BILTIR
BERMUDA INTERNATIONAL LONG TERM INSURERS AND REINSURERS

Bermuda Long Term Reinsurance Sector **An Overview**

October 2026

Bermuda Long-Term Reinsurers are Playing an Integral Role in Addressing Protection Gaps

Capital Contribution

$100B+

Capital added in 2025

Deployed to support U.S. insurers & policyholders

Claims & Benefits

$700B+

Paid in life & retirement claims from 2016-2025

70% of which paid to U.S. policyholders (over $100B paid to U.S. policyholders alone in 2025)

Global Impact

While the **United States** is the primary market supported, Bermuda's long-term reinsurance sector is also helping insurers prudently address consumer needs in **Japan**, **Hong Kong**, the **United Kingdom**, and the **European Union**, among others

Notwithstanding the above, U.S. asset intensive reinsurance comprises only 5% of global life reserves, and the portion of such reinsurance ceded offshore represents only 2% of global life reserves

In the U.S. – the primary market Bermuda supports – over 11,000 Americans turn 65 daily, thus escalating the demand for affordable and effective life insurance and annuity products

- To service these needs, U.S. insurers require significant capital
- Bermuda's long-term reinsurance market has established itself as a sound and reliable capital source for supporting this need
- In addition to expanding capital capacity to meet the needs of more consumers, Bermuda's long-term reinsurance market sector is enabling insurers - in the U.S. and elsewhere - to deliver more affordable product offerings

Why Bermuda?

Since 1947, the jurisdiction has been a sophisticated, highly regulated and innovative global hub for reinsurance



Robust Regulatory Framework	• Economic solvency framework emphasizes strong risk management and policyholder protection • Economic Balance Sheet incentivizes tight asset liability matching and offers (subject to approval) long-term insurers recognition of risk-adjusted asset yields within liability valuation
Ability to Raise Long-Term Capital	• Efficient capital raising environment for pension funds, sovereign wealth and others with a long-term investment horizon
Reinsurance Expertise	• Innovative market supported by actuaries, asset managers, legal advisors and other professionals delivering market leading risk transfer solutions
Political Stability	• Maintains an active, healthy dialogue with regulators around the world as a credible and respected jurisdiction for global insurers to place risk
Global Recognition	• Recognized as Solvency II equivalent by the EU and as a reciprocal jurisdiction by the U.S. • 15% global minimum corporate tax rate

The Bermuda Monetary Authority is among the World's Most Respected and Sophisticated Insurance Regulators

Transaction-Level Oversight

- Requires pre-approval for block reinsurance transactions
- Requires capital adequacy, liquidity, governance, investment strategy, and risk transfer
- Assesses intragroup transactions, collateral structures, and policyholder impacts

Transactions proceed only where policyholder protection is maintained

International Coordination

- Coordinates closely with foreign regulators, including U.S. regulators, through supervisory colleges and ongoing regulatory dialogue
- Will not approve transactions without engagement with ceding insurer's home regulator
- Internationally recognized regulatory framework aligned with IAIS standards

Cross-border supervision is a core feature of the BMA framework

Continuing Regulatory Enhancements

- Ongoing refinement of Scenario Based Approach and supervisory expectations
- Strengthened rules on liquidity, stress testing, and recovery planning
- Comprehensive public disclosure of asset portfolios

Always evolving, fit for purpose regime

Ongoing Supervision

- Regular prudential reporting
- Sector-wide stress testing
- Supervisory reviews of investments and liquidity

Implements remedial action where emerging risks are identified

BMA Scenario Based Approach Ensures Bermuda Long-Term Reinsurers' Reserves are Sufficient with Margins for Conservatism

SBA Incentivizes Robust Risk Management

- SBA uses a baseline plus eight prescribed stress scenarios, calibrated at one standard deviation from the mean — analogous to the "New York 7" used in NAIC asset adequacy methodology
- Reserve is set to the worst-case outcome across all nine scenarios, incentivizing reinsurers to hold tightly matched, high-quality assets to minimize scenario sensitivity

SBA Requires BMA Approval

- Reinsurers must obtain BMA approval to use the SBA — it is not a default option
- Separate approvals are required for each liability type and each asset type, with detailed BMA oversight of both sides of the balance sheet; this pre-approval gatekeeping ensures the SBA is applied only to genuinely long-duration, well-matched business

SBA is Moderately Adverse

- SBA incorporates explicit Provisions for Adverse Deviation (PADs) for
  - lapse risk
  - interest rate risk
  - credit risk
- PADs ensure policyholder obligations are met even under adverse policyholder behavior and market environments, supplementing the scenario-based worst-case reserve floor

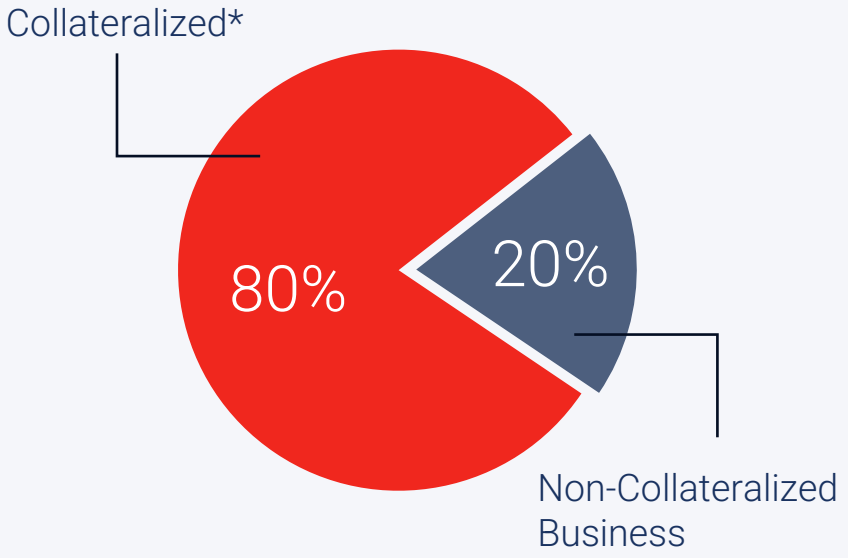
SBA is Resilient Under Stress

- SBA operates within the mark-to-market Economic Balance Sheet (EBS), ensuring capital adequacy reflects true economic solvency at all times
- Assets and liabilities move consistently under market stress; temporary dislocations do not trigger artificial capital shortfalls or force uneconomic asset disposals, preserving long-term investment strategies aligned to policyholder obligations while maintaining robust protection through market cycles

Prioritizing Policyholder Protection through Robust Collateral and Contractual Safeguards

Protection	Description
Collateralization	• Cedant maintains contractual interest in assets supporting the reinsured liabilities • Approximately 70% of reinsured business is Coinsurance with Funds Withheld or Modified Coinsurance, whereby the assets are retained directly on the cedant's balance sheet • In Coinsurance structures, assets are held in trust for benefit of cedant, often subject to overcollateralization (113% on average) • Uncollateralized liabilities are predominantly intragroup and typically supported by group capital requirements, support agreements and similar protections
Investment Guidelines	• Negotiated guidelines to ensure that only assets appropriate to support the reinsured business are utilized • Asset allocation must remain within negotiated limits by asset class
Recapture Provisions	• Cedant right (but not obligation) to recapture the business under certain stress scenarios, including solvency and ratings • Contractual provisions governing amount of assets recaptured

Bulk of Reinsurance Provided by Bermuda Long-Term Sector is (Over)Collateralized



Collateralized assets remain in the cedant insurer's jurisdiction

*Of the 80% collateralized, approximately 70% is funds withheld in ModCo Accounts and 10% is other collateral
Source: Bermuda Monetary Authority, *Insights and Reflections on Asset Intensive Reinsurance in Bermuda*, March 2025

Capital Strength and Ample Liquidity Under Both Base and Stress Cases

Median Solvency Ratio

~270%*

Reinsurers have ~2.7x the minimum level of resources regulators require to cover potential unexpected losses

Bermuda Long-Term Reinsurers Liquidity

>4x

than needed to meet projected cash demands under severe stress

Liquidity levels meet or exceed those of comparable U.S., Europe, and Japan insurers

Financial Crisis Stress (GFC 2008)

215%

Base Capital Level

> 2x regulatory requirement, well above 100% minimum

IAIS Haircuts

350%

Stressed Liquidity Coverage

Substantial liquidity under the IAIS methodology

BMA's regular sector-wide stress testing identifies vulnerabilities early and addresses potential risks proactively

*At year-end 2023

EIOPA recognizes the Bermuda Enhanced Regime as producing equivalent outcomes to Solvency II, namely that a 100% Enhanced Capital Requirement (ECR) ratio is equivalent on an outcome basis to a 100% Solvency II SCR ratio.

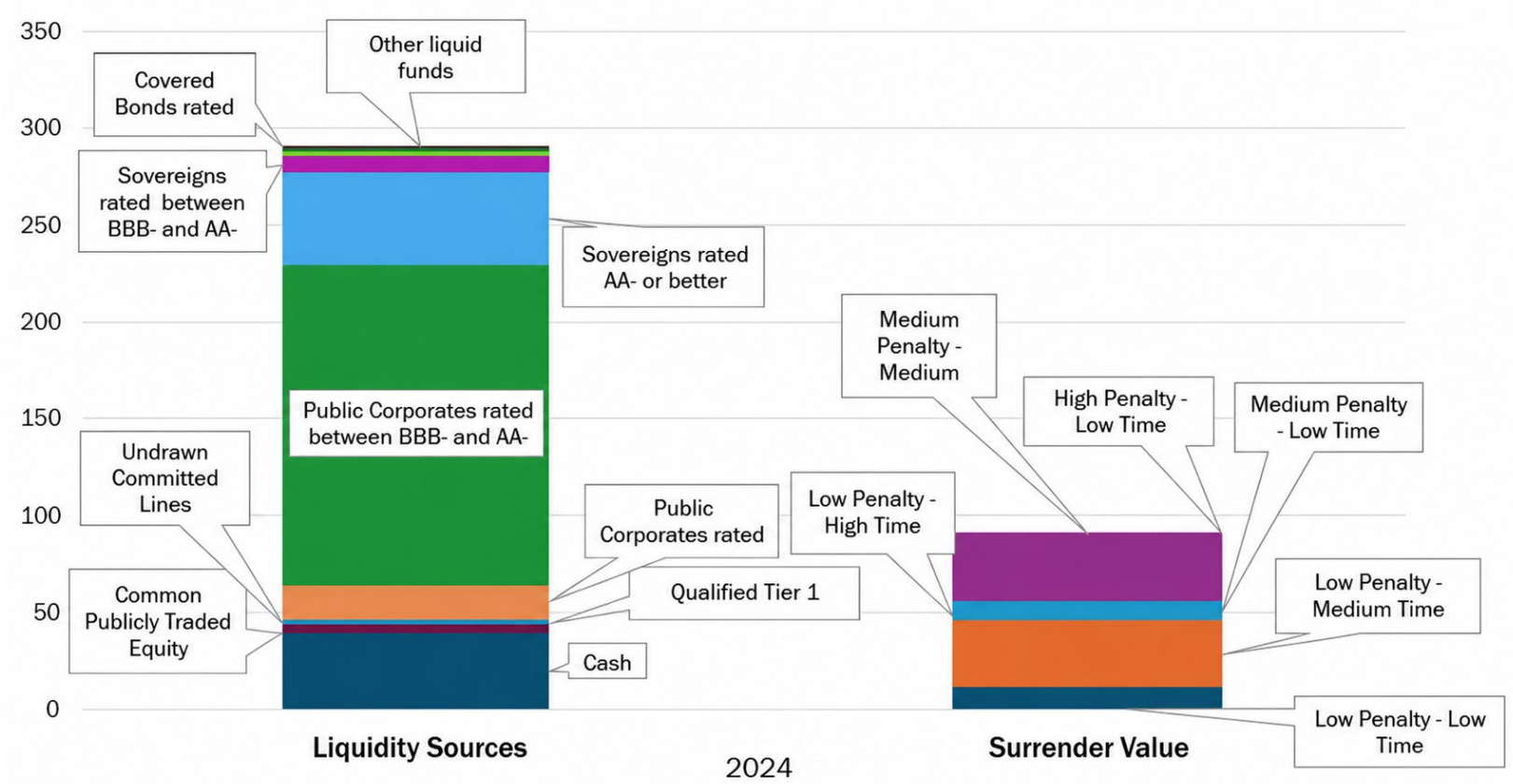
Sources: National Association of Insurance Commissioners, *Summary of Findings and Determination – Bermuda Monetary Authority - Evaluation of Reciprocal Jurisdiction*, 2019; Bermuda Monetary Authority, *Bermuda Long-term Insurance Market Analysis and Stress Testing Report*, December 2024; Bermuda Monetary Authority, *2025 Global Financial Crisis Stress Test – Long-Term Reinsurers*, September 2025

Liquidity Sources Far Exceed Potential Surrender Demands

Even after applying IAIS haircuts to available assets, Bermuda Long-Term Insurers maintain a liquidity position significantly exceeding potential demands

Liquidity sources versus potential surrender value (post IAIS haircuts)

(Amounts in USD Billions)

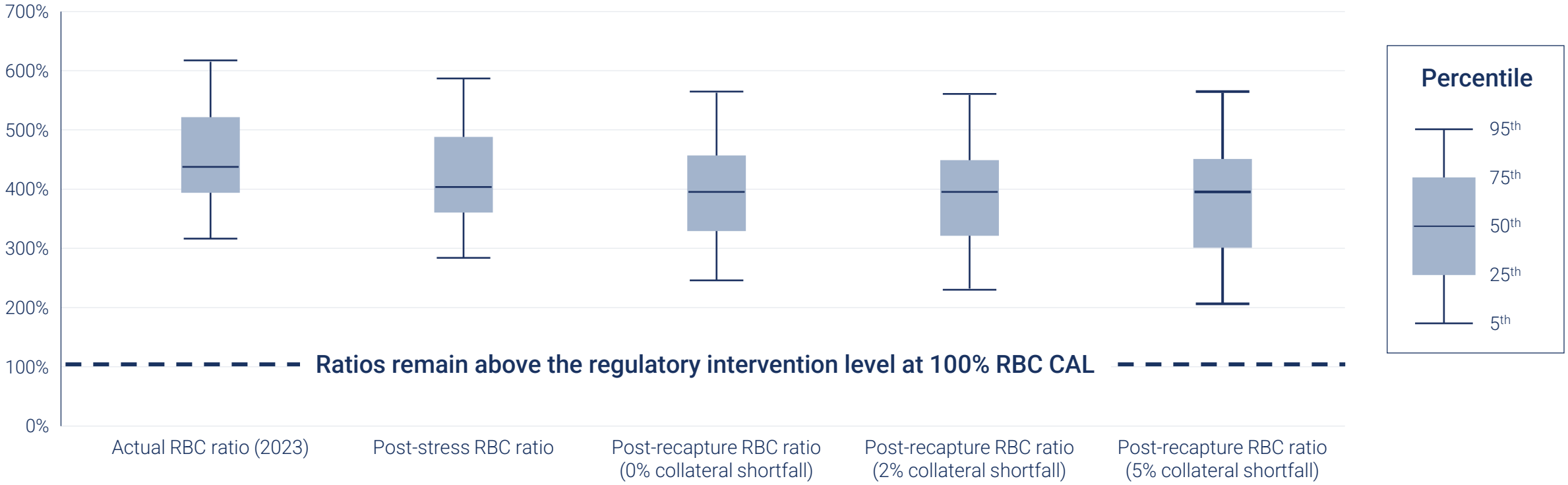


Source: Bermuda Monetary Authority, *Liquidity Risk in the Bermuda Long-term Insurance Market Report*, April 2026

Even a Total Industry Recapture Would Not Threaten US Insurer Solvency

US cedent RBC ratios remain above regulatory intervention levels, assuming recapture of all non-affiliated business from Bermuda long-term reinsurers

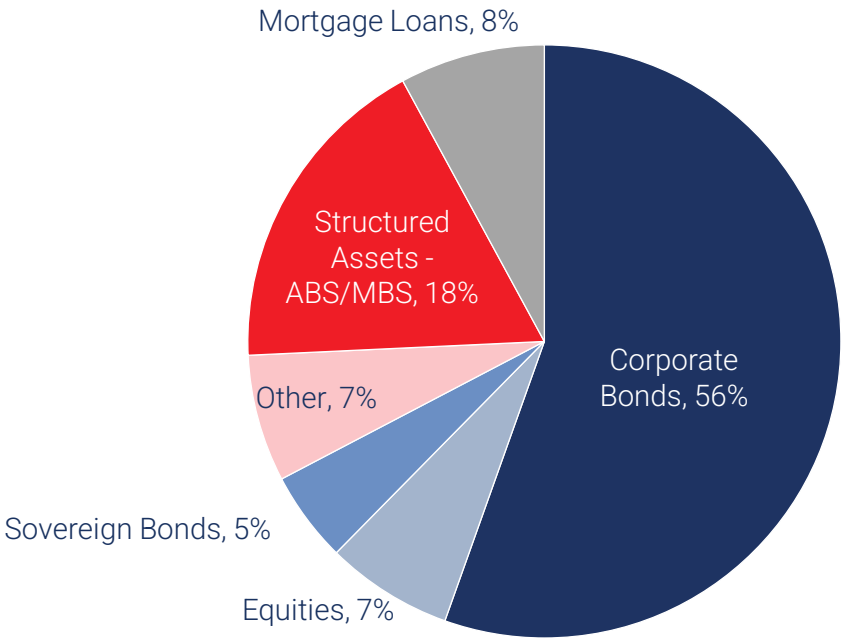
RBC CAL (%), US cedents with GA reserves > $10 billion (63 insurers), 2023



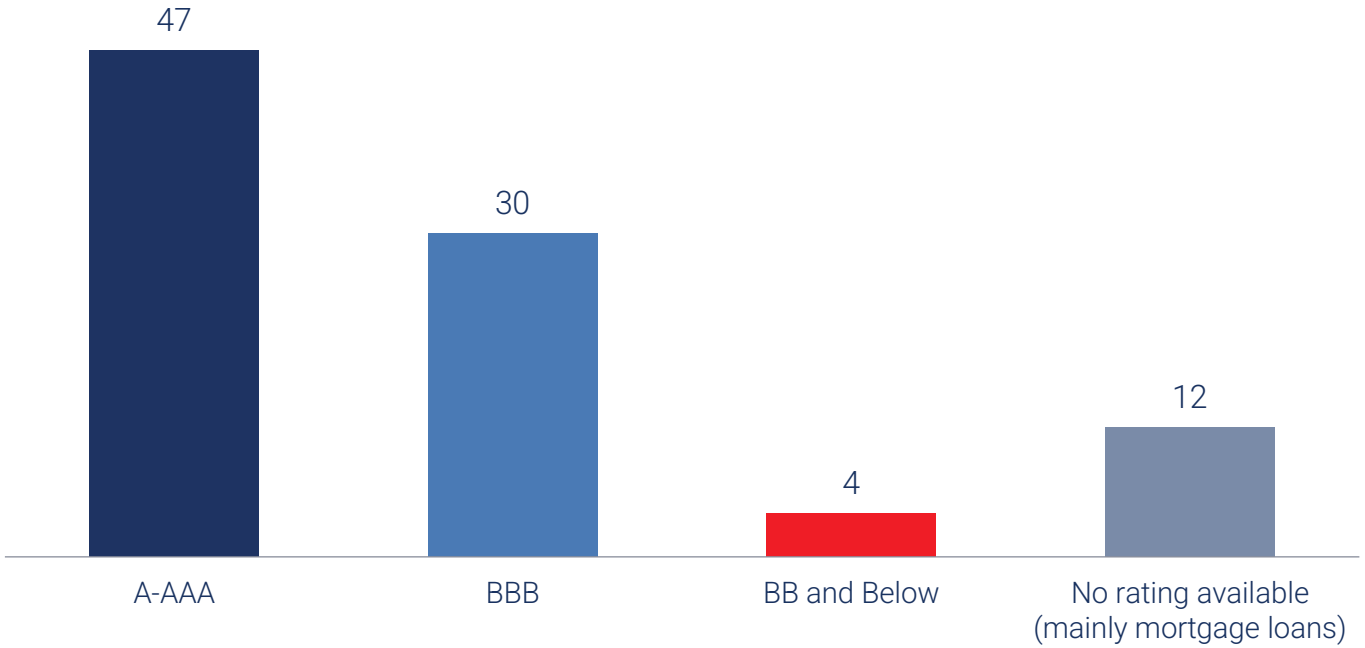
Sources: Insurer statutory filings from S&P Capital IQ, NAIC aggregated life RBC and annual statement data, Oliver Wyman analysis

Bermuda Long-Term Reinsurers' Investment Portfolios are High Quality

Asset Composition



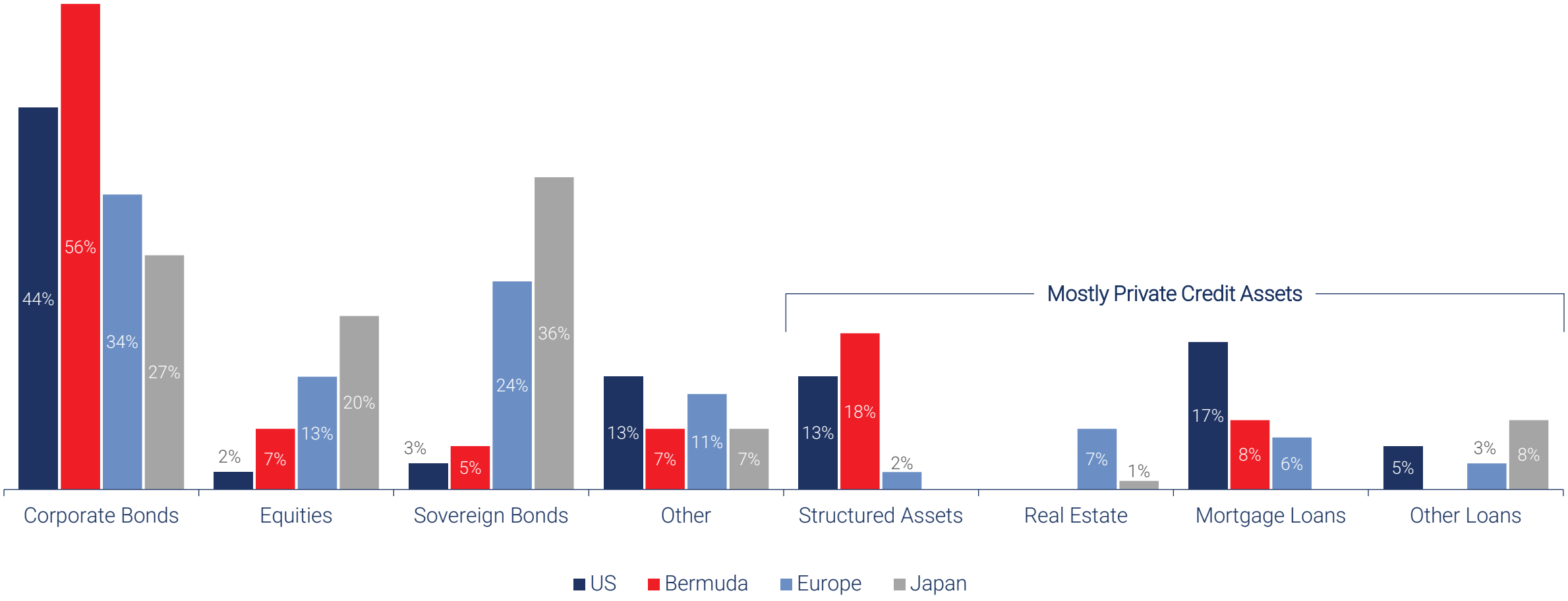
Asset Quality



Like U.S. reinsurers, Bermuda reinsurers construct and manage assets – the vast of bulk of which are investment grade – to match liability durations

Sources: Moody's, *In-Depth-Life-Insurance*, May 2024; Bermuda Monetary Authority, *Insights and Reflections on Asset Intensive Reinsurance in Bermuda*, March 2025

Bermuda Long-Term Reinsurers' Asset Allocations are comparable to those in Other Major Jurisdictions



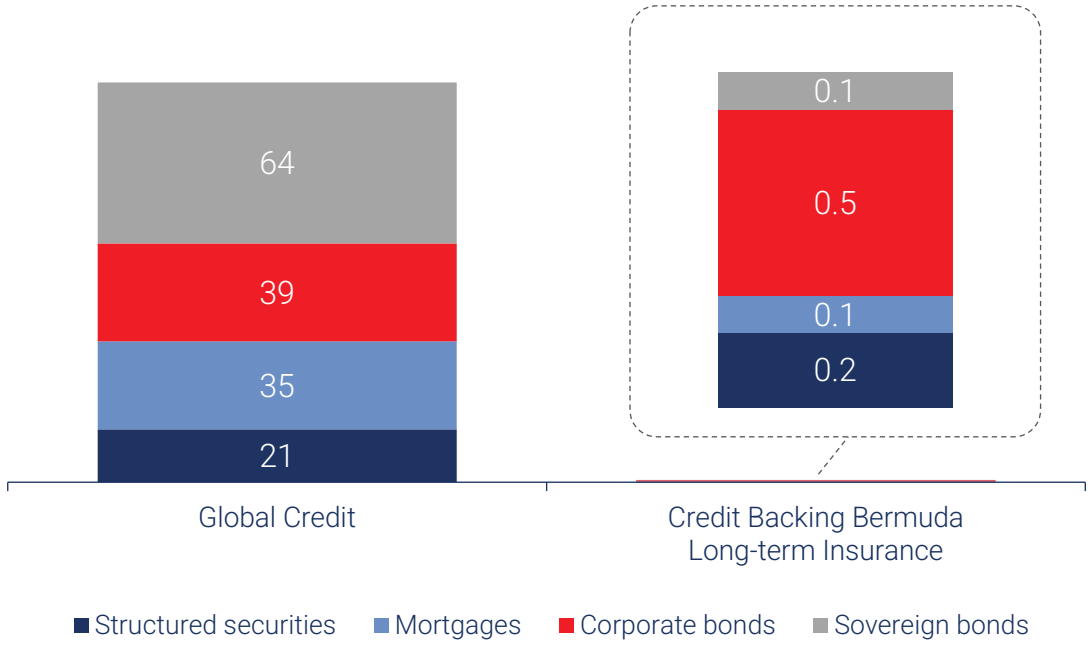
Sources: Moody's, *In-Depth-Life-Insurance*, May 2024

Bermuda Long-Term Insurers' Private Credit Portfolio is a Small Fraction of the Global Credit Market

Allocation is comparable to other major jurisdictions

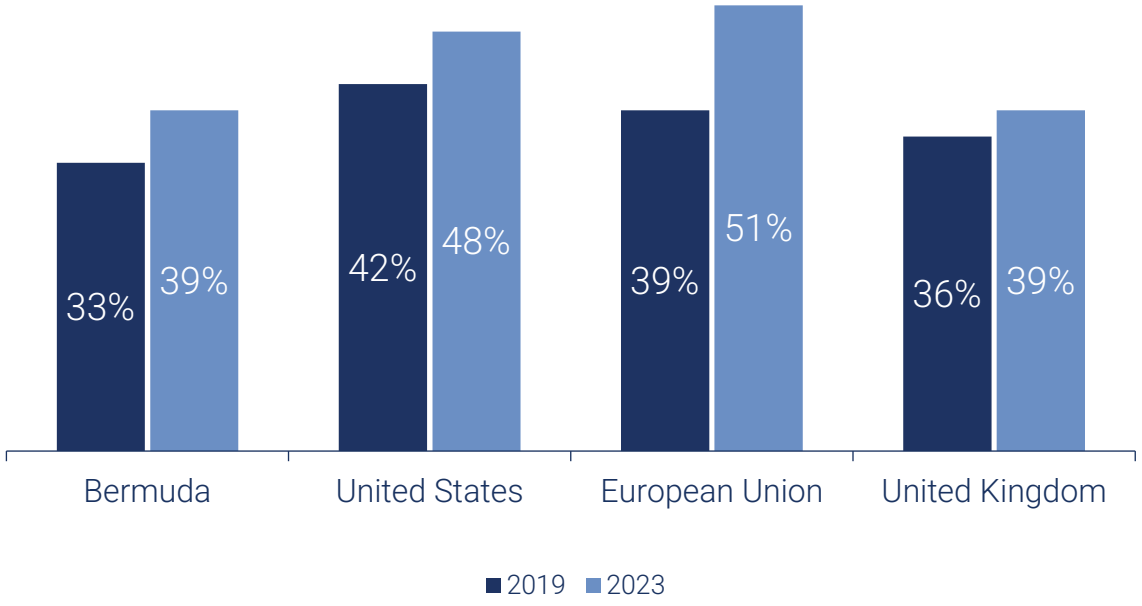
Global Credit Market versus Bermuda Share

$ trillion, 2023



Allocation to Alternative Assets for Life Insurers

2019 vs. 2023



Sources: AFME/SIFMA Securitisation Data Report, Data provided by BILTIR, LSEG The size of global markets 2024 in charts 2024, OECD Global Debt Market Report 2024; BILTIR (Bermuda), NAIC (US), Bank of England (UK), AM Best (EU)

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Thank You

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