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A Bermuda Market Update

February 20, 2025



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Questions

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Meet Your Presenters

Margot L. Green, Managing Director, Specialty International Claims, Markel

Leona Lik, Senior Vice President, Head of Financial and Professional Lines – Bermuda, Vantage Risk Ltd

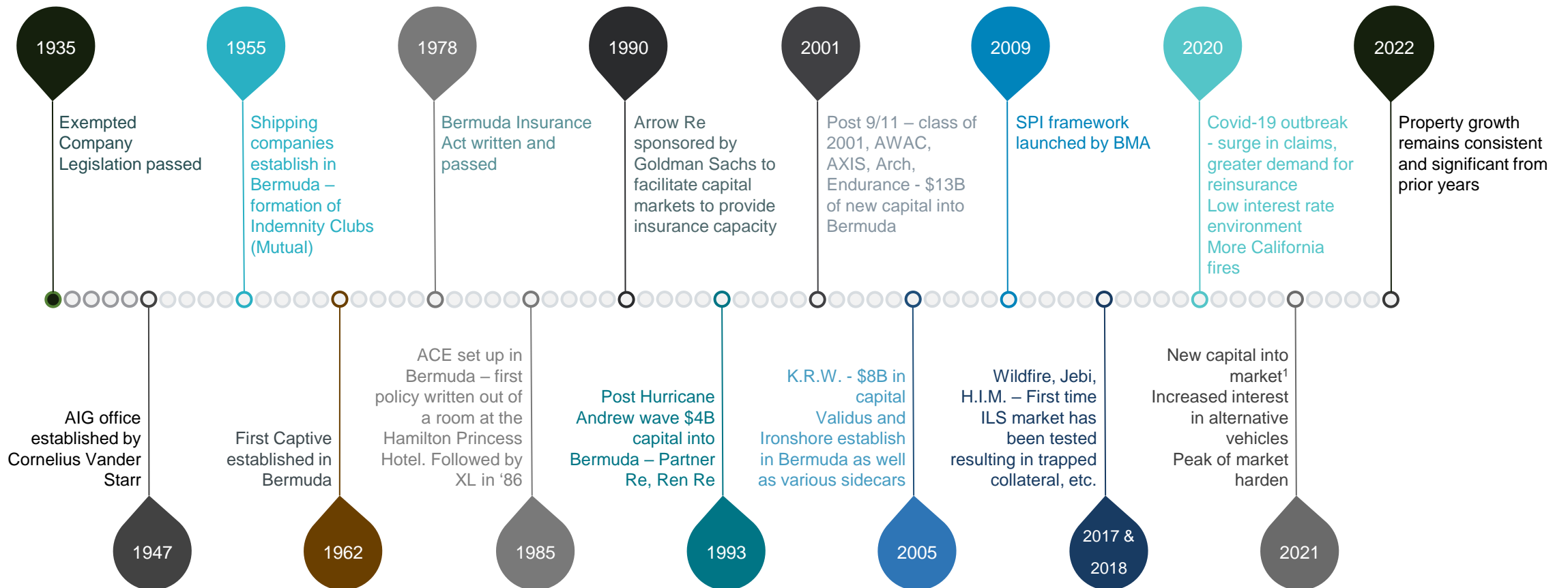
Paul Scope, CEO, Acrisure Bermuda, Acrisure Bermuda Limited

Aileen Smith, Senior Vice President Professional Liability, Allied World Assurance Company Holdings, Ltd

Agenda

- Why Bermuda?
- The current state of the market including underwriting and claims trends and issues, current and emerging exposures, and why we are seeing these
- Coverage features to be aware of and how to manage client expectations in an ever-changing marketplace
- What makes the Bermuda market unique including EPL and DIC as well as other lines like HPL, Fiduciary, Crime and E&O.
- The future state of the market and where the market might be going

Bermuda's History in the (Re)Insurance Industry



Source: Aon Bermuda
 Note(s): 1. New capital into 2021 market refers to new insurers, such as Group Ark, Helix and Vantage Risk

Why Bermuda?



Relevance

World Respected Regulator
Sophisticated finance/legal jurisdiction
Proximity to US and major financial center NYC
C-Suite Decision Maker Presence



Access to Capital

20+ top (Re)Insurers
Writes 20% of aggregate global reinsurance premium
Supplies ~50% of Lloyds capacity
Largest provider of alternative capital capacity



Innovative Solutions

Consistent source of product innovation across:

- Captives
- (Re)insurance P&C
- ILS
- Life Re & Annuity
- Digital Asset

3rd largest (re)insurance market
Full equivalence with the EU Solvency II insurance regulatory regime
US reciprocal and qualified status as granted by the NAIC

Since 1997, Bermuda (re)insurers paid out US\$400 billion to US Policyholders and cedants

Home of market-leading insurance coverages, such as Side A DIC D&O coverage, primary EPL, Wage & Hour and Transaction Solutions

Source(s): Aon Bermuda

2/20/2025

PROFESSIONAL LIABILITY UNDERWRITING SOCIETY

Professional Liability Market: GWP ~ \$1.5B to \$2B

Professional Lines Carriers



Professional Lines Brokers



Snapshot of the PL Bermuda Market

~\$1.5b-\$2b
annual GWP

~19 carriers
providing PL
capacity

~\$350m in total
capacity available
(can vary by line)

+\$4b in claims
payments since 2003

<10% of all claims
involve outside carrier
counsel

<1% of all claims
involve a coverage
dispute

What makes the Bermuda marketplace unique?

Broad Product Offerings:

- D&O: ABC, Lead & xs Side A/DIC, ODL, ML
- Employment Practices
- Wage & Hour
- Cyber
- Errors & Omissions
 - HPL, LPL, MPL, APL
- Fiduciary
- Crime
- Punitive Damages
- Blend

Additionally:

- Broad industry appetite including challenging areas: crypto, cannabis, IPO's, de-SPAC's, SPAC's
- Wide range of attachment points from Primary to High Excess
- Innovation & Flexibility
 - Compensation Clawback
 - Freedom of Form
- Jurisdictional advantages - insurability of:
 - Punitive Damages
 - Intentional Acts
 - Restitutionary Damages
 - Fines & Penalties

What is the future state of the Bermuda market?

- Panels/Facilities
 - Pros/Cons
 - Bermuda vs London
- Innovation – what is next?
- Capacity – here to stay?
- AI – taking over underwriting?
- Stability
- Claims Experience
- New Entrants
- Next Hard Market?
- Price Adequacy

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Thank you!