



BERMUDA

INSURANCE (PRUDENTIAL STANDARDS) (CLASS 3A SOLVENCY REQUIREMENT) AMENDMENT RULES 2024

BR 19 / 2024

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SCHEDULE

The Bermuda Monetary Authority, in exercise of the power conferred by section 6A of the Insurance Act 1978, makes the following Rules:

Citation

1 These Rules, which amend the Insurance (Prudential Standards) (Class 3A Solvency Requirement) Rules 2011 (the “principal Rules”), may be cited as the Insurance (Prudential Standards) (Class 3A Solvency Requirement) Amendment Rules 2024.

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Amends paragraph 2

2 Paragraph 2 of the principal Rules is amended as follows—

- (a) by revoking and replacing the definition of “EBS Valuation basis” with the following—

“ “EBS Valuation basis” means the Economic Balance Sheet valuation principles to be complied with by a Class 3A insurer in accordance with Schedule XXVI;”;

- (b) by revoking the definition of “Form 2A”;

- (c) by inserting the following definitions in the appropriate alphabetical order—

“ “interest rate risk” means the risk that relates to asset or liability values being adversely affected by changes in interest rates;

“man-made catastrophe risk” means catastrophe risk arising from human activity, non-activity or cause;

“natural catastrophe risk” means catastrophe risk arising from natural catastrophes;”.

Amends paragraph 3

3 Paragraph 3 of the principal Rules is amended by inserting after subparagraph (4)—

“(5) An insurer may apply to the Authority to make adjustments in accordance with the provisions of Schedule XXV.”.

Amends paragraph 6

4 Paragraph 6 of the principal Rules is amended as follows—

- (a) in subparagraph (1) by deleting “and XXIV” and substituting the words “, XXIV, XXV and XXVI”;
- (b) in subparagraph (2)(a) by deleting “and XXIV” and substituting the words “, XXIV, XXV and XXVI”.

Revokes and replaces Schedule I

5 Schedule I to the principal Rules entitled “Bermuda Solvency Capital Requirement - Class 3A” is revoked and replaced with a new Schedule I entitled “Bermuda Solvency Capital Requirement - Class 3A” as provided in accordance with the Schedule to these Rules.

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Inserts Schedule XA

6 The principal Rules are amended by inserting after Schedule X, new Schedule XA entitled “Schedule of Man-Made Catastrophes” as provided in accordance with the Schedule to these Rules.

Revokes and replaces Schedule XIV

7 Schedule XIV to the principal Rules entitled “Class 3A Statutory Economic Balance Sheet” is revoked and replaced with a new Schedule XIV entitled “Class 3A Statutory Economic Balance Sheet” as provided in accordance with the Schedule to these Rules.

Revokes and replaces Schedule XV

8 Schedule XV to the principal Rules entitled “Loss Reserve Specialist’s Opinion” is revoked and replaced with a new Schedule XV entitled “Loss Reserve Specialist’s Opinion” as provided in accordance with the Schedule to these Rules.

Amends Schedule XX

9 Schedule XX to the principal Rules is amended by deleting “in Schedule XIV” and substituting the words “in Schedule XXVI”.

Amends Schedule XXA

10 Schedule XXA to the principal Rules is amended by deleting “in Schedule XIV” and substituting the words “in Schedule XXVI”.

Amends Schedule XXI

11 Schedule XXI to the principal Rules is amended by deleting “in Schedule XIV” and substituting the words “in Schedule XXVI”.

Amends Schedule XXIA

12 Schedule XXIA to the principal Rules is amended by deleting “in Schedule XIV” and substituting the words “in Schedule XXVI”.

Inserts Schedules XXV and XXVI

13 (1) The principal Rules are amended by inserting after Schedule XXIV the following—

- (a) Schedule XXV entitled “Schedule of Adjustments”;
- (b) Schedule XXVI entitled “Schedule of Economic Balance Sheet Valuation Principles”.

(2) The Schedules inserted by subparagraph (1) are provided in accordance with the Schedule to these Rules.

Commencement

14 These Rules come into operation on 31 March 2024.

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REQUIREMENT) AMENDMENT RULES 2024**

SCHEDULE

(Paragraphs 5, 6, 7, 8 and 13)

The Schedules referred to in paragraphs 5, 6, 7, 8 and 13 of these Rules are published on the Authority's website (www.bma.bm) in accordance with section 6A(8) of the Insurance Act 1978.

Made this 12th day of March 2024

Chairman
Bermuda Monetary Authority

[Operative Date: 31 March 2024]