



# The Bermuda Society

September 2004

Newsletter - Issue 6

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## Chairman's Comment

I was honoured when asked to succeed Charles Vaughan-Johnson and assume the office of Chairman of The Bermuda Society effective September 2003 - and am more than surprised at how quickly the time has passed.

I am privileged and delighted to be of service to the Society in this way and look forward to meeting more corporate representatives and individual members as time progresses.

The Society owes a great debt of gratitude to Charles for his leadership and support as Chairman - a position he held for nearly four years. He has laid the foundation upon which we will continue to strengthen our Society in Bermuda and in the United Kingdom.

I am pleased that Henry Keeling has agreed to serve as Deputy Chairman. As Chief Executive Officer of XL Capital's global reinsurance operations, Henry knows Bermuda extremely well and is a frequent visitor to the Island from his base in London.

We now have me in Bermuda and Henry in London and whilst we still have to improve our system of information interchange, I am certain that we can improve the workings of the Society. We are mindful of the importance of continuing to improve the image of the Society in Bermuda and are confident that this will be accomplished.

The Society can be of assistance to all in Bermuda and we must ensure that this is achieved.

We have formed a group within the Committee of Management - headed by Eric Kohn - whose task is to look at how we might change some of the structure and goals of the Society to better position it to serve the needs of the membership and help us broaden our reach.

We were delighted to have Sir David Cooksey as the speaker at the Lunch following our Annual General Meeting and I am certain that those in attendance enjoyed his talk.

I would like to take this opportunity to encourage as many of you as possible to attend the Annual Dinner on November 17th at The Worshipful Company of Armourers and I look forward to seeing you there.

Dr. James A. C. King, MD, FRCS(C), FACS, JP.

## Overview from the Minister of Tourism and Transport

With the recent merger of the Tourism and Transport Ministries, it is a great honour to share my delight at the new challenges that working within the tourism industry will bring. Similarly, I intend to continue developing the vital synergies between the Tourism and Transport offices, with much of the recent airline, ferry and taxi developments impacting directly on both areas.

This month has also seen Mrs Cherie-Lynn Whitter join us as the new Director of Tourism. Bringing more than 14 years of marketing, management and administrative experience, we are confident that she will be a valuable addition to the Tourism team. Furthermore, given her extensive experience within the Department of Tourism -

having previously held the position of Manager, Communications before being promoted to Assistant Director of Tourism responsible for marketing, and later moving on to CAPITAL G Ltd. - we can think of no one more qualified to take up the helm and take great pleasure in welcoming her on board.

2004 has proved a very exciting year already for all those involved in Bermuda's Tourism industry, with our drive to grow the vital UK market well underway. As such we are both thrilled to be building on our many recent successes to ensure that the future of the industry moves from strength to strength.

In an effort to increase consumer awareness of Bermuda as a viable vacation destination, a more targeted advertising strategy has been implemented to ensure that our message arrives directly into the hands of our consumers. The new Ad Campaign targets the UK's leading newspaper and magazine titles, from Sunday Times, Financial Times and Daily Telegraph to Condé Nast Traveller. To date, we have already witnessed an increase of up to 200% in the volume of consumer enquiries generated as a result of these strategic changes. More importantly, we remain confident that such levels of interest will continue to translate into increased visitor numbers as the year progresses.

The advertising is further complemented by extensive publicity within such influential publications as the Evening Standard, Heat, Hello and OK! Magazines, as well as all travel trade publications.

With the New Bermuda brand on full display across all four Selfridges' windows in London, Birmingham and both Manchester shops, it was the first time that Selfridges had ever allowed a "wrap around" campaign on such a grand scale with a travel partner. The live model displays in the Oxford Street store added a unique touch and certainly caught the eye of passing Londoners!

We are all very proud at how quickly Bermuda rallied together following Hurricane Fabian last September. Our united front has paid off - all hotels affected have since re-opened and Bermuda was fully open for business at the start of our 2004 Summer Season. Indeed, the remarkable Fairmont Southampton Resort officially re-opened its doors in April to occupancy levels that were stronger than previous years. April also saw the reopening of Wyndham Bermuda Resort & Spa Southampton (formerly Sonesta Beach Resort) and Coco Reef Resort (previously Stonington Beach Hotel).

These re-openings have been complemented by other on-going hotel redevelopments and refurbishments throughout the island, including the recent opening of the elite new spa at the Elbow Beach Hotel (a Mandarin Oriental property), ensuring our facilities will retain world-class esteem.

Indeed, so healthy is the on-island confidence in Bermuda's future as a key holiday and business destination that by the end of 2004 we will have 58 licensed hotel properties. With additional properties coming on board in 2005, the future of the tourism industry looks extremely promising and it is with great enthusiasm that I embrace my expanded role within this area.



In my previous capacity as Minister of Transport, Bermuda's airlift was grown this season, with many of the United States' main carriers increasing their services to the island. As a result, Bermuda International Airport witnessed an extremely encouraging 24% growth in flights this summer. Meanwhile the increased number of flights via the USA - such as US Airways' second daily flight via Philadelphia, Chicago's first non-stop service to Bermuda with United Airlines, extra flights from New York City with American Airlines, Continental Airlines and USA 3000 plus American Airlines' forthcoming direct service from Miami launching March - has opened Bermuda up to more gateways and has effectively introduced competitive fares to the Island.

Following the launch of their fifth direct flight for summer 2004, British Airways also announced that they will maintain this five-weekly service from June to October in 2005 and increase their flights during the November to March season from three to four direct flights per week.

Indeed new operators such as Virgin Holidays, the largest transatlantic tour operator, were quick to support Bermuda in their 2005 USA and Canada brochure featuring two dedicated pages on Bermuda for the very first time. Clearly this is indicative of the enormous progress made by our properties and on-island partners in enhancing our tourism product over the past few years. We are confident that our unique product will prove a great fit and a popular choice for Virgin Holidays' notably loyal and discerning customer database.

As ever, the year ahead is brimming with an inspiring array of events and festivals certain to make a trip to Bermuda even more special, whatever one's interests. Sports lovers remain spoilt for choice with so much going on, including the forthcoming 17th World Rugby Classic this November, widely recognised as the Senior's World Cup.

However, if it's a more cultural experience you're after, why not ensure your next visit coincides with the 9th Annual Bermuda Music Festival (October), formerly the Bermuda Jazz Festival, which continues to attract a dazzling line up of internationally acclaimed artists with Grammy-award winners Isaac Hayes, Anita Baker and Seal, among others, all set to take pride of place atop the breathtaking over-the-water stage setting of the Royal Naval Dockyard - see details at [www.bermudamusicfestival.com](http://www.bermudamusicfestival.com)

Alternatively, you may wish to come over and sample our blend of international cuisine and local delicacies at the Annual Bermuda Culinary Arts Festival this November, though time is fast running out to submit your very own family variation on Bermuda's national dish into the Gosling's/Outerbridge's Bermuda Fish Chowder Challenge Cup! - see details at [www.bermudaculinaryarts.com](http://www.bermudaculinaryarts.com)

Bermuda remains one of the safest and most sophisticated places in the world to visit and we call upon all of our UK friends to continue flying the Bermuda flag as ambassadors for our Island home.

We are confident that 2004 will prove a winning year for us all and we look forward to welcoming you back to our beautiful shores.

Dr. the Hon Ewart F. Brown, JP MP  
Deputy Premier and Minister of Tourism and Transport

With the UK being such a major focus for the Bermuda Department of Tourism's European campaign, Bermuda Tourism will be exhibiting at the World Travel Market - the most important trade show in the travel industry calendar - this November; their first time in many years. Island partners have already demonstrated a very encouraging level of support for this activity, with a 15-strong delegation flying over to participate in the 4-day event. For details of this event, please contact Angela Bates by telephone on +44 (0)20 7202 6382 or email [angelabates@hillsbalfour.com](mailto:angelabates@hillsbalfour.com)

## Bermuda - a leading jurisdiction for E-Business

Bermuda, through its provision of e-business services and transactions, will become a leading jurisdiction for sophisticated and secure e-business. Bermuda will exploit this leadership at the forefront of the global digital economy to enhance the quality of life of all her people.

Bermuda is making great strides to make this goal a reality. Following the important introduction of the Electronic Transactions Act in 1999, which ensured that e-commerce transactions were given appropriate legal validity, we have cemented the attractiveness of Bermuda through policy, legislative and marketing initiatives. These include the establishment of a Scheme to allow issuers of electronic signature certificates (so-called Certificate Service Providers (CSPs)) to be authorised the publication of the Green Paper on E-Business ("The Second Wave"), an authoritative E-Business Survey on the preparedness of companies with respect to e-business, and the formulation of an aggressive E-Government programme including Bermuda's E-Government Portal which was launched in March.

### Reasons to do E-Business in Bermuda

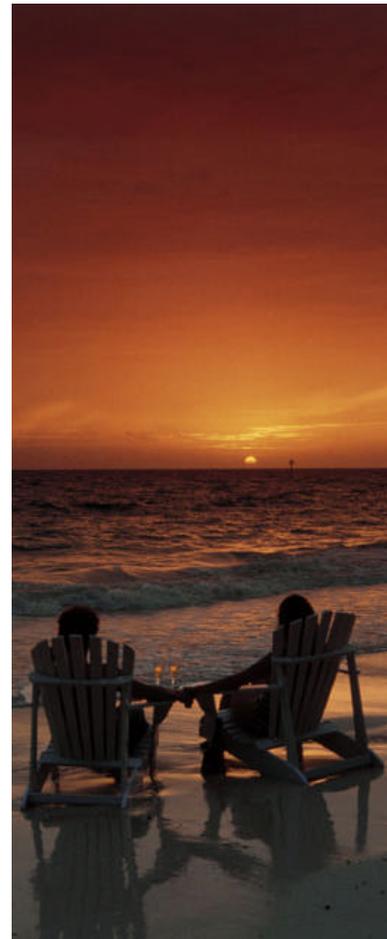
75% of the Fortune 500 companies can't be wrong! But in addition to their faith in this increasingly important international business hub, we believe we have exactly the right attributes to attract businesses to take forward their e-business dreams here; examples of which are:

- A mature and stable political and economic environment (Moody Aaa rating on currency)
- A fiscally tax-neutral regime
- First-class international legal and accountancy business support services
- Educated and motivated workforce
- Technologically innovative and competitive telecommunications infrastructure
- Superior Hosting, Disaster Recovery and Business Continuity Services

Nigel Hickson [nhickson@gov.bm](mailto:nhickson@gov.bm)

## Extract from The Benfield Bermuda Report 30 June 2004

The results for the first six months of 2004 for 16 of the principal listed Bermudian re-insurers has been reviewed - coverage has been extended to include the results of Quanta Capital Holdings and White Mountains Insurance Group (WMIG).





With two exceptions, all 16 of the companies reported higher premiums in the first half of 2004. Total premium income increased by 21% to USD30.3bn but the rate of growth decreased sharply from the 67% achieved in the first half of 2003.

Evidence of softening in the property catastrophe market continued to emerge whilst casualty pricing and conditions appear to be coming under pressure.

ACE remained the largest player in Bermuda with a 27% market share and XL the second largest with 21%. The biggest change in the market share was caused by the inclusion of WMIG - it held an 8% share of aggregate GPW putting it in third place.

The distribution of GPW is as follows:

ACE	27%
XL	21%
White Mountains	8%
PartnerRe	8%
Arch	6%
Axis	6%
RenaissanceRe	4%
Endurance	4%
Aspen	3%
AWAC	3%
Platinum	3%
Max Re	2%
Montpelier	2%
IPC	1%
Quanta	1%
PXRE	1%

*Source: Benfield Group*

## Society Events

### Business Briefings

The Society secured some 30 attendees at the Bermuda Government's Business Briefing and Lunch held at the Barber-Surgeons' Hall in the City of London on 3rd February 2004.

### Lecture Meetings

The programme for Lecture Meetings at Guildhall in the City of London for 2004 has included and anticipates the following:

- ❖ 28th April 2004 - His Excellency Sir John Vereker, KCB, Governor and Commander-in-Chief of Bermuda.
- ❖ 21st June 2004 - Deborah Middleton, Chief Executive Officer, Bermuda International Business Association.
- ❖ Henry B. Smith, Executive Director, Bank of Bermuda.
- ❖ The Hon. Sir Brian Smedley, QC.
- ❖ Michael Butt, Chairman, AXIS Capital Holdings Limited.
- ❖ Greg Haycock, Chairman, Bermuda International Business Association.

### AGM and Annual Lunch

The Society's Annual General Meeting for the year 2004 and Annual Lunch was held on 18th May at Guildhall. Sir David Cooksey, Senior Non-Executive Director of the Bank of England was guest speaker at the Lunch.

In the interest of economy, copies of the Society's Accounts are available by request from the Secretary.

### Annual Dinner for Members and Guests 2004

The Society's 18th Annual Dinner for Members and Guests has been arranged to take place in the Livery Hall at the Armourers' Company in the City on the evening of 17th November 2004.

This event will coincide with a visit to London by the Premier who has graciously accepted the Society's invitation to be principal guest speaker.

It is also anticipated that H.E. the Governor and Lady Vereker will be in London to attend the Dinner.

### Meetings and Receptions

A reception for Bermudian students and Bermudians living and working in the UK is scheduled to take place during the fourth quarter 2004.

Discussions/Meetings/Receptions to be held for Ministers, prominent business people and others visiting London.

Members will be advised just as soon as firm dates are known.

## Extract from the Governor's remarks to a Bermuda Society lunchtime meeting at Guildhall on 28 April 2004

### Recent Developments in Bermuda

You have asked me to talk about recent developments in Bermuda. The past year in Bermuda has been an eventful one. The general election, the hurricane, the start of a new debate about independence and the week-long visit by the UK Prime Minister and his family have all been well covered in our local media. So I thought it might be sensible to talk a bit about some of the less visible developments which have engaged my attention, such as the maintenance of Bermuda's first-class reputation as a financial jurisdiction, the recent focus of political attention in the US on offshoring, and the growing interest in a possible relationship with the World Trade Organisation.

### Bermuda as a Financial Jurisdiction

The international system has constructed an array of measures designed to ensure that offshore financial centers remain squeaky clean. Bermuda is a high-reputation jurisdiction and we all want it to stay that way.

These measures are perhaps best imagined as pillars holding up a roof - a roof that is needed to protect offshore financial centers from potentially hostile elements in the outside world. Some may argue that this hostility is unfair and based on prejudice in the G7 countries against more efficient domiciles for capital than their own. But offshore centers must not be surprised at challenges directed at tax evasion,



money laundering, improper business practice and sources of financial instability. So the pillars are labeled transparency, defences, probity and supervision.

As to transparency, Bermuda was never on the OECD's list of tax havens that were the source of harmful tax competition: the low tax environment is one, but only one, of the reasons why its financial services industry has grown to what it is, and it was never the case that investors came to Bermuda simply to conceal their tax liabilities. Bermuda was not included in the list of jurisdictions required to comply with the terms of the European Savings Directive, which is designed to ensure that European residents do not avoid tax on savings outside the EU; in due course, however, it may well be asked to take measures similar to those in competing jurisdictions.

Defences against money laundering are probably as effective in Bermuda as anywhere, if only because of the small size of our banking sector. Bermuda was given a clean bill of health on money laundering by the Financial Action Task Force. Anyone arriving in a local bank with a suitcase full of dollar bills would have some explaining to do. And the more sophisticated money laundering operations are also rather more likely to be detected in Bermuda than elsewhere.

Equally important is the general probity of the financial environment. Bermuda has long protected its local business and commerce from undesirable outsiders who do not share Bermuda's high ethical standards. It now also has an extraordinary concentration of the world's financial professionals, most obviously in insurance but also in fund management and in the supporting legal, accountancy and actuarial skills. They all know the importance of ensuring that Bermuda on your letterhead now, and Bermuda on your c.v. in the years to come, is an asset rather than a liability. Recent corporate scandals in the US and elsewhere show that there can never be room for complacency about the ethical standards even of household name companies, but in the relatively small business community in Bermuda it is perhaps less likely that such behavior would go unchallenged.

So the three pillars of transparency, defences and general probity are firmly in place.

The fourth pillar is the IMF's program for assessing the supervision and regulation of all offshore financial centers, initiated at the request of the G7 in June 2000. 41 of the 44 jurisdictions identified at the start of the program have been assessed or are in still in the process. As far as Bermuda is concerned the building of this pillar is well on its way, but it is not yet complete. The globalisation of the market for capital and financial services means that a small jurisdiction can be home to a globally significant part of the industry, whose stability matters to the international financial system as a whole. That is, of course, what Bermuda has achieved in captive insurance and in catastrophe reinsurance. So it is of great importance both to global financial stability and to Bermuda's standing internationally, and especially with the G7, that the IMF gives a clean bill of health to the way in which financial services in Bermuda are supervised.

The IMF has ticked the right boxes for the supervision and regulation of the banking industry in Bermuda. There are

some outstanding issues, some of them more at the conceptual than at the technical level, on the supervision of the insurance industry. The Bermuda Monetary Authority is carrying the debate forward, in consultation with the industry, with its customary skill. I have lent such weight as I can to their representations in Washington. I am confident that the report will be agreed in the coming weeks.

Ticking boxes is a necessary part of the system. But at the end of the day it is the judgment of the marketplace that will determine whether a particular center thrives or fails. The market signals for Bermuda are strong, in particular, HSBC's purchase of the Bank of Bermuda is both a vote of confidence by the world's second largest bank in the future of Bermuda as a high reputation center, and a clear indication of the commitment of the Government of Bermuda to attracting international business. Premier Alex Scott reaffirmed this commitment at the RIMS conference in San Diego with the unequivocal statement that his Government would do all it could to ensure the continued success of the island's insurance market. It was good to hear that Brian Duperreault told that conference that Bermuda is now, undeniably, the center of the world's insurance expertise; and to hear that Brian O'Hara calculated that Bermuda has outperformed other leading markets, in terms of return on each underwriting dollar, every year for a decade.

#### Offshoring

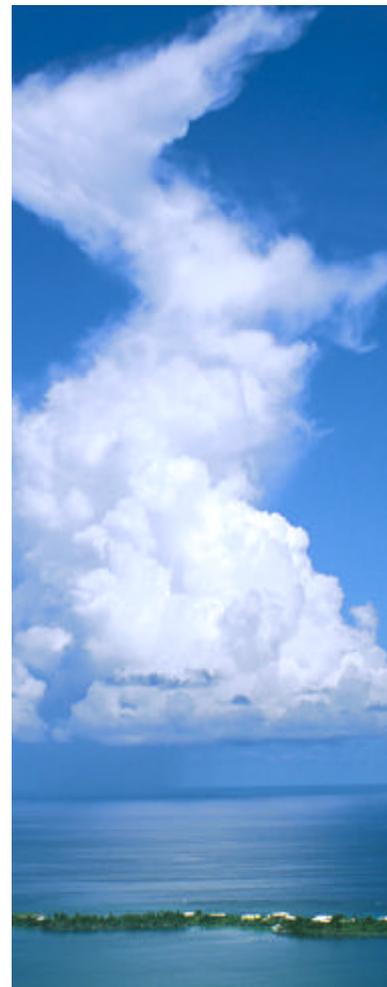
Three aspects of US taxation policy have become intertwined over the last few months, and in my own visit to Washington in March, I spent some time trying to disentangle them.

The first is the longstanding concern within the US Treasury that US policy on taxation of US corporations is uncompetitive; in particular, subjecting US corporations to taxation on global earnings provides an incentive to companies with a global reach to take their headquarters outside the United States. This is of course one of the factors, but by no means the only one, which has led to the growth of a financial service industry in Bermuda.

The second is the more recent public concern within the US about highly artificial moves to invert corporate structures so as to minimize tax liability without actually creating a physical presence in overseas jurisdictions - the so-called corporate inversions, characterized by Senator John Kerry as Benedict Arnolds because they are seen as unpatriotic. These provide Bermuda with rather little benefit and a significant reputational risk.

The third is the debate in the US about the benefits or otherwise of "offshoring" - whereby companies choose to place labour intensive functions in low cost environments. I need hardly say that this has nothing whatever to do with Bermuda but that hasn't stopped some of the concern about the loss of jobs - concern which is anyway based on a serious misunderstanding of how the global economy now works - spilling over into the debate about inversions.

The common feature of all these strands is of course that they derive from the problems of US tax structures and wage rates, not Bermuda's. Bermuda is not unique in providing a low tax environment. The right policy for Bermuda is the





one that is being adopted - to keep a low profile. But the continuing challenge is to be aware that over time its tax advantage will lessen, so that it must remain competitive on other grounds, notably reputation and cost.

#### Bermuda and the WTO

The debate about possible Bermudian membership of the World Trade Organisation is in its infancy, and the subject is a complex one. I have been glad to be able to draw upon the expertise of a number of my colleagues in London, Geneva and Brussels, as well as my own knowledge of the WTO in a different context. The possible advantages include a degree of protection (via the WTO's procedure for resolving trade disputes) against discriminatory action taken by a WTO member against Bermuda. The possible downside is the need to negotiate with existing WTO members on any aspect of Bermuda's trade regime that they may wish to challenge - including, for instance, import tariffs, and restrictions on foreign ownership and on movement of labour.

Negotiating WTO membership would be a long and complicated process, and careful thought would need to be given to the respective roles of the UK and Bermuda Governments. But it is a reflection of the significance of Bermuda as an autonomous trade regime that even the possibility of membership is now being seriously discussed.

#### Conclusion

There is a good story to tell about Bermuda but it is sometimes surprising how often it is necessary to tell it. All of us here have probably encountered the assumption that Bermuda is a Caribbean island, once governed by the Duke of Windsor, host to a large number of dubious banks and whose principal crop is sugar. The reality is that Bermuda has only three banks and has grown virtually no sugar since the eighteenth century. But it is the world's premier destination for capital and expertise in the insurance industry, and is taking good care to keep it that way. And no Duke has ever governed Bermuda.

H. E. Sir John Vereker, KCB  
Governor and Commander-in-Chief of Bermuda

### Extract from Sir David Cooksey's address to the Bermuda Society's Annual Lunch at Guildhall on 18th May 2004

#### Reflections on 10 years as a non-executive Director at the Bank of England

Sir David explained that he was appointed a Director of the Bank in early 1994 and the ten years that have followed could not have been more fascinating since it had seen unprecedented change at the Bank. Sir Edward George had become Governor in 1993 shortly after Britain had been ejected from the EU Exchange Rate Mechanism.

In a move to bring order to British monetary policy, Ken Clarke, the Tory Chancellor of the Exchequer, and Eddie George agreed that monetary policy should target an acceptably stable and low rate of inflation after the volatility of inflation and interest rates of prior years.

This gave birth to the monthly Monetary Policy meeting

between the Chancellor and the Governor which was soon to be dubbed the 'Ken and Eddie show'. Alongside this the Bank undertook to publish the quarterly 'Inflation Report' which brought a new transparency to the Bank's activities and thinking about how to implement a sound monetary policy.

At the time the decision on interest rate movements remained with the Chancellor but the publication of the minutes of those monthly meetings introduced a new accountability that curbed political expediency. As a result the new 1997 Labour government inherited low inflation and a relatively high growth economy which put them in an unparalleled position compared to any previous 20th Century Government. Thankfully Messrs Blair and Brown recognised their good fortune and continued broadly with the same economic policies.

In 1994 at the start of Sir David's term, the Court of the Bank comprised the Governor, his deputy and three executive directors and twelve non-executive directors. The non-execs were from banking and other financial institutions together with some captains of industry and one union leader.

His own credentials were somewhat different, being one of the leaders of the venture capital community and chairman of the Audit Commission, a public watchdog overlooking public expenditure in local services.

His appointment as a director of the Bank came shortly after the Audit Commission had challenged the Borough of Hammersmith and Fulham's massive activity in the financial derivatives markets as being outside its powers and illegal. They had been swapping low fixed rate government loan capital for floating rate instruments receiving a premium for the transaction which they used to balance their overspending. That worked well for them whilst interest rates were falling but that did not last for long. Having compromised the commercial banks Sir David's initial welcome by Eddie George was somewhat testy - but relations developed warmly thereafter.

He arrived just as the Bank celebrated the 300 years since its foundation. Central Banking seemed a great place to be but it was brought to an abrupt sense of realism when Baring's collapsed early in 1995 and the Bank became "lender of last resort".

It was a frantic weekend, Baring's informed the Bank after hours on Friday that they had discovered the extent of the exposure in Singapore and that they could not meet the margin calls the following Monday. The extent of the exposure was quite rapidly ascertained but it was extremely unclear as to whether this was a concerted effort to bring Barings to its knees or whether there were a wide range of counter parties who were taking advantage of Leeson's excesses.

Over the weekend Court met and was briefed by the Governor as he had meetings with the major banks to put in place the defences against the potential systemic risk to the banking sector.

As it happened, Barings' exposure to the counter parties was broadly spread and after this hectic weekend, the Bank traded out of the Barings' exposure both in the Far East and



Europe not long into the business day on the Monday. This left Barings technically bankrupt but still with a valuable market position in London which ING bought very cheaply but with a reputation in need of repair.

Not long afterwards, the deputy governor, Rupert Pennant-Rea left the service of the Bank quite abruptly. He was replaced by Howard Davis as Deputy Governor. Howard had spent three years as Director General of the CBI after his five years at the Audit Commission and rapidly settled into modernising the management of the Bank. He stayed until immediately after the 1997 election.

The new Labour Government heralded huge change at the Bank. There was no surprise at Gordon Brown's announcement that the Bank would be given independence as Britain's monetary authority - only by the speed with which he acted. Even more so by his hasty removal of the Bank's responsibility for surveillance of the banking sector which came about a year earlier than had been expected. Howard Davis departed to head up the embryo Financial Services Authority and David Clementi joined the Bank in his place from Kleinwort's.

Tortuous negotiations with the Treasury followed trying to shape up the Bank of England Act which took over a year to negotiate, but it's main purpose, to introduce monetary independence for the Bank and to transfer its banking surveillance powers to the FSA, effectively happened very quickly.

The Bank of England Act 1998, is a curate's egg of a piece of legislation introduced early in the new Government's term after they had been out of office for 17 years. There was too much theory and too little practical flexibility in it. As a result it has been hard to reconcile with modern corporate governance.

Its central plank was making the Bank Britain's independent monetary authority with the creation of the Monetary Policy Committee. With Ken Clarke's benign economic legacy the MPC got off to an excellent start and has kept that performance going for 7 years, in which time inflation has always varied by less than 1% from the target set by the Chancellor and reconfirmed annually. In fact Britain has seen economic growth in every quarter since 1992 and has enjoyed remarkably low and stable inflation over that period - a far cry from the "bad boy" reputation Britain had amongst the G7 countries previously.

The responsibility for setting Monetary Policy was given to the MPC but the Bank's Court was reconstituted with new responsibilities. Court was given specific powers to ensure that the MPC was properly resourced and that it adopted appropriate procedures. Furthermore it was given responsibility for setting the strategy of the Bank and ensuring that the management of the Bank is effective, which are the more normal duties of a board.

On taking office, Mervyn King set about updating the strategy of the Bank and improving the management processes. As far as is possible under the 1998 Bank of England Act, he has adopted current Corporate Governance practice.

This means that today almost all of the discussion and debate

about the Bank's affairs now takes place at Nedco (The Committee of Non-executive Directors) which Sir David chairs. This meeting is attended by the Governor, the deputy Governors and a number of the senior Bank staff. The Governor participates as Chief Executive of the Bank at these meetings. It works well and the quality of debate and input from the non-execs has improved markedly. After Nedco, the Court meets formally and makes the decisions that are recommended by the Nedco meeting.

Sir David reflected that there has been much change for the better during his time at the Bank. He has enjoyed it for the sheer quality of the people involved, from Eddie George and Mervyn King to those who ensure the institution works well every day whether they are developing policy or data for the MPC or ensuring that the UK's financial system remains at the forefront of the world economy. In many ways Britain punches above its weight. The Bank of England is one of those institutions that enables that to happen.

Sir David Cooksey,  
Senior Non-Executive Director  
The Bank of England

## Masterworks Bermuda arrives in London

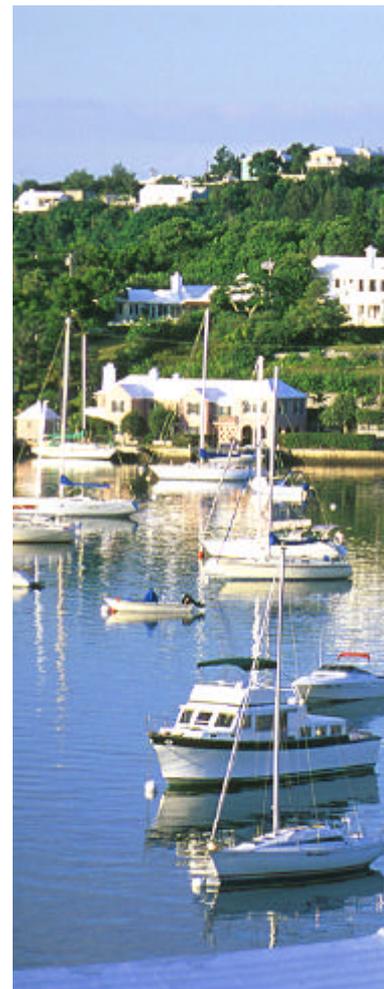
Highlights from the Masterworks (Bermudiana) Collection will be exhibited at the Guildhall later this year. Final details are still being worked out but opening is on November 16th for a two-month run. This is the first time that these Bermuda treasures have been exhibited in the UK.

Some familiar names include Winslow Homer (1836-1910) - a favourite artist of H.R.H. Prince Charles, who is a principle Patron of the Foundation. Georgia O'Keeffe (1887-1986), Charles Demutt (1883-1935) and Marsden Hartley (1877-1943). Early British Topographics are to be included to give the visitor an overview of the impact of this growing collection.

The Exhibition has been seen to great acclamation in Boston, New York, Philadelphia and Toronto. This will be the one and only chance on this side of the Atlantic.

XL Insurance has provided the lead sponsorship for this opportunity but additional funds are still required to cover the full costs of catalogue, transportation and travel insurance, notices, invitations and related promotional costs associated with an exhibition.

For those who have supported Masterworks' bike rides or London marathons of the past, here's your opportunity to see the resulting efforts.





**'Thoroughly with Enthusiasm'**  
**The Life of Sir Peter Gadsden**  
Founder Chairman of The Bermuda Society  
Email: [info@ellinghampress.co.uk](mailto:info@ellinghampress.co.uk)

### **Island Thyme Cookbook**

'This exemplary collection of recipes, menus, and table settings will tempt any reader to experiment in the kitchen as well as provide a fuller understanding of the rich cultural history that makes Bermuda the unique island that it is.'  
*Lady Vereker, Government House*  
Email: [islandthyme@northrock.bm](mailto:islandthyme@northrock.bm)  
Website: [www.bjstl.bm](http://www.bjstl.bm)  
Telephone: +441 292 4060

### **Sponsored Membership**

This category of membership enables existing members of the Society to give a year's membership to a recommended client or contact. Details can be obtained from the Secretary or from the Society's website [www.bermudasociety.com](http://www.bermudasociety.com)

### **Bermuda Business**

Information on international business in Bermuda may be found at:  
[www.biba.org](http://www.biba.org)  
[www.bma.com](http://www.bma.com)  
Berbiz - a weekly electronic newsletter on Bermudian business affairs - can be obtained free by email request to Bill Storie (William R. Storie & Co. Ltd.) at [wrs1@ibl.bm](mailto:wrs1@ibl.bm)

### **Bermuda Insurance Industry**

Bermuda Insurance Update - the official journal of the Bermuda Insurance industry - is available online at [www.bermuda-insurance.org](http://www.bermuda-insurance.org)

### **Bermuda Stock Exchange**

For more Bermuda-related business news, subscribe to BSX Shorts, the monthly electronic newsletter of the Bermuda Stock Exchange. To subscribe, email [jderoza@bsx.com](mailto:jderoza@bsx.com)

### **Bermuda Tourism**

Telephone 020 8410 8188 for a free information pack or visit [www.bermudatourism.com](http://www.bermudatourism.com)  
[www.ba.com](http://www.ba.com)  
Prestige Holidays offer special discounts to Bermuda Society members visiting the Island from the UK whether on business or pleasure - Telephone: John Dixon on 01425 480403

Bermuda's Who's Who Directory is available online at [www.whoiswho.bm](http://www.whoiswho.bm)

## **The Bermuda Society**

The Bermuda Society was formed in 1987 with a view to forging close links between Bermuda and Britain in the areas of finance, commerce and economics. The Society has strong ties with both Houses of the British Parliament and the Commonwealth Parliamentary Association, with figures in the City of London, in tourism, air transportation, the professions, insurance, reinsurance and banking as well as other opinion formers who have Bermuda's interests and good name at heart.

The Society has become a focal point for those interested in Bermuda. Lunchtime and dinner meetings addressed by interesting guest speakers take place throughout the year.

For more information on the Society and details of application for membership please contact:

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Website: [www.bermudasociety.com](http://www.bermudasociety.com)

Minimum Annual Fees

**Corporate Membership**  
£250 / \$390

**Private Joint Membership (couples)**  
£35 / \$55

**Private Individual Membership**  
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