

Alert

Updates to Bermuda’s Insurance Act Aim to Encourage Innovation

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Amendments to the Insurance Act 1978, which became operative on 5 August, have introduced two new classes of insurer and a new category of insurance intermediary. The changes are designed to provide alternative regimes appropriate for insurers and intermediaries focused on innovative and technology-based solutions.

The Insurance Amendment Act 2019 was introduced following a consultation paper circulated by the Bermuda Monetary Authority in May.

The two new insurer classes are:

- **Collateralized Insurer (CI)** - insurers that carry on special purpose business but do not qualify for the “Special Purpose Insurer” or Class 3 insurer regulatory frameworks. The CI class is designed for insurers seeking to transact with a wide variety of cedant types, including unrated, non-affiliated cedants.
- **Class IIGB** - insurers carrying on general insurance business in an innovative manner. Class IIGB is designed primarily for insurer business models using digital assets. It is an addition to the insurance regulatory sandbox and innovation hub introduced last year.

The new form of insurance intermediary, **Insurance Marketplace Provider**, is defined as an intermediary that provides “a platform, of any type, established for the purpose of buying, selling or trading contracts of insurance”. The category is designed for insurtech-related providers.

To learn more about the new classes and how they are regulated please contact your usual Conyers lawyer or any of those listed below.

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