



BILTIR

BERMUDA INTERNATIONAL LONG TERM
INSURERS AND REINSURERS

MEMBERS' MEETING

June 14, 2018

Meeting Details

Date: June 14, 2018

Time: Meeting: 2:30 p.m. – 5:00 p.m. ADT
Social Hour: 5:00 p.m. – 6:30 p.m.

Location: Chubb Building, Chairman's Suites
17 Woodbourne Avenue, Hamilton, Bermuda

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Hong Kong: Toll free 800-960-497/Direct dial 305-08634
Singapore: Toll free 800-1011435/Direct dial 649-44156

Access Code: 2798415



Agenda

2:30 p.m.	Welcome	
	Treasury & Membership Update Committee Updates	Will Rinehimer Committee Chairs
	Statutory Meeting	Sylvia Oliveira Scott Silverman
	<ul style="list-style-type: none">• Approve Minutes from March 13, Annual General Meeting• Confirm Approval of Martin Laframboise, Sun Life Assurance Co. of Canada, as new board member• Approve the BILTIR Bye-Laws• Membership Fee Increase	
3:00 p.m.	Update Presentation - Association of Bermuda Insurers & Reinsurers	Suzanne Williams <i>Director of Policy & Regulations</i>
3:30 p.m.	Update Presentation – Bermuda Insurance Institute	Malcolm Butterfield <i>Chief Executive Officer</i>
3:45 p.m.	Break	
3:55 p.m.	Update Presentation - Bermuda Monetary Authority	Bermuda Monetary Authority Team
4:55 p.m.	Member Discussion and Closing Remarks Cocktails following meeting	Wenda Roberts



Treasury & Membership Update

Will Rinehimer, Treasurer



Membership Update

Membership as of June 1, 2018

FULL MEMBERS (42)

AIA International Limited

AIA Reinsurance Limited

Allianz Re Bermuda Life Ltd.

American Fidelity International (Bermuda) Ltd.

American International Reinsurance Company, Ltd.

Arch Reinsurance Ltd.

The Argus Group

Athene Life Re Ltd.

Athora Life Re Ltd. .

BF&M Insurance Group

Chubb Tempest Life Re

CICA Life Ltd.

Colonial Life Assurance Company Limited

Credit Suisse

Front Street Re Ltd.

FWD Life Insurance Company (Bermuda) Limited

Global Atlantic Re Limited

GreyCastle Life Reinsurance (SAC) Ltd.

Hannover Life Reassurance Bermuda Ltd.

Hannover Life Reassurance Company of America (Bermuda) Ltd.

HSBC Life (International) Limited

ASSOCIATE MEMBERS (17)

Aon Insurance Managers (Bermuda) Ltd.

Appleby

Artex Risk Solutions (Bermuda) Ltd.

Deloitte Ltd.

Deutsche Investment Management Americas Inc.

Ernst & Young Ltd.

Estera Management (Bermuda) Limited

KPMG Audit Limited

Kuvare Life Re Ltd.

Langhorne Reinsurance (Bermuda) Ltd.

Legal & General Re

Liberty Re (Bermuda) Limited

Manulife Reinsurance (Bermuda) Ltd.

MetLife Reinsurance Company of Bermuda Ltd.

Monument Re Limited

MS Financial Reinsurance Limited

Northstar Financial Services Ltd.

Old Mutual (Bermuda) Re Ltd.

Partner Reinsurance Company Ltd.

Private Bankers Life and Annuity Company

RGA Global Reinsurance Company, Ltd.

Safe Harbor Re Ltd.

Somerset Reinsurance Ltd.

Sun Life Assurance Company of Canada

Transamerica Group of Companies

Union Hamilton Reinsurance, Ltd. (Wells Fargo)

VL Assurance (Bermuda) Ltd.

Wilton Reinsurance Bermuda Ltd.

XL Life Ltd.

Marsh Management Services (Bermuda) Ltd.

Milliman, Inc.

Nassau Re (Cayman) Ltd.

New England Asset Management, Inc.

Oliver, Wyman Limited - Consulting Actuaries

PricewaterhouseCoopers

Ruark Consulting, LLC

Wellington Management Company, LLP

Willis Towers Watson



BILTIR Committees

Strategy Committee
Scott Selkirk

Regulatory/Legal Committee
Natasha Courcy

Tax Committee
Rich Burness

Capital Committee
Pat Kelleher

Financial Reporting Committee
Sylvia Oliveira



Strategy Committee

Scott Selkirk, Chair



Strategy Committee Update

- 2018 Conference Update
- CedarBridge Tutoring Program
- University Intern Program
- BILTIR Education Award
- Statutory Filings Sprint: Cookhouse Labs Comes to Bermuda



2018 Conference Update: Registration is OPEN

- Conference Program and registration:
<http://www.biltir.bm/2018-conference>
- Hotel room rate of \$209 per night at Fairmont Southampton hotel
- Welcome Reception at the Hamilton Princess Marina on Wednesday, September 26
- Thursday's Networking reception on the Great Sound Lawn
- Attendance at the conference is free for BILTIR members. For non-BILTIR members, the attendance fee is \$750.00.



Conference Program Highlights

Morning Keynote Address: Generations and the Rhythms of History

Neil Howe

Neil Howe is President of LifeCourse Associates and the Demography sector head at Hedgeye Risk Management, an independent financial research firm. Howe is a renowned authority on generations and social change in America. An acclaimed bestselling author and speaker, he is the nation's leading thinker on today's generations—who they are, what motivates them, and how they will shape America's future.



A historian, economist, and demographer, Howe is also a recognized authority on global aging, long-term fiscal policy, and migration. He is currently a senior associate at the Center for Strategic and International Studies (CSIS) and the Global Aging Institute, both in Washington D.C. Howe has co-authored numerous studies for CSIS (including the Aging Vulnerability Index and pioneering studies on pension reform in China and South Korea).

Howe has written over a dozen books on generations, demographic change, and fiscal policy, many of them with William Strauss. Howe and Strauss' first book, *Generations* (1991), is a history of America told as a sequence of generational biographies. Vice President Al Gore called it "the most stimulating book on American history that I have ever read" and sent a copy to every member of Congress. Newt Gingrich called it "an intellectual four de force." Of their book *The Fourth Turning* (1997), *The Boston Globe* wrote, "if Howe and Strauss are right, they will take their place among the great American prophets."

Howe and Strauss originally coined the term "Millennial Generation" in 1991, and wrote the pioneering book on this generation, *Millennials Rising* (2000). His work has been featured frequently by media outlets including *The Washington Post*, *The New York Times*, CNN, and CBS' 60 Minutes.

Previous works include *On Borrowed Time* (1989; reissued 2004), a pioneering call for budgetary reform Howe co-authored with Peter G. Peterson, as well as *The Graying of the Great Powers* (2008) with Richard Jackson.

Howe received his B.A. at U.C. Berkeley and later earned graduate degrees in economics and history from Yale University.

Afternoon Keynote Address: Reaffirming Our Purpose

Joe Jordan

Joe Jordan, inspirational speaker and behavioral finance expert, is the author of the award-winning book *Living a Life of Significance*. The book has sold over 100,000 copies, is translated in five languages and was featured in Nick Murray's "The Advisor's Essential Library."



Formerly, Joe ran insurance sales at Paine Webber and more recently was a senior vice president at MetLife. He was responsible for retail product development and started their fee-based financial planning program and behavioral finance department.

Joe is also a founder of the Insured Retirement Institute and has been featured on the cover of *Life Insurance Selling* magazine.

For three consecutive years, he has been honored by *Irish America* magazine as one of the "Top 50 Irish Americans on Wall Street."



BILTIR Tutoring Program



BILTIR Provides Maths Tutoring To CedarBridge

May 8, 2018 | 3 Comments

Bermuda International Long Term Insurers and Reinsurers [BILTIR] have successfully concluded a 12-week math tutorial programme for students at [CedarBridge Academy](#).

This is the third year that this tutorial programme has been offered to students at CedarBridge Academy, providing weekly study sessions that focus on the school's mathematics curriculum and exam preparation.

The sessions are available to all students who want to attend after school and are led by employees of BILTIR member companies, typically with a finance background.

Students with their BILTIR tutors



BILTIR Internship Program

The Royal Gazette

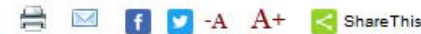


News Business Sport Lifestyle Opinion Classifieds Jobs Obituaries

Biltir launches internship programme

Published Jun 12, 2018 at 1:11 pm (Updated Jun 12, 2018 at 1:11 pm)

0 Comments



First Prev 1 Next Last



Biltir internship opportunity: pictured are, back row, Casper Young of Legal and General Re, Scott Selkirk of Somerset Re, Shane Hollis, Wenda Roberts of Biltir, Sylvia Oliveira of Wilton Re and Hana Bremar of Sun Life Assurance Co of Canada; front row, Kayla Virgil-Darrell, Jalen Symonds-Bean, Imani Smith, Tahirah Cross, Cyana Burgess, Mauriq Hill and Kiara Somner of Global Atlantic Re. Interns not pictured: Evin Mosley, Quinnae Outerbridge and Nicolas Araujo (Photograph supplied)



2018 BILTIR Scholarship Award

- 2018 Recipient is Kimika Outerbridge
 - Attends St. John's University – Tobin College of Business
 - Studying Risk Management and Insurance



COOKHOUSE LAB BERMUDA

Bermuda Monetary Authority | Statutory Filings Sprint





Summary

With one of the leading regulatory environments in the world, the Bermuda Monetary Authority aims to further innovate by prototyping a platform for standardizing regulatory filings.

This platform will simplify the time and resources required by members to comply, and create internal data standards to streamline process and simplify operations that better serve member companies.



4-6

Weeks



9

Members



2018

Starting Sept



1

MVP

SIMPLIFYING STATUTORY FILINGS IN BERMUDA MARKET

Stakeholder centric support activities, based on Design Thinking Methodology



The BMA process for receiving member data is **cumbersome and manual** creating inefficient internal procedures.

Filing members with **increasing pressure and limited resources** are being asked to do more with less.

A **digital-first platform** for satisfying BMA compliance, while also **simplifying the process** for member companies would greatly improve efficiency in the region, leading to greater transparency.

WE ARE LOOKING FOR
MEMBERS TO JOIN THIS
PROJECT!

Get involved with
Cookhouse Lab Bermuda

Mitch.Ocampo@logiq3group.com

www.cookhouselab.com



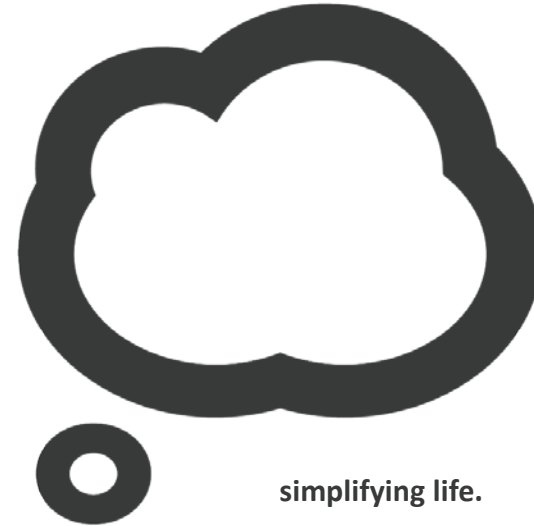
Start by taking this short survey:

<https://www.surveymonkey.com/r/GPZNBZ>

thank you.

Mitch Ocampo
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simplifying life.



Regulatory/Legal Committee

Natasha Courcy, Chair



Regulatory/Legal Committee Update

- ❖ **Policyholder Protection** – With Ministry of Finance. Still targeting a June date for being laid before Parliament
- ❖ **NAIC Covered Agreement**
 - On September 22, 2017 the U.S. Treasury Department, Office of the U.S. Trade Representative, and European Union (“E.U.”) announced they had formally signed a covered agreement. The agreement requires states to eliminate reinsurance collateral and meet the conditions in the Covered Agreement by September 2022 or risk preemption by the Federal Insurance Office
 - The NAIC’s reinsurance task force met and developed a number of recommendations for modifications to the Credit for Reinsurance Model Law and Model Regulation, risk-based capital rules and financial statement presentation requirements
 - Revisions will be made to extend the reduced collateral benefit of the covered agreement to reinsurers domiciled in non-E.U. NAIC-approved Qualified Jurisdictions, on condition that those jurisdictions agree to the group supervision, group capital, and information-sharing provisions in the covered agreement. Qualified Jurisdictions outside the E.U. would benefit from this approach (i.e. Bermuda)
 - NAIC are committed to moving this forward quickly and the aim is to have the Model Law revisions completed this year with State legislative activity for implementing changes to the Models starting in 2019



Regulatory/Legal Committee Update

❖ **Companies Amendment Act 2018**

- The Companies Amendment Act 2018 came into operation on March 21, 2018 and amends the Companies Act 1981 in connection with filing specific limited information contained in a company's bye-laws with the Registrar of Companies ("ROC")
- This requirement applies to all Bermuda companies limited by shares or with a share capital
- The bye-law sections required to be filed with the ROC are as follows:
 - the transfer of shares and the registration of estate representatives of deceased shareholders
 - the duties of the secretary to a company
 - the number of members required to constitute a quorum at any general meeting of the members of a company
- **The information filed will not be made available to the public**
- Companies have until September 20th 2018 to make the required filing



Regulatory/Legal Committee Update

❖ Segregated Accounts Companies Consultation Paper

- This is part of Bermuda's ongoing process to strengthen its AML/ATF framework
- The proposed amendment will:
 - amend the definition of beneficial owner in the AML/ATF regulations to include persons who own or control segregate or separate account companies
 - expand the provisions for customer due diligence to include persons who own and control segregated accounts or separate accounts
 - Where a segregated account or separate account is not itself a regulated AML/ATF financial institution and does not engage a service provider who is subject to AML/ATF regulation, such as a corporate service provider, or an insurance manager or an investment fund administrator, the company will be required to register as a non-licensed person and will also be subject to AML/ATF oversight



Regulatory/Legal Committee Update

❖ **Assessment of Bermuda's AML/ATF Risk**

- As mentioned at the March BILTIR AGM, the Caribbean Financial Action Task Force (“**CFATF**”) is conducting a mutual evaluation (“**ME**”) of Bermuda’s anti-money laundering/anti-terrorist financing (“**AML/ATF**”) regime
- The entire ME process will last between 15 to 18 months
- In addition, the Bermuda Government issued their own report of Bermuda’s AML/ATF risk in May 2018. A summary of the report is as follows:
 - The AML/ATF risk for the long-term reinsurance sector was assessed as medium-low (long term direct insurance is medium/high)
 - The scale of the long-term reinsurance sector, average transaction sizes and its amount of international business could leave it susceptible to money laundering
 - There are no known instances of reinsurance companies being abused or misused for money laundering in Bermuda



Regulatory/Legal Committee Update

❖ **Proposed Financial Holding Company Act**

- The BMA published a discussion paper on proposals to develop a framework for regulation and supervision of financial holding companies (“**FHCs**”) on 31st May 2018 aimed at strengthening prudential oversight of the financial group in Bermuda
- An FHC is defined as a non-operating company that holds as its subsidiary, a bank or an insurance company or other Bermuda regulated financial institution
- Only FHCs designated by the BMA would be subject to the proposed regulatory framework. A list of all designated FHCs would be published on the BMA website
- The shareholding and control thresholds would be consistent with the requirements stipulated in the Banking Act or Insurance Act, as appropriate
- All FHC groups would be required to develop and maintain appropriate capital management policies, and capital planning processes that consider risk assessment on a group-wide basis
- The BMA are requesting comments and suggestions by July 31st 2018
- We urge members to submit comment papers by the stipulated deadline



Tax Committee

Rich Burness, Chair



Tax Committee Update

➤ Tax Reform

- Discussions continue with Senate Finance Committee and Treasury
- Still working on guidance that ensures the amount subject to BEAT is equal to the net payment obligation for ModCo and Funds Withheld
- Continue to push legislative intent
- Guidance to be issued October/November



Capital Committee

Pat Kelleher, Chair



Capital Committee Update

BMA Revised CP BSCR March 2018

- BILTIR to provide a response by June 15 which proposes further changes to:
 - Long Term Interest Rate Risk Capital Requirements
 - Forward Rates (para. 86)
 - Interest Rate Shocks (para. 88, Appendix A)
 - Updates to the shocks (para. 90)
 - Calibration of Shock/Stress Scenarios (para. 93)
 - Alternative Duration – based Method (para. 96)
 - Grandfathering of Equity Risk Charges
 - Clarification on charges also being grandfathered in related concentration risk capital charge
 - Companies allowed to request exemptions to allow “modified” grandfathering of equity risk capital requirements – specific legacy books of business



Capital Committee Update

BMA BSCR CP update

- Operational Risk Charge Calculation
 - BMA to release corrected BSCR Trial Run template

Timeline

- Trial-run proposals was due 31 May
- New rules published 31 July
- New rules enter into force 1 January 2019



Financial Reporting Committee

Sylvia Oliveira, Chair



Financial Reporting Committee Update

➤ Post-mortem on BMA Filing

- Members submitted feedback on recent filing
- Feedback was collated and sent to the BMA
- General themes:

<p><u>Number of Tabs</u></p> <ul style="list-style-type: none"> • Too many, too onerous • Remove non-EBS tabs • Consider rearranging tabs: <ul style="list-style-type: none"> ○ Group 1 – Input tabs needed for BSCR calculation ○ Group 2 – Calculation tabs + Summary tab ○ Group 3 – Disclosure only tabs (consider moving to separate file) ○ Use Group 1 + Group 2 for modified/simplified filings, license applications, Sec 6C/6D applications, etc. 	<p><u>Import Tab/ Protected Cells</u></p> <ul style="list-style-type: none"> • Import tab is difficult to use • Too long, rows keep changing • Requested alternative - Remove blanks or protections from cells in between the input/white cells <ul style="list-style-type: none"> ○ Would allow inputs on each tab to be copy/pasted together at the same time
<p><u>Stress Tests</u></p> <ul style="list-style-type: none"> • Certain scenarios not appropriate for life sector • How used? • BILTIR would like to work with BMA on scenarios 	<p><u>Technical Difficulties:</u></p> <ul style="list-style-type: none"> • Crashes upon submission • Macro problems <ul style="list-style-type: none"> ○ False checks due to rounding – can this be fixed
<p><u>Clarification requested</u></p> <ul style="list-style-type: none"> • Definition of “deposit asset” unclear • Fund withheld instructions are unclear - more detail requested • Reinsurance reserves reduction and credit charge seems to double count 	<p><u>Trial Run Shocks</u></p> <ul style="list-style-type: none"> • Can shocked values be automatically calculated rather than input? • Can prompt to enter a shock value after every entry be removed?



Statutory Meeting

Sylvia Oliveira



Governance Matters

1. Approve minutes from the March 13, 2018 Annual General Meeting
2. Approve Martin Laframboise as a BILTIR Director
3. Approve BILTIR Bye-Laws
4. Membership fee increase



Update from the Association of Bermuda Insurers & Reinsurers

Suzanne Williams,
Director of Policy & Regulations



Update from the Bermuda Insurance Institute

Malcolm Butterfield,
Chief Executive Officer



Break



Update from the Bermuda Monetary Authority

The BMA Team



Member Discussion and Closing Remarks



*Thank you for attending.
Please join us for cocktails
following the meeting.*

