



A global climate risk capital

Helen Souza discusses Bermuda's push to become the global climate risk finance capital

Bermuda is already known as the world's risk capital but now has its sights on becoming the world's climate risk capital, addressing critical needs in key markets, and closing the global protection gap while creating new economic growth opportunities.

Bermuda is unique because it is simultaneously one of the world's most significant property catastrophe (re) insurance markets, as well as a premier captive domicile and the leading global issuer of Insurance Linked Securities (ILS). The climate vertical perfectly complements Bermuda's globally recognised strengths, as well as the professional services expertise which has built up over multiple decades on the ground.

Helping to close the global protection gap

Just as Bermuda played a critical role helping high risk regions bolster their financial resilience to the rising tide of climate peril (ie. hurricane/tropical storm, wildfire, flood, and other climate-driven property risks) Bermuda will play a leading role in climate risk finance, supported by third party capital and potential new start-ups focusing on innovative technology.

The purpose of the Bermuda Business Development Agency (BDA) is to promote and protect, in collaboration with government and the private sector, sustainable and equitable economic growth, diversification, and prosperity in Bermuda. The BDA is seeking to attract new climate risk finance companies to the Island, offering exciting new career paths for Bermudians.

Bermuda's push to become global climate risk finance capital

To many, Bermuda's climate risk finance drive officially began with the Bermuda Government's climate change commitment announcements on Earth Day, April 22, 2021, and the BDA's first climate risk finance roadshow in New York City in September 2021.

Across four days, from September 27-30, the BDA delegation – led by Bermuda’s then Minister of Finance, the Hon. Curtis Dickinson, JP, MP – held 16 meetings with key decision makers from some of New York’s leading law firms, advisers, and asset managers. These firms represented revenues of \$3.28 billion and maintain offices in 54 cities worldwide.

Bermuda has built a notable wealth of climate change-related risk experts on the ground over the past three decades

After this first strong showing of support, further outreaches were held at the 26th United Nations Climate Change Conference (COP26) in Glasgow as well as in London, UK in October 2021.

As COVID-19 restrictions started to improve on-Island, the BDA held its inaugural Bermuda Risk Summit from March 14-16, 2022, attracting over 80 delegates from overseas. It was so great to get off zoom and connect with everyone again, and the immediate economic impact of the event, which had a total of 350 delegates, including lodging, transportation, food and beverage, retail and recreation was estimated at over one million dollars, and supported around 200 jobs.

The successful Bermuda Risk Summit was followed by climate risk finance roadshows in San Francisco and Silicon Valley in April, and New York in May.

Also in May, the BDA led a two-day, invite-only Bermuda Climate Summit on May 24, that drew some 150 attendees, including 70 from overseas, to discuss myriad wide-ranging climate issues, including the science of climate change, the regulatory needs of green investors, and Bermuda's leadership role in this new era.

Building on these successes, the BDA championed Bermuda's climate credentials during business development missions to London in June, Toronto in September, and Singapore in October.

To round off a busy year, the BDA is excited to be heading to COP27 in Sharm El Sheikh, Egypt in November, to provide updates on Bermuda's vision to be a global leader in climate risk finance, including developing solutions, and financial mechanisms to mitigate the impact of climate risk.

Bermuda is already an expert in climate risk finance

At all of these speaking opportunities, meetings and events, the BDA reminded climate risk finance prospects that Bermuda has built a notable wealth of climate change-related risk experts on the ground, including scientists in the public and third sectors, over the past three decades.

For example, the Bermuda Institute of Ocean Sciences (BIOS) has a rich history of supporting the (re)insurance sector; reaching as far back as 1994 when it established the Risk Prediction Initiative (RPI) a collaboration of BIOS scientists and (re)insurance experts.

In addition, Bermuda's integrated financial services regulator, the Bermuda Monetary Authority (BMA) also understands the importance of climate change issues, and in April 2021 announced the creation of an innovation and ESG subject matter team to increase its focus on climate change matters. This work progresses; in May 2022, the BMA released its most recent *Climate Risk Exposure Report*.

Committed to climate – learn about our aspirations

As an isolated 21 square mile island, located 640 miles from the closest point of land, Bermuda feels the effects of climate change first-hand in the form of increasingly frequent and severe storms, erratic rainfall, and rising sea levels.

If you would like to find out more about Bermuda's aspirations to become the world's climate risk finance capital, or want to get in touch with the BDA's dedicated concierge service to make your entry into Bermuda as smooth as possible, please contact us at info@bda.bm

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