



News release

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Bermuda reinsurance sector's resilience highlighted in PwC, *Financial Times* exclusive CEO interviews

- 'Island at forefront of global capital raising in reinsurance'; over 50 insurers incorporated in 2020

Hamilton, Bermuda, 20 November, 2020 – The resilience of Bermuda and its globally leading reinsurance sector is highlighted in a series of filmed interviews with chief executives of leading insurance organisations, conducted by [PwC](#) and [The Financial Times](#).

As the world continues to battle the COVID-19 pandemic, the insurance industry is evaluating how the landscape has changed and how it can position itself for growth and sustainability. Organisations are determining the medium- and long-term implications of the crisis and considering how to respond strategically. Attention is focused also on new reinsurance ventures in Bermuda and an emerging Class of 2020.

The CEOs were interviewed by FT journalist Oliver Ralph for the [PwC / FT Digital Dialogues series, Emerging stronger: Growth and resilience in reinsurance](#).

“Bermuda is at the forefront of global capital raising in the reinsurance sector with estimates of approximately \$12 to \$15 billion of new capital being deployed into the sector in the last several months,” said **Arthur Wightman, PwC Territory and Insurance leader**.

“There have been 51 new insurer registrations in Bermuda this year through October, and the Class of 2020 is well on the way to establishing itself – not something that people thought we’d see again since 2005/2006. Bermuda has shown once again that it is the place to deploy capital efficiently and effectively and it is the place to innovate.

“The value proposition of the island is sometimes called into question, however the capital markets tend to act as the ultimate arbiter and the island continues to show its resilience as well as its leadership position globally for reinsurance, ILS, life reinsurance and captives.”

Opportunities for growth

“The opportunities for growth continue to be in covering natural catastrophes, more broadly – pandemic risk, as well as cyber – where the industry is only offering a fraction of the coverage that it probably needs to cover a proper systemic event, which we haven’t seen yet,” Wightman said.

CEOs interviewed discussed a wide range of topics, including the impacts of COVID-19, hardening rates, the low interest rate environment, diversity and inclusion, digital transformation, the industry’s role in society and closing the protection gap, and in addressing the impact of climate change and building climate resilience.



Bermuda was hailed for sustaining its preeminence as a jurisdiction of choice for new capacity and innovation.

COVID 19 highlights extent of protection gap

The COVID-19 pandemic has wrought enormous personal, economic, and social damage around the world, Wightman said.

“It’s primarily a public healthcare problem, but one with immense immediate implications for business, and for economic, fiscal, and monetary policy. And while the health crisis may be overcome in the short to medium-term, the wider issues have exacerbated five significant problems that existed before the crisis.

“At PwC we consider those problems to be (1) increasing wealth disparity and the erosion of the middle class (2) the pervasive nature of technology and its impact on individuals, society and the climate (3) age demographic pressures on business, social institutions and economies (4) breakdown in global consensus with growing nationalism and populism, and (5) declining confidence in the institutions that underpin society.”

He continued: “In spending time with CEOs over the last several months and in listening to the views of the CEOs interviewed in this series, there are some common threads that I see. Firstly, there has been a need to repair balance sheets in response to COVID-19 claims and the impact of natural disasters. And while doing that CEOs have needed to think about the future at both a practical and conceptual level.

“The industry’s role is so societally important and with the playing field shifting so enormously, the impact of the pandemic on business interruption must be considered. CEOs need to be prepared to steer their companies differently from how they were going into March. And, following repairs and a rethink about the future, a degree of reconfiguration is required. Both rapid - in terms of operating virtually, as well as over the medium and long term. And finally, reporting information transparently to customers, investors and wider stakeholders will be key to building trust in society.”

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