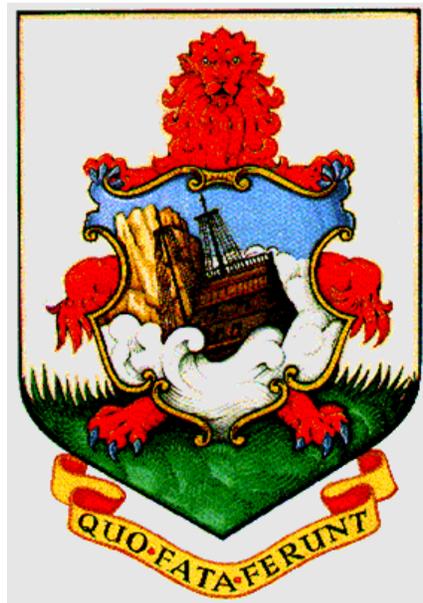


MINISTERIAL STATEMENT

Ensuring Fair Competition and Preventing Market Concentration in Bermuda



Prepared for

The Honourable Kim N. Wilson, JP, MP
Minister of Health

February 27, 2025

Mr. Speaker,

This Government has made clear, both in the 2025 Throne Speech and in our 2025 Election Platform, that we intend to introduce modern anti-trust and competition legislation in Bermuda. The purpose of this legislation is straightforward and principled: to ensure that no commercial arrangement, in healthcare or in any sector of our economy, results in a de facto monopoly, restricts fair competition, or disadvantages smaller providers who play a vital role in serving our community.

In a small island economy such as Bermuda's, markets are naturally concentrated. Without appropriate legislative safeguards, consolidation can occur quickly and with system-wide consequences. Competition law is not about punishing success; it is about protecting the public interest. It ensures that innovation thrives, that consumer choice is preserved, and that market power is not exercised in ways that undermine affordability, fairness, or access.

This proposed legislation will not target any single entity. Rather, it will establish clear, fair, and transparent rules that promote a level playing field across all sectors. Its purpose is to protect Bermudian consumers, preserve innovation, support small and medium-sized enterprises, and ensure that economic efficiency does not come at the expense of fairness or access.

It is within this broader policy framework that we consider the recent public discussion surrounding Allshores' proposed preferred pharmacy

network which has brought into sharp focus serious concerns raised by Bermudians and policymakers alike about patient choice, affordability, safety, and the long-term structure of Bermuda's pharmaceutical market. These concerns are neither abstract nor theoretical. They speak directly to how our people access essential medicines, how care is coordinated, and how we ensure that no single entity can dominate a market as small and interconnected as ours.

In a jurisdiction like Bermuda, where our healthcare ecosystem is compact and highly interdependent, even one corporate decision can have system-wide consequences. The creation of Allshores through the merger of BF&M Limited and Argus Group, a transaction widely reported in the press as a significant consolidation of market share, has fundamentally reshaped the insurance landscape. That merger, and the vertical integration now extending into pharmacy networks, underscores why Bermuda must modernize its competition framework.

Mr. Speaker,

While the establishment of a preferred pharmacy network may be presented as an internal business decision, pharmacies are not simply retail outlets. They are an integral part of the healthcare continuum. They ensure continuity of care, provide patient counselling, support medication adherence, and serve as accessible points of contact, particularly for

seniors and vulnerable residents. Any change that materially alters how patients access their medications must therefore be examined not only through a commercial lens, but through a public interest lens.

That is why, as Minister of Health, on Tuesday February 24th, I directed the Bermuda Health Council to formally request that Allshores implement a 60-day deferral of its pharmacy network policy to 1 May. This pause is essential to allow comprehensive review, data analysis, and structured dialogue. Decisions of this magnitude must be guided by evidence and public accountability

Mr. Speaker,

The Health Council has previously warned of the structural implications of vertical and horizontal integration in Bermuda's health system. Our pharmaceutical sector is characterized by a small and saturated domestic market, limited upstream competition, reliance on high-cost importation channels, and escalating pressures from specialty and advanced therapeutics. In such an environment, further concentration of market power — whether through mergers or contracting practices — can reduce competition, limit consumer choice, and create conditions for price escalation.

Bermuda currently lacks modern, dedicated antitrust legislation governing business combinations and market dominance. This legislative

gap leaves our economy vulnerable to excessive concentration and anti-competitive practices.

Consistent with the priorities laid out in the PLP 2025 Platform and reinforced by the commitments made in the 2025 Throne Speech, the Government is moving forward with the introduction of strong anti-monopoly and competition laws. The focus is on preventing any business arrangement from creating an effective monopoly, stifling competition, or placing smaller healthcare providers at a disadvantage within the community.

Strengthening competition requires proactive oversight of mergers and acquisitions, scrutiny of dominant market positions, and the authority to prevent anti-competitive conduct before harm occurs. We must have legislative tools to investigate and, where necessary, prevent mergers or contracting structures that consolidate excessive market power. Fair markets are not self-executing in small jurisdictions; they require thoughtful regulation to protect consumers and innovation alike.

Mr. Speaker,

Competition reform must also work hand in hand with pharmaceutical pricing reform. That is why the Government has been advancing solutions such as pricing reforms and policies such as the implementation of the national drug formulary in collaboration with importers and retainers.

The formulary introduces clearer pricing discipline, strengthens transparency and reduces unnecessary price variation across pharmacies. It supports evidence-based prescribing, protects consumers from inflated costs, and ensures that Bermudians are not paying more than necessary for essential medications, no matter which pharmacy they purchase from. This service reform builds on Phase 1 of health system reform launched in January, which expanded prescription drug coverage, and on the forthcoming rollout of core benefits designed to guarantee universal access to necessary care. A strengthened formulary, combined with more accessible essential benefits, combined with a fairer system with modern antitrust legislation, will ensure that affordability is achieved through fair competition and smart regulation, not through market dominance or restricted patient choice.

Mr. Speaker,

Health reform in Bermuda must be transparent, balanced, and sustainable. We cannot allow excessive consolidation to undermine patient access or erode public confidence. Nor can we ignore the economic realities facing families who struggle with the high cost of living and high medication prices.

This Government is therefore committed to two parallel and complementary actions:

1. Introducing strong anti-monopoly legislation to safeguard competition and prevent harmful market concentration; and
2. Advancing pharmaceutical pricing reform through enhancing the existing national drug formulary to both reduce and expand transparency in cost and improve transparency.

Together, these measures will ensure that Bermuda's pharmaceutical market remains competitive, fair, and centered on patients, not dominance.

The Government remains committed to its duty to protect consumers, support healthcare professionals, and ensure that every component of our health system operates in the best interests of the people of Bermuda.

Thank you, Mr. Speaker.