

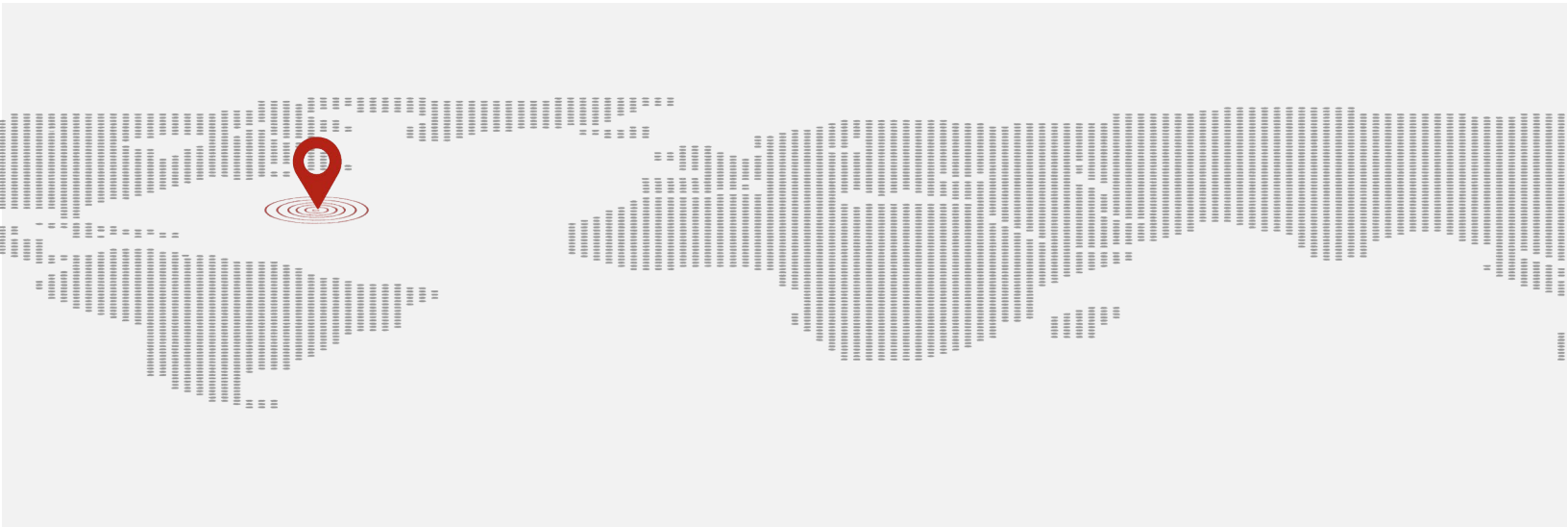


Thursday, 24 July, 2025

CONSULTATION PAPER

Bermuda Monetary Authority Act 1969 –
Proposed Amendments to General Powers
and Fee-Related Changes

Comments to be received by 5 September 2025



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Stakeholders are invited to submit their views on the proposals set out in this Consultation Paper. Comments should be sent to the Bermuda Monetary Authority (Authority or BMA) and addressed to policy@bma.bm no later than **5 September 2025**.

I. INTRODUCTION

1. The purpose of this Consultation Paper (CP) is to convey proposed amendments to the Bermuda Monetary Authority Act 1969 (Act) to:
 - i. Include the ability for the Bermuda Monetary Authority (Authority or BMA) to share relevant information with the Bermuda Deposit Insurance Corporation (BDIC) in appropriate circumstances;
 - ii. Amend the Fifth Schedule to allow for the introduction of new fees and the amendment of existing fees for entities registered under Class IIGB and Class IILT (innovative insurance businesses) of the Insurance Act 1978 (IA);
 - iii. Amend the Fifth Schedule to revise the existing fees for Class IGB and Class ILT (innovative insurers);
 - iv. Amend the Fifth Schedule to revise the existing fees for insurance marketplace providers; and
 - v. Amend the Fifth Schedule to introduce an annual fee for Internationally Active Insurance Groups carrying on General Business (GB IAIGs).
2. This CP also includes proposed consequential amendments to the Deposit Insurance Act 2011 (DIA). These amendments aim to operationalise the envisioned information-sharing gateway and incorporate confidentiality clauses within the DIA, specifically in respect of statutory information from the BMA shared with the BDIC.
3. The Authority is proposing that changes to the body of the Act in respect of information sharing and the suggested consequential amendments to the DIA come into force on assent, and the changes to the Fifth Schedule on 1 January 2026.
4. Industry bodies and other stakeholders are invited to provide feedback on the proposals outlined in this paper by emailing their comments to policy@bma.bm by the close of business on 5 September 2025.

II. BACKGROUND

5. To effectively carry out its responsibilities, the Authority may occasionally need to exchange information with other regulatory and non-regulatory entities as specified in section 31(1AA) of the Act. Such entities include the Minister of Finance, the Registrar of Companies, self-regulating financial institutions, the Financial Intelligence Agency and

various supervisory authorities. This information sharing is intended to aid in discharging statutory functions, serving public interest or supporting the Authority's duties.

6. Established following the 2008 financial crisis via the DIA, the BDIC offers Bermuda Dollar (BMD) deposit insurance of up to BMD25,000 for retail account depositors. The Authority oversees BDIC members to facilitate banking stability in Bermuda. The Authority's "Chief Executive Officer and Officer of the BMA responsible for supervision of the Deposit Insurance Scheme members" each retain seats on the BDIC Board of Directors as required under section 6(1) of the DIA. This arrangement supports the Authority's objective to promote the protection of customers using products and services provided by financial institutions.
7. In the event of a local banking crisis, effective communication between the BMA and the BDIC is crucial for proper crisis management. The existence of an appropriate information-sharing channel with the BDIC is crucial for facilitating effective communication.
8. To achieve these objectives and manage risks associated with a banking crisis, the establishment of an information-sharing gateway between the Authority and the BDIC is vital, with the benefits including:
 - i. Timely Response: Shared access to relevant data empowers both entities to respond effectively to emerging banking crises promptly;
 - ii. Informed Decision Making: Data exchange ensures both bodies have comprehensive and up-to-date information, facilitating informed decisions regarding risk assessment, crisis mitigation strategies and depositor protection measures;
 - iii. Depositor Protection: Effective communication enhances the efficiency and effectiveness of deposit insurance coverage deployment and reinforces its role as a financial safety net during crises, safeguarding the interests of depositors;
 - iv. Consistent Supervision: Information sharing promotes consistent and harmonised supervision, allowing both entities to appropriately align their strategies, statutory functions, and crisis management efforts, including those related to resolution where this is required; and
 - v. Coordinated Crisis Management: Coordinated information exchange leads to coherent crisis management, reducing the impact of banking crises on the wider financial system and economy.
9. Additionally, amendments are proposed to the fee structure for innovative classes of insurers and insurance marketplace providers. These amendments are intended to ensure prudence and transparency in how the Authority functions, and that the fees charged by the Authority reflect and align with the cost of appropriately overseeing regulated financial institutions, thereby facilitating the efficient execution of supervisory activities.

10. Finally, to effectively supervise IAIGs, the Authority requires sufficient resources, tools and skilled personnel that will have significant resource implications for the organisation. In this regard, there is a need to develop additional tools and processes, including having dedicated resources with the right level of technical skills, knowledge and experience to execute additional supervisory tasks. Therefore, an annual business fee has been proposed for IAIGs carrying on general business, as was the case for IAIGs carrying on long-term business in 2024.
11. For additional clarity and information, refer to Appendix I for the proposed fee amendments.

III. KEY PROPOSALS

A. INFORMATION SHARING WITH THE BDIC

12. To facilitate the information sharing gateway with the BDIC, in light of the objectives mentioned above, it is proposed to amend section 31(1AA) of the BMA Act to include the following:

- i. *“(aca) to the Bermuda Deposit Insurance Corporation established under section 4 of the Deposit Insurance Act 2011 for the purpose of its functions;”.*

13. Separately, but relatedly, it is proposed that a Memorandum of Understanding (MoU) be developed and mutually endorsed by the BMA and BDIC. This MoU will establish the agreed parameters for information sharing, encompassing various aspects such as the circumstances prompting information sharing with the BDIC and the purview and intent of the shared information.

B. AMENDMENTS TO THE FIFTH SCHEDULE

14. The proposed changes include various revisions to Part C (2026) of the Fifth Schedule relating primarily to the introduction of new, and increase of existing, fees for innovative classes for long-term insurance business (Classes ILT and IILT) and innovative classes for general insurance business (Class IGB and IIGB). Fee revisions for insurance marketplace providers have also been included in the proposed amendments. Additionally, certain late filings or notifications will be subject to a late fee, as reflected in Part C (2026). Finally, it is also proposed that a new annual fee be introduced for GB IAIGs where the Authority is the group supervisor.

Innovative Insurers

15. The following changes are proposed to be made for the IGB and ILT Classes of insurers:

- a. Increasing the Insurance Regulatory Sandbox (Sandbox) registration fees for both the IGB and ILT classes of insurers from \$6,180 to \$7,500 pursuant to Part C (2026) 3(a)(xii) and 3(a)(xiii), respectively, to better reflect the cost of regulating and supervising these classes under the Sandbox regime. These changes represent the first increase since these fees were introduced in 2018.

Innovative Insurance Business

16. The following changes are proposed to be made for Class IIGB and IILT insurers:

- a. Inclusion of Class IILT insurers for annual fees payable per section 14(2) of the Act to align with existing fees payable by Class C insurers, with the exception of those carrying on domestic business only, across the range of total assets as outlined under Part C (2026) 7(a)(ixa) (A) through (G);
- b. Increasing the registration fees payable by Class IIGB insurers across all gross premium thresholds as outlined under Part C (2026) 3(g) (A) through (E), to reflect the actual cost of regulating and supervising these classes under the innovative framework. These changes represent the first increase since these fees were introduced in 2018; and
- c. Increasing the annual fees pursuant to section 14(2) of the Act payable by Class IIGB insurers across all gross premium thresholds as outlined under Part C (2026) 7(h) (A) through (E).

Insurance Marketplace Providers

17. The following changes are proposed to be made for insurance marketplace providers:

- a. Increasing the registration fees payable by insurance marketplace providers across all gross premium thresholds as outlined under Part C (2026) 3(e) (A) through (E), to reflect the actual cost of regulating and supervising these classes under the innovative framework. These changes represent the first increase since these fees were introduced in 2018.
- b. Increasing the annual fees pursuant to section 14(2) of the Act payable by insurance marketplace providers across all gross premium thresholds as outlined under Part C (2026) 7(f)(A) through (E).
- c. Inclusion of insurance marketplace providers under Part C (2026) 7(c) for the existing \$3,000 annual fee payable by insurance brokers or agents per section 10 of the Act.

GB IAIGs

18. The following changes are proposed to be made for IAIGs carrying on general business:

- a. Introduction of an annual fee payable by the head of the IAIG on behalf of a GB IAIG to meet the necessary additional cost of effective and efficient supervision.
- b. The proposed fee calculation methodology for GB IAIGs will have two primary elements:
 - i. A base fee \$549,000 (currently the top-tier fee for a general business insurance group); and
 - ii. A scaling fee, being 0.002% of Gross Written Premiums (GWP). It is also proposed that there be a cap on the scaling fee of \$700,000.
- c. From the above, the proposed maximum annual fee for a GB IAIG shall be \$1,249,000.

C. CONSEQUENTIAL AMENDMENTS

19. To facilitate the proposed information sharing gateway with the BDIC, consequential amendments to the DIA are proposed as follows:

- i. Firstly, it is intended that section 41 of the DIA “*Disclosure for facilitating the discharge of functions by other authorities*” be amended in connection with sharing of information with the BMA whereby the term ‘regulatory’ should be replaced by the term ‘**statutory**’ regarding the BDIC’s functions as outlined under s.41(1); and
- ii. Secondly, proposed amendments to the DIA will also include provisions relating to the BDIC’s non-disclosure and confidentiality of statutory information that the BMA shares with the BDIC to ensure that the information received from the BMA will not form part of any BDIC reporting obligation or be shared with any third party.

20. It should be noted that the BDIC Board of Directors has formally endorsed the proposed amendments to the DIA as outlined above.

APPENDIX I

Section of Schedule	Class of Insurer	Details of Fee*	Current Fee*	New Fee*
3(a)(xii)	IGB	Fee for registering as insurer	\$6,180	\$7,500
3(a)(xiii)	ILT	Fee for registering as insurer	\$6,180	\$7,500
3(e)	Insurance Marketplace Providers	Fee registering as insurance marketplace provider where gross premiums are expected to:		
		not exceed \$5 million	\$4,500	\$5,500
		exceed \$5 million but not exceed \$20 million	\$6,000	\$6,500
		exceed \$20 million but not exceed \$35 million	\$7,500	\$9,000
		exceed \$35 million but not exceed \$100 million	\$9,000	\$12,000
		exceed \$100 million	\$11,500	\$15,000
3(g)	IIGB	Registration fee for Class IIGB insurer where gross premiums are expected:		
		not exceed \$5 million	\$20,000	\$25,000
		exceed \$5 million but not exceed \$20 million	\$25,500	\$30,000
		exceed \$20 million but not exceed \$35 million	\$30,000	\$34,000
		exceed \$35 million but not exceed \$100 million	\$35,000	\$39,000
		exceed \$100 million	\$40,000	\$45,000
7(a)(ixa)	IILT	Annual fee under section 14(2) payable by insurer:	-	Between \$50,000 and \$430,000 + 0.001% for assets above \$5 billion (dependent on total assets)
7(c)	Insurance Marketplace Providers	Annual fee under section 14(2) payable by insurance marketplace providers	-	\$3,000
7(f)	Insurance Marketplace Providers	Annual fee under section 14(2) payable by insurance marketplace provider where gross premiums are expected to:		
		not exceed \$5 million	\$4,500	\$5,500

		exceed \$5 million but not exceed \$20 million	\$6,000	\$6,500
		exceed \$20 million but not exceed \$35 million	\$7,500	\$9,000
		exceed \$35 million but not exceed \$100 million	\$9,000	\$12,000
		exceed \$100 million	\$11,500	\$15,000
7(h)	IIGB	Annual fee under section 14(2) payable by Class IIGB insurer where gross premiums are expected to:		
		not exceed \$5 million	\$20,000	\$25,000
		exceed \$5 million but not exceed \$20 million	\$25,000	\$30,000
		exceed \$20 million but not exceed \$35 million	\$30,000	\$34,000
		exceed \$35 million but not exceed \$100 million	\$35,000	\$39,000
		exceed \$100 million	\$40,000	\$45,000
8(e)	General Business IAIG	Annual fee payable by the Head of the IAIG on behalf of an IAIG carrying on general business:	-	\$545,900 + 0.002% of Gross Written premium, subject to a maximum fee amount of \$1,249,000
		Note: General business IAIG fees are only applicable to an insurance group carrying on general business where such insurance group meets the criteria for and is designated as an IAIG in accordance with the Act.		

* All fees are in Bermuda dollars.

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A BILL

entitled

**BERMUDA MONETARY AUTHORITY
AMENDMENT ACT 2025**

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- 1 Citation
- 2 Amends section 31
- 3 Amends Fifth Schedule
- 4 Amends Deposit Insurance Act 2011
- 5 Commencement

WHEREAS it is expedient to amend the Bermuda Monetary Authority Act 1969 to amend the Fifth Schedule with respect to certain fees under the Insurance Act 1978; to make provision for the Bermuda Monetary Authority to provide information to the Bermuda Deposit Insurance Corporation for the purpose of its statutory functions; and to amend the Deposit Insurance Act 2011 with respect to sharing of information with the Bermuda Monetary Authority;

Be it enacted by The King's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Assembly of Bermuda, and by the authority of the same, as follows:—

Citation

1 This Act, which amends the Bermuda Monetary Authority Act 1969 (the “principal Act”), may be cited as the Bermuda Monetary Authority Amendment Act 2025.

Amends section 31

2 The principal Act is amended in section 31(1AA) by inserting after paragraph (ac) the following—

“(aca) to the Bermuda Deposit Insurance Corporation established under section 4 of the Deposit Insurance Act 2011 for the purpose of its functions;”.

Amends Fifth Schedule

3 The Schedule, which amends the Fifth Schedule to the principal Act, has effect.

Amends Deposit Insurance Act 2011

4 The Deposit Insurance Act 2011 is amended as follows—

(a) in section 39, by inserting after subsection (1) the following—

“ (1A) Where information is disclosed to BDIC by the Authority, any person who is an employee, officer, servant, agent or advisor of BDIC shall preserve and aid in preserving confidentiality with regard to such information so disclosed that may come to his knowledge in the course of his duties.”;

(b) in section 41(1), by deleting the words “their regulatory functions” and substituting the words “their statutory functions”.

Commencement

5 This Act shall come into operation on 1 January 2026.

SCHEDULE
AMENDS FIFTH SCHEDULE

(section 3)

The Fifth Schedule to the principal Act is amended in PART C (2026), as set forth below.

Amends paragraph 3

1 The Fifth Schedule is amended in PART C (2026), paragraph 3 as follows—

- (a) in subparagraph (a)(xii) and (xiii) by deleting “\$6180” and substituting “\$7,500”;
- (b) in subparagraph (e) as follows—
 - (i) by deleting “4,500” and substituting “\$5,500”;
 - (ii) by deleting “6,000” and substituting “\$6,500”;
 - (iii) by deleting “7,500” and substituting “\$9,000”;
 - (iv) by deleting “9,000” and substituting “12,000”;
 - (v) by deleting “11,500” and substituting “\$15,000”;
- (c) in subparagraph (g) as follows—
 - (i) by deleting “Class IIGB Insurer” and substituting “Class IIGB insurer”;
 - (ii) by deleting “20,000” and substituting “\$25,000”;
 - (iii) by deleting “25,500” and substituting “\$30,000”;
 - (iv) by deleting “30,000” and substituting “\$34,000”;
 - (v) by deleting “35,000” and substituting “39,000”;
 - (vi) by deleting “40,000” and substituting “\$45,000”.

Amends paragraph 7

2 The Fifth Schedule is amended in PART C (2026), paragraph 7 as follows—

- (a) in subparagraph (a)(ixa), by deleting the words “Class C insurer,” and substituting the words “Class C or Class IILT insurer,”

- (b) in subparagraph (c) by deleting the words “insurance broker or agent” and substituting the words “insurance broker, agent or insurance marketplace provider”;
- (c) in subparagraph (f) as follows—
 - (i) by deleting “4,500” and substituting “\$5,500”;
 - (ii) by deleting “6,000” and substituting “\$6,500”;
 - (iii) by deleting “7,500” and substituting “\$9,000”;
 - (iv) by deleting “9,000” and substituting “12,000”;
 - (v) by deleting “11,500” and substituting “\$15,000”;
- (d) in subparagraph (h) as follows—
 - (i) by deleting “20,000” and substituting “\$25,000”;
 - (ii) by deleting “25,000” and substituting “\$30,000”;
 - (iii) by deleting “30,000” and substituting “\$34,000”;
 - (iv) by deleting “35,000” and substituting “39,000”;
 - (v) by deleting “40,000” and substituting “\$45,000”.

Amends paragraph 8

3 The Fifth Schedule is amended in PART C (2026), in paragraph 8 by inserting after subparagraph (d) the following—

	(e)	Annual fee payable by the Head of the IAIG on behalf of an IAIG carrying on general business.	\$545,900 + 0.002% of Gross Written Premium, subject to a maximum fee amount of \$1,249,000
		Note: General business IAIG fees are only applicable to an insurance group carrying on general business where such insurance group meets the criteria for and is designated as an IAIG in accordance with the Act.	

BERMUDA MONETARY AUTHORITY AMENDMENT BILL 2025

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Bermuda Monetary Authority Act 1969 (the “Act”) to amend the Fifth Schedule with respect to certain fees under the Insurance Act 1978; to make provision for the Bermuda Monetary Authority (the “Authority”) to provide information to the Bermuda Deposit Insurance Corporation for the purpose of its statutory functions; and to amend the Deposit Insurance Act 2011 with respect to sharing of information with the Authority.

- 1 Clause 1 provides a title to the Bill.
- 2 Clause 2 amends section 31 of the Act to make provision for the Bermuda Monetary Authority to provide information to the Bermuda Deposit Insurance Corporation (“BDIC”) for the purpose of BDIC’s statutory functions.
- 3 Clause 3 and the Schedule amend the Fifth Schedule to the Act in respect of certain fees under the Insurance Act 1978 Part C (2026) for Class IGB, Class ILT, Class IIGB and Class IILT insurers and insurance marketplace providers; and to introduce an annual fee for Internationally Active Insurance Groups that engage in non-life general business.
- 4 Clause 4 amends the Deposit Insurance Act 2011 to clarify that BDIC may share information with the Minister and the Bermuda Monetary Authority for the purpose of their statutory functions. Clause 4 also confirms that information shared by the Authority must be treated as confidential.
- 5 Clause 5 provides for commencement.