EVENTS

Beth Hall

+44 (0)20 7832 6576
b.hall@captive-review.com

CEO

Charlie Kerr



Published by Pageant Media,
One London Wall, London, EC2Y 5EA

ISSN: 1757-1251 Printed by The Manson Group

© 2020 All rights reserved. No part of this publication
may be reproduced or used without prior permission
from the publisher.



FLEMING RE

Legacy Innovations

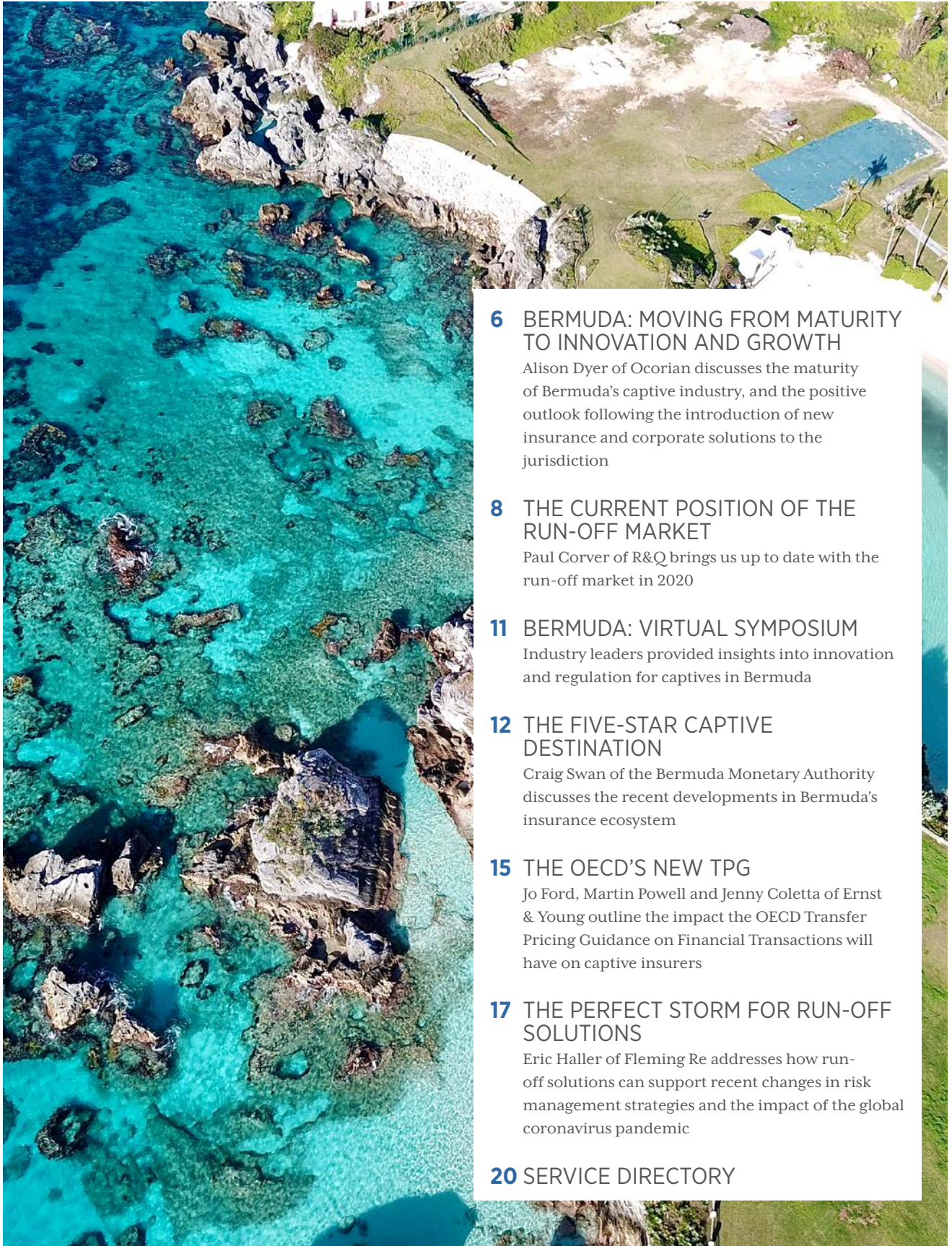


Experience Underwriting Complex Risks

Jumping at 13,000 feet, you accelerate to over 120 mph within five seconds. In order to choreograph a formation at extreme speeds, it takes knowledge, planning and coordination to ensure success.

At Fleming Re, you can put your trust in a team of professionals who will take on unique challenges, understand their clients' goals and achieve extraordinary results. Our team has significant experience and understanding of **Corporate M&A Solutions**, **Captive Run-off** and **Customized Restructuring**. We deliver the next generation of legacy solutions that provide our clients with risk management, financing and liquidity tools to achieve success.

www.flemingreinsurance.com



6 BERMUDA: MOVING FROM MATURITY TO INNOVATION AND GROWTH

Alison Dyer of Ocorian discusses the maturity of Bermuda's captive industry, and the positive outlook following the introduction of new insurance and corporate solutions to the jurisdiction

8 THE CURRENT POSITION OF THE RUN-OFF MARKET

Paul Corver of R&Q brings us up to date with the run-off market in 2020

11 BERMUDA: VIRTUAL SYMPOSIUM

Industry leaders provided insights into innovation and regulation for captives in Bermuda

12 THE FIVE-STAR CAPTIVE DESTINATION

Craig Swan of the Bermuda Monetary Authority discusses the recent developments in Bermuda's insurance ecosystem

15 THE OECD'S NEW TPG

Jo Ford, Martin Powell and Jenny Coletta of Ernst & Young outline the impact the OECD Transfer Pricing Guidance on Financial Transactions will have on captive insurers

17 THE PERFECT STORM FOR RUN-OFF SOLUTIONS

Eric Haller of Fleming Re addresses how run-off solutions can support recent changes in risk management strategies and the impact of the global coronavirus pandemic

20 SERVICE DIRECTORY

BERMUDA: MOVING FROM MATURITY TO INNOVATION AND GROWTH

Alison Dyer of Ocorian discusses the maturity of Bermuda's captive industry, and the positive outlook following the introduction of new insurance and corporate solutions to the jurisdiction

Bermuda's captive industry is widely recognised as a mature market with access to excellent insurance talent, top-tier service providers, leading (re) insurers and a robust, yet commercially minded, insurance regulatory framework. As one of the oldest captive domiciles and with many of its captive owners large Fortune 500 companies and multinational enterprises, Bermuda is considered the global leader, with more than 700 captives generating an estimated \$40bn in gross written premiums annually.

But is the jurisdiction evolving in order to remain the leading captive domicile and attract prospective captive owners – how is it staying relevant?

Embracing innovation

The advent of Insurtech in the global (re) insurance industry has not gone unnoticed in Bermuda, and the Bermuda Monetary Authority (BMA) has actively sought to fold this modernisation into its insurance legislation.

Amendments to legislation created a 'regulatory sandbox' aimed at giving technology-based insurance startups an environment to incubate their business for a limited period of time. This allows them to

Alison Dyer



Alison Dyer is managing director of Ocorian's Bermuda office which provides administration and fiduciary services to the captive insurance and insurance-linked securities markets. If you would like support with your captive, please contact Alison at alison@ocorian.com or ocorian.com/people/alison-dyer.

test new technologies and offer innovative products, services, and delivery mechanisms to a limited number of policyholders (or other clients) in a controlled setting with appropriate oversight from the BMA. These companies can subsequently register as a normal insurer after the incubation period ends. There are appropriate safeguards to protect policyholders and counterparties of companies, with time limits, reporting requirements and disclosure requirements built into the 'regulatory sandbox'.

New insurance classifications and licences aimed at insurers carrying on business in an innovative or experimental manner were introduced. The ILT class was created for insurers carrying on long-term business and the IGB class was created for insurers carrying on general business. A

new licensing regime was also introduced for insurance intermediaries, insurance brokers and insurance managers carrying on business in an innovative or experimental manner.

Insurtech is already being widely incorporated into the global (re)insurance market; a simple example is that 10 years ago, when filing out a home insurance policy application, a policyholder may have been required to obtain and provide information such as the distance from the property to the nearest fire hydrant. However, today an insurer may use tools like Google Earth to obtain such information when providing a quote. With the growing trend of technology being applied to traditional insurance, the Bermuda captive industry is well positioned to attract and develop fresh interest, as insurers seek to test their innovative and experimental ideas in the controlled environment provided by the BMA.

Incorporated cells add to Bermuda's appeal

Bermuda also introduced the Incorporated Segregated Accounts Act 2019 (ISAC Act) in 2019, which sits alongside the existing Segregated Accounts Act 2000 (SAC Act), which existing piece of legislation is widely used by captives in Bermuda.

The ISAC Act introduced the option of creating segregated cells with legislatively provided separate legal identity. This adds another layer of ring fencing to segregated accounts business that is popular with captives. Many jurisdictions now have segregated cell or protected cell legislation but not all offer incorporated cells as an option. Although not exclusively aimed at the insurance industry, the innovations provided by the ISAC Act add to Bermuda's captive insurance solution offerings.

Expanding global reach and accessibility

Another feature of Bermuda's mature captive market is its extensive global reach. Bermuda is often referred to as the 'risk capital of the world' and the maturity of its captive market inspires confidence. Many of the world's largest multinational corporations and publicly traded companies choose to domicile their captives in Bermuda, and while most Bermuda captives have traditionally been North American and European facing, Bermuda is also a popular captive domicile for insurers from other parts of the world including Africa, Asia and Latin America.

Bermuda's sophisticated technological infrastructure and interconnectivity enables captives to operate with a global reach. The island is close to opening its new, expanded airport that will add to ease of travel for the facilitation of physical meetings as necessitated by the Economic Substance Act.

A mature market committed to regulatory excellence

The maturity of Bermuda's captive market means that it is well placed to provide economic substance for insurers in the jurisdiction. Owing to the breadth and quality of supervision of insurance companies in Bermuda, captives have generally found that they were already operating with a decent level of substance that could be refined to meet the requirements.

Bermuda regulators' proportional, risk-based approach continues to strengthen its captive market. This is highlighted by the fact that Bermuda remains one of only two non-EU jurisdictions that enjoy Solvency II equivalency, which was granted by the European Commission in 2015. This demonstrates Bermuda's commitment to enhanced regulation and innovation and the EU's views on Bermuda's insurance



regime being on par with their own. At the same time as Solvency II equivalency was granted, Bermuda was approved as a qualified jurisdiction by the National Association of Insurance Commissioners, further distinguishing Bermuda's high regard as a global insurance hub.

Bermuda's sophisticated regulatory approach is not limited to its insurance industry. Notably in early 2020, Bermuda was recognised for its AML/ATF regime by the Financial Action Task Force. It is also a leader in tax transparency and has a high level of compliance cooperation and information exchange.

“Bermuda is considered the global leader, with more than 700 captives generating an estimated US\$40bn in gross written premiums annually”


The depth and stability of Bermuda's captive market means it can potentially play a role in creating needed capacity and filling coverage gaps arising from 'newer' perils such as cannabis-related risks, cyber risks, and even pandemic risks. The current coronavirus pandemic has highlighted that there may be significant coverage gaps related to business interruption risks, and that there will likely be a need for greater

insurance capacity to cover risks such as travel interruption and worker's compensation.

The relevant Bermuda regulators are also taking a progressive approach to the cannabis industry and have said that as a matter of policy, as long as the business is being carried out in a country where cannabis is legalised, Bermuda will allow the business.

Current market conditions

The Q1 2020 results published by some major (re)insurers have provided, not unexpectedly, significant losses and combined ratios of over 100% being reported in many instances. These Q1 2020 results reflect both Covid-19 related and non-Covid-19 losses, and it is expected that the (re)insurance market will continue to harden into the next renewal seasons, continuing the trend of successive quarters with double digit average price increases. This environment is likely to create new captive formations in Bermuda and innovative use of new tools by existing captives.

Post Covid-19, it will not be surprising if the global (re)insurance market undergoes transformations and Bermuda's captive market may need to adapt to keep in step. A jurisdiction embracing solutions, Bermuda's mature captive industry is not only open for business, but it is also inviting a new wave of modern insurers armed with innovative ideas, technology and systems that are enhancing its position as a practical and efficient captive domicile, equipped to face the challenging landscape of the (re)insurance market. 

THE CURRENT POSITION OF THE RUN-OFF MARKET

Paul Corver of R&Q brings us up to date with the run-off market in 2020

Captive Review (CR): How does the current economic environment impact the legacy market?

Paul Corver (PC): R&Q's specific sub-segment of the industry focusing on run-off exit solutions is better positioned to adapt to economic cyclicality than our peers in the live underwriting market. This is especially true in cases of economic distress, which we are certainly seeing now due to the financial downturn catalysed by the outbreak of Covid-19. Distress in the market is often an opportunity for the run-off industry because companies will want to do something proactive to stabilise or normalise their business, and that could be disposal of legacy liabilities.

CR: What recent trends have you observed in the legacy market broadly, and specifically as it relates to captives?

PC: There has been a fundamental shift in the perception of insurance and reinsurance companies over the benefits of doing something proactive with their run-off business. I've been in the run-off industry for 30 years and for much of the early years it was deemed to be a dirty, toxic matter. People steered away from admitting they had any, even though run-off is inevitably a straightforward part of the insurance cycle. In theory, every policy goes into run-off when it expires. What we have seen over more recent years is that exit solutions are increasingly viewed correctly as a capital management tool, and the live industry has shed the stigma attached to these deals.

Paul Corver



Paul Corver is the group head of legacy M&A at R&Q. For the last 10 years, he has been actively acquiring portfolios of legacy liabilities for R&Q. These have included acquisitions, LPTs, Part VII and business transfers, novations, mergers and assumptions. A particular focus is in the captive and self-insured space where liabilities have been assumed through a variety of mechanisms utilising R&Q's AM Best A-(IX) rated company Accredited Surety & Casualty in Florida, and its AM Best A- rated company Accredited Insurance Europe Ltd in Malta.

In many ways, companies self-insuring through captives were ahead of the broader insurance market in their willingness to engage in legacy transactions, both to exit and close programmes in their entirety and more recently as an active component embedded in a live programme. As insurance is not their primary business, they can afford to be more pragmatic when it comes to addressing legacy liabilities through solutions provided by run-off players.

CR: Speaking specifically to Covid-19, what are the impacts on your business and what are you seeing from insurers or captives regarding the implications of Covid-19 on claims?

PC: The challenges faced by run-off solution providers are like those of the live market; there are so many unknowns in sizing the true extent of liability that trans-

actions which include Covid-19 exposure are extremely difficult to value. For books that include policy year coverage prior to the pandemic, the implications are a mixed bag. Taking workers' compensation for example, claimants who are on permanent disability that contract Covid-19 might find their conditions exacerbated, requiring increased medical costs to the insurer.

Indirectly, claimants getting treated that have been unable to get surgeries or receive their regularly scheduled therapy due to those medical services being deemed 'non-essential' could also drive up costs. On the plus side for insurers, plaintiffs may be more receptive and pragmatic when it comes to offers of settlement given the backdrop of recession; but of course, that may be short-lived and has yet to be borne out in any data. Frankly, there is still too much about the impact of the pandemic that is unknown at this point, and answers will come when the dust settles.

CR: How has the current market environment affected growth in the run-off market? Are there any new overlooked drivers that you see emerging?

PC: There could be a host of potentially distressed run-offs coming out of the current situation, but it's not necessarily caused solely by impacts on the liability side of the balance sheet; the impact is perhaps more likely on the asset side of the balance sheet, where maybe the investments by the company have not been as risk averse as originally thought, which can result in a

significant hit to the capital supporting the business. In addition, reinsurers may be equally impacted, creating greater credit risk for the company. If companies begin to be concerned with the asset side of the balance sheet, then they might start looking at a transfer of some of their liabilities in order to free up capital.

Specifically speaking to the captive sector, we are consistently finding that there is a lack of recognition of the true cost of unallocated loss adjustment expenses (ULAE), the gravity of which only truly materialises when the captive enters run-off. We are increasingly finding that once our clients understand the true cost of ULAE, there is little challenge in rationalising an exit solution.

CR: Could you expand on the concept of ULAE as a rationalisation for exit solutions for a captive?

PC: ULAE is not traditionally recognised as a liability on the balance sheet or reserve estimates; rather, it is included as the current year estimate, and not the present value of all future outlays. In addition, we have seen that ULAE costs are less variable and even somewhat fixed at a certain point for many captives going into run-off, eventually growing larger as a component of the reserves. When weighing the present value of the future costs over the course of the run-off period (in other words, recognising the true economic cost of the ULAE liability), it is often the case that an exit solution creates savings. Where we can uncover such opportunities, transactions become 'no-brainers' as we are able to deliver a win-win scenario to both parties.

CR: How is R&Q positioned in the environment to act opportunistically over the next 12 to 18 months?

PC: The latest survey by PWC estimated \$364bn in North American run-off liabilities with 79% of surveyed (re)insurers, legacy business acquirers, brokers, service providers and other stakeholders in the non-life legacy insurance market saying they or their clients were likely to engage in restructuring activity in the next three years. While this growth opportunity has attracted new interest from carriers and capital providers, few carriers outside of R&Q have the pre-established infrastructure and supported organisational experience required to execute on these deals.



“R&Q’s ability to utilise its fully admitted and rated US carrier (Accredited Surety & Casualty) continues to appeal to companies with US based captives”


The result has not just been an increase in overall volume and size of transactions we are seeing, but an increase in the number of firms approaching R&Q seeking to access this growing market through strategic partnerships.

Within the captive sector, R&Q continues to offer full finality for captives’ liabilities via novation agreements or outright acquisition. A combination of recent enhancements to R&Q’s due diligence process and our low execution risk has enabled a more user-friendly service for both the inter-

mediaries and the captive client. Highlighting the sophistication and growing knowledge of legacy solutions within the captive space, increasingly on several transactions in 2019, the captive became the primary vehicle through which client companies were able to achieve finality on their legacy liabilities.

For example, one transaction that was closed last year had the client consolidating all their retained workers’ compensations and general liabilities across multiple legal entities into their captive, which created a single counterparty for R&Q. In another transaction, a self-insurance group acted as a multi-pronged

transit, assuming liability of an unrelated self-insurance group, that simultaneously facilitated a loss portfolio transfer with R&Q on a quota share basis. Additionally, R&Q’s ability to utilise its fully admitted and rated US carrier (Accredited Surety & Casualty) continues to appeal to companies with US-based captives.

R&Q has an active pipeline and is continually helping captives and other self-insured vehicles restructure their business to remove volatility risk and recycle or distribute capital. 

Companies operating in the current environment may find hazards hiding around every corner. To be prudent and prevent economic leakage, entities should proactively identify those hazards and structure their affairs to manage risk in a holistic, tax-efficient manner. With EY's global integrated approach, you can improve cash flow, reduce expenses and use capital more effectively.

EY Global Captive Network professionals can determine whether your business structure and operations are suited for a captive insurance arrangement, evaluate your current risk financing structures, and develop feasible and efficient alternatives – all to significantly increase your coverage options while improving cash flow and expense management and reducing overall economic costs. As part of EY's global organization, GCN is uniquely positioned to efficiently and effectively address domestic or cross-border/foreign issues and advise on planning opportunities.

Risk isn't going away, and neither is uncertainty. You need a plan that weighs all the options so that your organization does not have to settle for high expenses as a necessary cost of doing business. Let EY show you how.

For additional information, please contact any of the following individuals.

Paul H. Phillips III

Business Tax Services
Ernst & Young LLP (US)
+1 214 754 3232
paul.phillips@ey.com

Karey Dearden

International Tax Services
Ernst & Young LLP (US)
+1 212 773 7056
karey.dearden@ey.com

James Bulkowski

Insurance and Actuarial
Advisory Services
Ernst & Young LLP (US)
+1 201 551 3133
jim.c.bulkowski@ey.com

Mikhail Raybshteyn

Business Tax Services
Ernst & Young LLP (US)
+1 516 336 0255
mikhail.raybshteyn@ey.com

Garrett Santi

Business Tax Services Ernst
& Young LLP (US)
+1 860 725 3811
garrett.w.santi@ey.com

Ted Clabault

International Tax Services
Ernst & Young LLP (US)
+1 202 327 6839
ted.clabault@ey.com

You can also contact us with your questions and comments via email:
US CaptiveServicesGroup@ey.com or visit www.ey.com/captiveinsurance

EY Global Captive Network – *Innovating Risk Management*

**Road to the top is full
of risks – to be ahead,
plan ahead**

EY

Building a better
working world

BERMUDA: VIRTUAL SYMPOSIUM

Industry leaders provided insights into innovation and regulation for captives in Bermuda

The Bermuda Business Development Agency (BDA) teamed up with *Captive Review* to host a virtual symposium discussing the future of the captive market and Bermuda's role as the world's leading captive domicile.

The virtual symposium gave participants an insight into the current state of the market, the Bermuda captive solution, regulation and innovation in captives from cryptocurrency to cannabis to other emerging risks.


The panel was moderated by Lauren Ingram, editor of *Captive Review*, and featured industry leading insights from Michael Parrish, senior vice president and

“We can provide a global view as a home to captives from North America, Europe, Asia and Africa”

client services leader at Marsh Captive Solutions, Mark Allitt, managing director at KPMG and Chiara Nannini, director at Conyers.

Jasmine DeSilva, business development manager for Risk and Insurance Solutions

at the BDA, said: “We are delighted to be working with *Captive Review* to discuss the latest trends, topics and issues shaping the future of the captive market.

“This will of course include the impact of Covid-19 but it certainly isn't the only factor at play. As businesses around the world look to put in place the most effective risk management strategies, ensuring they have the relevant information to help make those decisions is critical. Bermuda is best placed to support that. We are home to a broad range of industries utilising captives and can provide a global view as a home to captives from North America, Europe, Asia and Africa.” 

Captive Review & Bermuda

The Future of Captives: Innovation and Regulation

A VIRTUAL SYMPOSIUM FEATURING:

Michael Parrish, Senior Vice President & Client Services Leader, Marsh Captive Solutions

Mark Allitt, Managing Director, KPMG

Chiara Nannini, Director, Conyers Dill & Pearman

Jasmine Desilva, Business Development Manager, BDA



THE FIVE-STAR CAPTIVE DESTINATION

Craig Swan of the Bermuda Monetary Authority discusses the recent developments in Bermuda's insurance ecosystem

Captive Review (CR): What licensing trends are you currently seeing?

Craig Swan (CS): Any discussion of licences and trends can't be divorced from the ecosystem of why captives choose to domicile in Bermuda. Bermuda is a five-star jurisdiction because it's the only jurisdiction in the world that has lead positions in reinsurance, alternative capital and captives. Bermuda is within the top three largest reinsurance centres in the world, and the benefit here is that this enables captives to access reinsurance expertise, reinsurance capacity and markets all within a one-mile city-centre radius.

When it comes to alternative capital, Bermuda is the largest centre in the world, with in excess of 70% of global insurance-linked securities (ILS) capacity issued from the island. When alternative capital is considered more widely (including ILS, collateralised reinsurers, sidecars and more), approximately 60% of alternative capital is based in Bermuda.

The final point of note here is that Bermuda is also the world's largest captive jurisdiction in both the number of captive companies and, even more significantly, the business volume and balance sheet size. We have total captive premiums in excess of \$40bn and total captive assets of approximately \$180bn, which is much larger than any other captive domicile.

As a consistent licensing trend, what we've seen is captive formations predominantly coming from large corporations located in the US and, more recently, in Canada. Looking forward, we expect to



As deputy chief executive officer, **Craig Swan** is responsible for overseeing the Authority's supervisory activities of banks, insurance, trust companies, digital assets and investment businesses. He also assists in the BMA's ongoing planning and development, alongside sharing in the Authority's executive management and participating in key external initiatives with government and industry stakeholders, both domestically and internationally.

see an expansion of captive programmes, particularly in casualty, marine and professional lines if commercial insurance and reinsurance rates continue to harden. With respect to the times that we're living in, we also expect captive opportunities to arise from coverages that become more restrictive in reaction to the Covid-19 pandemic. Business interruption coverage might be an example.

CR: What trends have you been seeing in relation to innovation and its VMA scene?

CS: Currently, we're seeing more cyber lines being written. We're also seeing cryptocurrency-related exposures in both crime and cyber. Another noteworthy line is cannabis and cannabis related.

At present, cyber-insurance is the fastest-growing coverage among Bermuda captives. Gross written premiums in this line increased by 46% in 2018 compared to 2017. What we're generally seeing with captives

is that they are becoming more data-driven in their prices and they're utilising more in-depth research aggregation modelling. As a result, this is allowing them to tailor solutions, particularly for large companies. On top of this, these coverages include consideration of legal exposure as more products are linked and accessible via the internet of things. In the cryptocurrency market, there's a market cap of approximately \$260bn as of today. And there's very little insurance capacity that's dedicated to it. So, it is a huge opportunity. Major cryptocurrency exchanges and service providers are forming captives to provide the capacity to supplement what is already being provided by some of the larger global insurance groups.

Bermuda is a natural fit for captives providing digital asset and cryptocurrency coverage because we at the BMA are very knowledgeable in this area. We were the first regulator to build a comprehensive digital asset regulatory framework and have it enacted in law. We're also prepared for commercial writers, and we've granted licences to business models that have converged insurance and digital assets.

As the wave to legalise cannabis gathers momentum, particularly in North America, we've seen captives intending to write this business because of capacity shortages. Bermuda's general position is that our country is open to coverage of cannabis or cannabis-related products such as hemp, where those activities are legal at the federal level, and the carriers have sufficient controls to detect and prevent facilitating any money laundering.



We're also seeing an increased trend of tailored risk management-driven insurance products. The main sectors where we're seeing this are financial services, pharmaceutical, manufacturing and technology. Additionally, the captives are also making good use of innovative technology. For example, some are using multi-functional systems that encourage early reporting capabilities, enabling alternative compensation ahead of the claim. We're also seeing captives using technologies to monitor risk in real-time. In summary, I would say that Bermuda has a history of facilitating innovative solutions and supplying capacity where shortages have existed, and we think that we're well-positioned to maintain this in the future.

CR: What kind of preparations are currently being made in relation to the enhanced digital transformation that will arise from Covid-19? And would you say there are any other positives likely to come out of the current situation?

CS: Post-Covid-19, we expect the pace of digital transformation to accelerate, and we're already seeing this with companies forced to operate remotely. Recognising this, the BMA has adjusted accordingly. We can categorise our adjustments into two broad categories: one is supporting the digital transformation of the industry. The second is speeding up our own transformation to allow industry to realise additional efficiencies when interacting with us. With regards to industry transformation, the BMA has created an insurance regulatory sandbox and an innovation hub. And we're also working on innovations to facilitate sandbox testing across sectors. We also

have an insurance marketplace provider category that we've implemented for digital marketplaces. While our existing captive classes are well designed and have the flexibility for most innovative products, these additional tools widen the scope of innovation that our jurisdiction can accommodate.

"I would say that Bermuda has a history of facilitating innovative solutions and supplying capacity where shortages have existed"


With regards to the second category, which is our own digital transformation, we have several pilots that we intend to test shortly. If successful, we plan to roll them out across the BMA, including the captive sector.

We pride ourselves with being a responsive regulator and welcoming discussions with industry participants. We plan to take this concept even further by providing an additional tool, provisionally called 'virtual office hours', for anyone in the industry to automatically schedule one-off or recurring monthly meetings with our teams very quickly and without the need to go through the traditional back and forth over the phone or via email. This should lead to greater efficiency in our dialogue with industry.

We will also be making greater use of technology for our consultations to make them more conducive to the digital world. We're considering piloting a new concept with respect to exchange of information, where firms will be able to provide data and documents in a secure environment as we interact with them on a real-time basis.

One of the advantages of this will be in speed to market, decreasing the application processing and response time. The last area I'll mention is internally at the BMA. We're working on 'super tech tools' that incorporate machine learning and artificial intelligence. We plan to transition to RegTech and engage in joint initiatives with industry to develop automation tools to lower the cost of regulatory compliance.

In conclusion, we are focused on ensuring that Bermuda remains a strong and attractive market, affording appropriate policyholder protection. This clear vision was highlighted when the lockdown came into effect. We were 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. Covid-19 has had minimal impact on our capability, and we are still available to licence quality prospects who choose Bermuda as their domicile.

From a supervisory perspective, the coming years should be an exciting time for the industry because of innovative work being done throughout the BMA, particularly with the implementation of our IT 2020 plan. It is this that positions us well for the accelerated digital transformation that will arise out of these challenging times. 

Reinsurance Collateral Trusts

The limitations and costs associated with traditional collateral options such as Letters of Credit have dramatically fueled the growth of alternative risk transfer strategies amongst insurers, reinsurers, captives and corporations. Fluid regulatory, financial and risk management environments demand lower-cost collateral solutions – solutions that afford maximum flexibility with minimal effort to set-up and maintain.

It's a need that has given tremendous traction to the insurance-linked securities (ILS) market and in particular the emergence of reinsurance collateral trusts.

The SunTrust advantage

SunTrust has a long history of escrow, trust and risk management excellence and expertise, with both domestic and international coverage. We work with large and small carriers alike to help mitigate risk for their insurance business needs.

Our collateral trust product at SunTrust can help you with the following insurance needs:

- Reinsurance/Collateralized Reinsurance
- Regulation 114 Trusts
- Captives
- Surety Bonds
- State Statute Trusts
- Collateral/Depository Accounts

Our expertise, however, is only one aspect of what differentiates our reinsurance trust business from other firms. Additionally, we excel because of:

- **A Dedicated Single Point of Contact** – we steadfastly believe in the value of a dedicated client manager who knows the unique challenges of your business and quarterbacks your relationship with the bank.
- **Rapid Response Times** – while other banks can take weeks to respond, SunTrust can typically resolve covered loss requests in a matter of 24-48 hours; and because we're a custodian for the collateral that secured the contract, insurers get paid immediately.
- **Operational Efficiencies** – from pre-arranged agreements with major insurance carriers to streamlined onboarding and KYC processes, our knowledge of the reinsurance trust business helps ensure that things are done right and done fast.

To find out more about how SunTrust can support and enhance your reinsurance business, please contact:

Donny Tong
SVP, Business Development
212.590.0976
donny.tong@suntrust.com

Joseph Monaco
VP, Client Management
212.303.1746
joseph.monaco@suntrust.com

Barbara Aubry
SVP, Business Development
212.303.4164
barbara.aubry@suntrust.com

Why choose an Insurance Trust?

- **Improved Credit Availability**
– an insurance trust has no adverse impact on your available credit.
- **Cost Effective** – insurance trusts generally save you in annual fees compared to other forms of collateral posting options.
- **Convenience** – insurance trusts are tri-party arrangements that require no annual renewals.
- **Reduced Liability Concerns**
– insurance trusts may limit the range of acceptable investments; this is done to ensure adherence to all regulatory requirements.



THE OECD'S NEW TPG

Jo Ford, Martin Powell and Jenny Coletta of Ernst & Young outline the impact the OECD Transfer Pricing Guidance on Financial Transactions will have on captive insurers

The OECD published its Transfer Pricing Guidance on Financial Transactions on 11 February 2020. This long-awaited final guidance follows the previous non-consensus public discussion draft, which was released in 2018. It will be included within the OECD Transfer Pricing Guidelines (TPG) and represents the first time that financing transactions have been specifically included within the TPG.

While the report has overarching comments, which apply to all inter-company financing arrangements, there is a specific section dedicated to captive insurance and it is this section that is considered further here.

What is 'captive insurance' for the purposes of the guidance? Is your captive covered by these rules?

The first section of the guidance sets out that the term 'captive insurance' is intended to refer to an insurance undertaking or entity substantially all of whose insurance business is to provide insurance policies for risks of entities of the Multi National Group (MNE or MNE group) to which it belongs, and this includes captive reinsurance through fronting.

What do the rules mean for captive insurers who fall within this definition?

At a high level, the statement that "the principles of accurate delineation of the transaction in Chapter I of the OECD 2017 Transfer Pricing Guidelines (OECD TPG) apply to captive insurance and reinsurance" means that internationally accepted transfer pricing principles are applicable to captives in the same way that they apply to all intra-group transactions.

The second section of the guidance covers the circumstances where transactions are not considered to be genuine insurance

arrangements. Where the tax authority concludes that the contracts are not genuine insurance contracts, it may conclude that the insurance is performed by another entity in the group or that there is no insurance. This is consistent with guidance elsewhere in the TPG. As a consequence, the guidance concludes that any premiums paid by the captive or profits made by it be taxed elsewhere.

The guidance sets out what indicators of genuine insurance should be, noting that all or substantially all of these factors would be expected to be present in an independent insurer and thus for the captive arrangements to be respected, they should also be present in for the captive insurer.

Diversification and pooling of risk in the captive insurance

The economic capital position of the entities within the MNE group has improved as a result of diversification and there is therefore a real economic impact for the MNE group as a whole.

Both the insurer and any re-insurer are regulated entities with broadly similar regulatory regimes and regulators that require evidence of risk assumption and appropriate capital levels.

- The insured risk would otherwise be insurable outside the MNE group.
- The captive has the requisite skills, including investment skills, and experience at its disposal, including employees with senior underwriting expertise; and
- The captive has a real possibility of suffering losses.

It may be challenging to demonstrate some of the expectations regarding diversification and assumption of risks in the absence of capital modelling exercises, or to definitively prove that insured risk would otherwise be

Jo Ford



Jo Ford is a director in the Ernst & Young EMEIA Financial Services Organisation's Transfer Pricing team and has specialised in transfer pricing for over 15 years. Ford has extensive experience in designing and documenting transfer pricing policies with a particular area of focus on the captive insurance market. Ford can be reached at +44 207 951 3785 or jford2@uk.ey.com

Martin Powell



Martin Powell is an associate partner in the Ernst & Young EMEIA Financial Services Organisation's Insurance Sector, focused on UK and international tax. He spent 10 years as HMRC's lead for transfer pricing in the insurance industry. Since joining EY in 2017, Powell has provided tax technical resource on a number of captive and general insurance tax matters. Powell can be reached at +44 207 760 9339 or mpowell@uk.ey.com

Jenny Coletta



Jenny Coletta is an insurance international tax partner in the Ernst & Young EMEIA Financial Services Organisation's Insurance Sector. She has 20 years' experience providing international tax advice to insurance and captive insurance companies, leads the global insurance transfer pricing team and is a member of the EY Global Captive Network as EMEIA co-lead. She can be reached at +44 20 7951 5993 or jcoletta@uk.ey.com

insurable outside the MNE group, especially where such risks have been insured within the group for a number of years and represent very specific business risks that may not be commonly found in the external insurance market. The third bullet may apply only to fronting reinsurance arrangements (where the captive re-insures a third-party insurer) and could be seen as implying that special regulatory regimes for captives might not be evidence that the captive is undertaking genuine insurance transactions. It should be remembered that the indicators are just that, and an accurate delineation of the transaction using the principles in the TPG may still lead to the conclusion that the captive is undertaking genuine insurance transactions.

Tax authorities pay particular attention to the capability of an enterprise to manage and control the risks it assumes; therefore, the ability of the captive's employees to manage the captive's business should be considered. The guidance recognises that captives can operate with highly outsourced models as long as the captive's employees perform underwriting and risk control functions. Specifically, the captive employees should have:

- The capability to make decisions to take on, lay off, or decline a risk-bearing opportunity, together with the actual performance of that decision-making function; and the capability to make decisions on whether and how to respond to the risks associated with the opportunity, together with the actual performance of that decision-making function.
- This does not necessarily require significant numbers of staff, but the captive should be able to demonstrate that the employees performing the underwriting, risk management and control function have the requisite qualifications and experience, and do more than just 'rubber stamp' decisions made elsewhere.

What specific points are considered in terms of pricing of transactions?

Once the initial hurdle has been passed and the captive is recognised by the tax authority as issuing genuine insurance contracts, the third section of the guidance then has detailed analysis on how the pricing of such transactions should be set within multi-national groups. This can be broadly split into the following methods:

- Comparable (CUP) agreements either between two unrelated parties or an

internal party and an unrelated party;

- Benchmarked combined ratio;
- Benchmarked return on capital;
- Actuarial pricing.

The use of a CUP is uncontroversial and a benchmarked return on the insurer's capital is the most common pricing method by tax authorities. Benchmarking the captive combined ratio against independent insurers can however be more problematic. Experience shows that it is rarely possible to find sufficiently comparable data from independent insurers to perform any meaningful benchmarking exercise.

“Where the tax authority concludes that the contracts are not genuine insurance contracts, it may conclude that the insurance is performed by another entity in the group or that there is no insurance”

The section on return on capital requires the captive to have regard to what would be an appropriate level of capital for the risks assumed by the captive. The guidance suggests that a captive may require less capital than an independent insurer with a similar portfolio of risks, which could, if implemented by tax authorities as written lead to operational challenges for captives, especially in relation to the levels of capital buffer that may be required to reach credit rating equivalence.

Of more use to captive insurers is the recognition that actuarial methods can be an acceptable way of arriving at an arm's length price. In our experience, tax authorities have historically been resistant to actuarial pricing and therefore having obtained approval in the form of guidance, albeit with caveats, is a welcome development.

The guidance also suggests a novel approach to pricing insurance transactions where a captive's role is to pool risks to access third-party reinsurance programmes. The

guidance concludes that risk pooling is only akin to other centralised group functions such as procurement. The example in the guidance suggests this pooling or diversification benefit is not due to the captive itself but due to the MNE having diverse geographic risks, and the benefit should then be passed on to the affiliate companies. This seems to entirely misunderstand the role of captive insurance and the point that a MNE's group risks can only be diversified or pooled in a licensed, regulated captive insurance company holding sufficient ring-fenced capital. In the absence of a captive insurance company, each of the affiliate companies would need to access the third-party market individually without the benefit of a pooled, diversified book being ceded from a capitalised counterparty. This would result in a higher cost of capital for the third-party insurers which would impact pricing for the MNE. An accurate delineation of the insurance and reinsurance transactions should recognise the captive's role in unlocking the capital benefits for the rest of the group. If that includes the assumption and retention of insurance risk, the captive should be entitled to an appropriate reward.

What should captive owners be doing as a result of this guidance from the OECD?

As noted above, this is the first time that the OECD has provided specific guidance in relation to financing transactions and therefore captive owners should ensure that the guidance is reviewed in the context of their individual operating business. Specific points to consider include:

- A review of the captive insurer/(re)insurer fact pattern vs the indicators of genuine insurance.
- Review the functions performed by the captive insurer/(re)insurer to ensure that they meet the control of risk criteria ensure that the entity has the capability to assume the re/insured risks.
- Review the capital structure of the captive insurer/(re)insurer to ensure that the capital held is adequate but not excessive for the risks assumed.
- Consider whether any actuarial pricing should be adjusted for tax purposes. 🌐

The views expressed are those of the authors and do not necessarily reflect the views of Ernst & Young or any other member firm of the global organisation of member firms of Ernst & Young Global.



THE PERFECT STORM FOR RUN-OFF SOLUTIONS

Eric Haller of Fleming Re addresses how run-off solutions can support recent changes in risk management strategies and the impact of the global coronavirus pandemic

During 2019, the run-off market saw a significant amount of corporate M&A activity-driven transactions. This trend was expected to continue in normal market conditions. At the end of 2019, the insurance market experienced a hardening market for certain lines of business and in response, many risk managers adjusted their overall strategy by increasing retentions to capitalise on the changing market. The change to the overall strategy was seen as beneficial but faced the challenge of requiring additional capital. In order to facilitate the capital requirement, some risk managers looked to a run-off solution to release encumbered capital.

As we entered 2020, the global economy began to experience unprecedented market conditions due to the Covid-19 pandemic. Many market sectors encountered significant volatility and were compelled to alter operational aspects of their busi-



Eric Haller

Eric Haller is CEO of Fleming Re, a specialist run-off reinsurer based in Bermuda. Haller's reinsurance experience spans more than 20 years and includes business development, underwriting, treasury, accounting, tax, risk and regulatory compliance functions. He has held senior roles at various companies; Safe Harbor Re, Randall & Quilter Investment Holdings, Athene Holding, and XL Capital's Investment Management Group. He began his career with Deloitte & Touche, graduating with honours from Marquette University.

nesses. These conditions have brought about the most recent factor that is driving demand for run-off transactions. We have started to see the initial wave of companies looking for run-off solutions to support company operations as a result of the

coronavirus pandemic. We anticipate the increased demand for run-off solutions to continue throughout 2020.

Motivations for run-off transactions can vary based on specific needs. Recent trends indicate a significant driver for restructuring, in approximately 30% of transactions according to the 2019 PwC Global Insurance Run-off Survey, continues to be the releasing of encumbered capital. The combination of this recognised run-off benefit with the increased need for liquid capital to address the current market conditions will be the 'perfect storm' for demand in the run-off sector.

Tumultuous times

Market disruptions are always challenging and most of the time require liquidity and capital to successfully survive in trying times. Covid-19 is no different and it's likely the world economy will see a significant continued downturn with the inter-

national monetary fund managing director, Kristalina Georgieva, stating recently: "We anticipate the worst economic fallout since the Great Depression." During times of market turmoil, we expect companies will look at various potential sources of capital to meet their needs. Traditional capital sources can be both challenging and expensive during market disruptions. An often-overlooked source of capital is the encumbered assets supporting an entity's insurance liabilities; and one of the primary goals of run-off solutions is to release that capital.

Global economic shocks, such as we are experiencing, often lead companies to pivot their focus on their core businesses and examine the financial benefits of consolidation, restructuring or exiting certain ancillary operations or lines of business that are no longer appealing or viable. This may involve re-evaluating the strategy related to insurance liabilities of related parties with affected operations. The insurance industry and transaction counterparties have recognised that run-off can be used to enhance their risk management strategies, liquidity and regulatory capital ratios. Examples of this could include insurance companies looking to use run-off transactions as a less-costly form of financing compared to the equity and debt markets or a corporate operating company looking to release capital from its captive in order to provide liquidity and support their operations in these uncertain times.

It is likely that many organisations will face challenges continuing business operations throughout and following the Covid-19 pandemic. Despite the many issues surrounding this unprecedented event, it will put a spotlight on risk management and building resilient business strategies to enable companies to survive global market disruptions. While we are distressed that the world is facing such catastrophic upheaval, there are areas in which Fleming Re can help our clients and perhaps lessen their burden, so they can focus on their core businesses going forward which in turn benefits the communities in which they operate.

Identifying the right solution

First and foremost, at Fleming Re, we work with our clients to identify their motivations and specific goals to determine if a run-off transaction is appropriate for

them. We have the ability to quickly assess and understand the counterparties' objectives, clearly define their needs and then structure unique solutions that are better aligned to accomplish specific goals. This customised approach will facilitate clients being able to respond quickly to the specific impacts of this pandemic on their business.

One important aspect of a successful run-off solution that needs to be considered is the structure and/or type of transaction. The most important factor is that the selected structure is aligned to the specific goals outlined at the onset of the transaction. The more common goals are access to encumbered capital, removing the 'tail' of liabilities and reduction of operational expenses. There are numerous transaction structures that can be employed, but this will be partially

"We anticipate the increased demand for run-off solutions to continue throughout 2020"

dependent on the current entity structure of the client and jurisdiction. Some common types of structures are: acquisition; novation; loss portfolio transfer (LPT); assumption; adverse development cover and deductible reimbursement policy. It is important to understand that no single structure is perfect for every situation. The most critical aspect is that there is open communication between the run-off provider and the client to establish goals and discuss the best structure to achieve those goals. No matter how complex the entity structure, Fleming Re will find a solution that is appropriate for the client and with our expertise, will limit any execution risk.

Mitigating Covid-19

Our team has industry knowledge across various jurisdictions and lines of business coupled with significant experience in structuring customised solutions tailored to the legacy and corporate M&A sectors. We are assisting client organisations in mitigating the impact of Covid-19 on their businesses, especially when they are seek-

ing to unlock encumbered capital to provide liquidity which has become a critical consideration responding to current market volatility.

Fleming Re itself has not experienced a significant impact from illiquidity, operational disruptions or financial loss. As such, we are in an opportunistic position to assist and support other companies to successfully navigate the market disruptions caused by Covid-19. We benefit from a large network of clients and industry service providers who know our company and the value we provide. While it is always more productive to meet face-to-face, new and existing online tools and video conferencing are rapidly adapting to a virtual office environment and will certainly assist in maintaining relationships. In today's circumstances, we are using new and creative ways to stay in contact.

Impact on Bermuda

While Bermuda may be relatively physically isolated, we are facing the same restrictions as many countries around the world. Undoubtedly, this pandemic is likely to change how businesses operate for the foreseeable future and technology will be a crucial tool in engaging customers. Like much of the world, the island was put on lockdown and 'stay in place' protocols were implemented in early April. However, for the financial services industry, including the insurance market, it is 'business as normal' in Bermuda for the most part.

Bermuda has a long history of weathering storms and this situation is no different. The Bermuda Government is working with the international business sector to ensure registered companies have business continuity plans in place and are monitoring the impact to all regulated industries. As Bermuda is a large insurance hub, our infrastructure has always been of a high quality and we have been able to successfully manage the transition to working from home. While this has required some changes and business travel has been halted for the foreseeable future, the people and businesses of Bermuda are managing the trying times with great efficiency. Investments in IT infrastructure and business continuity planning by the international business sector have paid off. The future is certainly going to be challenging, but also full of opportunity. 🌊

What financial challenges does your captive have?

LIMITED COLLATERAL OPTIONS ▼

OFFSHORE AND ONSHORE SOLUTIONS

TREASURY MANAGEMENT OPTIONS

SOLUTIONS IN ALL MAJOR DOMICILES

Want a
little advice?
Ask the
**Leading Bank
for Business.***

If you don't think a bank can help your captive insurance company navigate through captive solutions, maybe it's time to **bank differently.**

At Comerica, we've become the Leading Bank for Business by providing more than just banking basics, because we're not just business bankers. We're business financial advisors, here to help plan, guide and consult.

As one of the few banks with a dedicated captive insurance banking team, our advisors are here to help businesses lower their costs by owning their own insurance company.

To protect your bottom line, move beyond basic banking.

Learn how, with the Leading Bank for Business at comerica.com/captive.



RAISE YOUR EXPECTATIONS®

MEMBER FDIC. EQUAL OPPORTUNITY LENDER.

*Comerica ranks first nationally among the top 25 U.S. financial holding companies, based on commercial and industrial loans outstanding as a percentage of assets, as of March 31, 2019. Data provided by S&P Global Market Intelligence.

CB-210400-02 08/19



butterfieldgroup.com

THE BANK OF N.T. BUTTERFIELD & SON LIMITED

Rick Manuel, Tel: +(441) 298-4683, email: rick.manuel@butterfieldgroup.com
65 Front Street, Hamilton HM12 Bermuda

Butterfield is a full-service bank and wealth manager headquartered in Hamilton, Bermuda, providing services to clients from Bermuda, the Cayman Islands, Guernsey and Jersey, where our principal banking operations are located, and The Bahamas, Switzerland, Singapore and the United Kingdom, where we offer specialized financial services. Banking services comprise deposit, cash management and lending solutions for individual, business and institutional clients. Wealth management services are composed of trust, private banking, asset management and custody. Butterfield is publicly traded on the New York Stock Exchange (symbol: NTB) and the Bermuda Stock Exchange (symbol: NTB.BH).



www.ey.com/captiveinsurance

EY LLP

Philip Burrill, Partner & Paul H. Phillips III, Partner - EY Global Captive Network
email: Philip.Burrill@bm.ey.com / Paul.Phillips@ey.com, Tel: +1 441 294 5317 / +1 214 754 3232
EY Bermuda Ltd., 3 Bermudiana Road, Hamilton, HM08, Bermuda

EY takes a multidisciplinary approach in addressing the alternative risk market through the EY Global Captive Network. The EY Americas Captive Insurance Services practice provides technical knowledge and industry experience, paired with a holistic portfolio of service offerings (including assurance, actuarial, risk management, tax consulting, transfer pricing and compliance services) to help clients navigate the current environment, evaluate risk and risk financing structures, reduce expenses, maintain compliance and use capital more effectively within their organisations.



flemingreinsurance.com

FLEMING REINSURANCE LTD.

Eric Haller, Tel: 441-705-2898, email: ehaller@flemingreinsurance.com
FB Perry Building, 40 Church Street, Hamilton HM HX

Fleming Re is a Bermuda based reinsurance carrier specializing in legacy P&C liabilities providing liquidity and risk transfer solutions to the middle market insurance sector. We seek to both consolidate and innovate the legacy risk transfer market through the use of unique structures, efficient capital, and ability to close within tight timelines. Leveraging our significant experience in underwriting, risk mitigation, and active claims management, we can opportunistically provide structured financial solutions around some of the most complex and difficult-to-place risks.



www.ocorian.com

OCORIAN

Alison Dyer, Tel: +1 441 294 8000, email: Alison.dyer@ocorian.com
Victoria Place, 5th Floor 31 Victoria Street, PO Box HM 1624, Hamilton, HM10, Bermuda

Promoting and protecting investment worldwide
Ocorian is a global leader in corporate and fiduciary services, fund administration and capital markets. With offices worldwide and customised, scalable solutions, our network is designed to deliver the expert tailored service our clients need - exactly how and where they need it.



RQIH.com

RANDALL & QUILTER INVESTMENT HOLDINGS LTD.

Paul Corver, Tel: +44 (0) 7786 984013, email: Paul.Corver@rqih.com
71 Fenchurch Street, London EC3M 4BS

"A history of success, a future of opportunity" - The Industry's GO TO Run-off Partner.

R&Q is a leading provider of finality solutions.

- 30+ years experience
- A- (Excellent) A.M. Best financial strength
- Balance sheet over \$1bn
- Specialists in bespoke deal structuring
- Operations in Bermuda, US, EU and London



Promoting and protecting investment worldwide

Ocorian is a global leader in corporate and fiduciary services, fund administration and capital markets.

Our global network delivers customised, scalable solutions providing the support our clients need: how and where they need it.

- Expert teams
- Trusted partner with flexible solutions
- Committed to your success

For more information on our services go to www.ocorian.com

Bermuda | BVI | Cayman Islands | Guernsey | Hong Kong | Ireland | Isle of Man | Jersey | Luxembourg | Malta
Mauritius | Netherlands | Singapore | UAE | UK

Plus representative offices in the US and Africa

Information about our regulators is available online



THE
INDUSTRY'S
GO TO
RUN-OFF
PARTNER

R&Q

R&Q is a leading provider of finality solutions

- 30+ years experience
- A- (Excellent) A.M. Best financial strength
- Balance sheet over \$1bn
- Specialists in bespoke deal structuring
- Operations in Bermuda, US, EU and London

rqih.com

