

Bermuda's relevance in global market grows as submissions soar



The Insurer caught up with Allied World's [Colm Singleton](#) and Aon's [Joe Rego](#) on the market prospects presented in Bermuda and how the industry is capitalising on these opportunities with innovation at its core

Bermuda has “a great opportunity” to increase its relevance in the insurance market as submission flows into the island increase and brokers turn to its carriers for capacity that has dried up in other markets around the world.

Brokers marketing programmes that historically could get completed without the need for meaningful Bermuda-based capacity are now more frequently coming to the Island in order to complete placements that have struggled to secure sufficient support from US domestic markets or Lloyd's.

That trend began last year and has continued into 2020, explained Colm Singleton,

Executive Vice President, Head of Bermuda Office for Allied World.

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[Colm Singleton](#)

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“We have seen significant submission flow growth in Bermuda,” Singleton told *The Insurer*.

That shift to more business making its way to Bermuda has primarily been due to the retrenchment that took place in Lloyd's, Singleton said. A pull back in participation from some of the large domestic US carriers has also played a part, he explained.

At the same time, Singleton said that the percentage of Bermuda-based carriers on placements and towers has also grown.

“That trend will continue to increase,” the

executive said. “I see it as a great opportunity for Bermuda to expand its relevance.”

He added: “A large number of placements could historically get done without meaningful participation from Bermuda.”

But that situation has now changed.

“These placements now require meaningful Bermuda capacity, which means we’re seeing opportunities that we haven’t seen for years,” he said.

Joe Rego, President & CEO Aon Bermuda, said submission flow has “been up significantly”, but one of the interesting aspects of that increase is that it has not only been from the Island’s traditional sources.

“We have experienced a much greater flow of international opportunities that didn’t necessarily come here before,” he said.

“We’re very well connected with our global network and we work collaboratively across geographies to address client needs on an integrated basis,” explained Rego.

“We’ve been able to leverage our network and also the capabilities and the capacity of the Bermuda market to bring solutions to many of our global clients that in the past didn’t really have much exposure to [the Island],” Rego added.

Innovation key to Bermuda submission surge

It is not only the shortage of capacity that is seeing more business make its way to the island, Rego said.

As the Aon executive explained, Bermuda is generally well-positioned to take advantage of the significant shift in market conditions and trends that have arisen in the past 18 to 24 months.

Bermuda’s ability to innovate and its approach to developing and refining products and services to respond to evolving client needs is a significant differentiator.

“Bermuda has that infrastructure, that concentration of underwriting expertise, focus on innovation, and the regulatory framework that enhances our ability to bring product and capacity to market quickly,” Rego said.

“As we continue to experience these shifting dynamics within the market across product lines and industries, I believe that Bermuda as a marketplace is very well-positioned to respond to

the challenges that arise and develop solutions for our existing and prospective clients as a component of their risk management and risk transfer strategies and objectives,” he added.

Singleton highlighted other factors that are also playing a part in the increased amount of business making its way to Bermuda. One is the technical underwriting ability that is in place in Bermuda with senior decision-makers on the island.

“That is extremely advantageous to the Bermuda market at this part of the market cycle,” he said.

Claims expertise a boon

The island’s claims expertise has also proven very valuable.

“Given the increase in loss severity, technical claims expertise is increasingly valued by the Bermuda clients that have a significant amount of U.S. legal exposure,” said Singleton.

The Allied World executive said he and his colleagues spend a considerable amount of time showcasing his firm’s claims capabilities to brokers and clients as Bermuda’s role in the insurance market

evolves.

“What we’ve found is as Bermuda’s underwriting appetite has evolved from being a high excess liability market to more of a primary and excess market offering, clients need to have a level of comfort in our claims capabilities if they are going to move, particularly primary business, to Bermuda,” he explained.

Singleton said clients actively seek out insight from the claims team and ask for their thoughts on certain exposures.

“That’s a radical shift in the way that clients value the claims proposition. And I think the Bermuda market has done a great job in the last few years of making investments in claims talent that has been really well received by clients,” said Singleton.

Another factor in Bermuda’s rising prominence is the increased number of brokers that have set up shop on the island.

“The heightened number of Lloyd’s and independent brokers obviously improves the distribution network,” said Singleton.

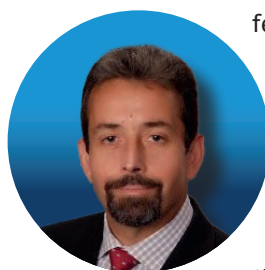
That so many brokers have not historically been based on the island and have now established a presence “also really validates the Bermuda market proposition”, added Singleton.

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