



## Bermuda Monetary Authority implements Insurance Code of Conduct

In line with its objective to establish a world-class, risk-based regulatory regime, the Bermuda Monetary Authority (the “Authority”) has implemented a new insurance code.

The Insurance Code of Conduct (the “Code”), came into effect on 1 July 2010 and the Authority has established 31 December 2010 as the date of compliance for Commercial Insurers and 31 March 2011 as the date for compliance by all Captive Insurers, registered under Section 4 of the Insurance Act 1978.

The Code is divided into six categories, including:

- (1) Proportionality Principle
- (2) Corporate Governance
- (3) Risk Management
- (4) Governance Mechanism
- (5) Outsourcing
- (6) Market Discipline and Disclosure

These categories contain the duties, requirements and compliance standards to be adhered to by all insurers. It stipulates that in order to achieve compliance with the Code, insurers are to develop and apply policies and procedures capable of assessment by the Authority.

The Insurance Code of Conduct is a further step towards establishing a regime that exceeds international recognised standards by leading regulators around the world and proportionally reflects the different constituents of the Bermuda market.

The Code is a codification of best practices adopted by Bermuda insurers and, for most insurers, is more a document of consolidation than one which creates new or further obligations.

For a full overview of the Insurance Code of Conduct, and the six categories within it, please [click here](#).

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