



The Bermuda Society

Autumn 2006

Newsletter – Issue 8

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Chairman's Comment

Your Society has continued to progress albeit slowly. The number of corporate memberships has increased. We are still exploring ways in which we may better serve our existing members and at the same time be of interest to new members.

I believe the success of our Society will rest on that blend of private and corporate membership and thus offer an open invitation to you to let us have your thoughts and views.

We had a very successful Annual Lunch at which Lord Levene was our guest speaker. This indeed was timely given the activity at Lloyds of London where there has been the relocation of some of the insurers to Bermuda.

We will be hosting our 20th Annual Dinner for Members and Guests on Tuesday, 21st November next in the Livery Hall at The Worshipful Company of Armourers and Brasiers in the City, and we are delighted that Bermuda's Minister of Finance, The Hon. Paula A. Cox, JP, MP will be our guest speaker.

I do urge as many of you as possible to attend and bring guests to this event. This should be an enjoyable evening and I look forward to seeing you there.

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

Tourism Overview from the Deputy Premier and Minister of Tourism and Transport

Bermuda has experienced a tremendously busy tourism season this past summer. Near record visitor arrival numbers for the second quarter and an improved and reinvigorated local entertainment offering have meant the staff at the Ministry of Tourism and Transport, as well as our partners in all sectors of the hospitality industry have been hard at work.

Yes, it has been a very gratifying year thus far. For the first time in a long time there is a positive feeling about Bermuda's tourism that is Island-wide. Bermudians feel good about tourism and it shows. The Island is alive, and that alone is something of which we are proud. There is momentum now to our success and this quarter's results will serve as the catalyst for even better things on the horizon.

Total arrivals in the second quarter of 2006 were up – way up in fact. This quarter was so amazing that the numbers recorded in April, May and June were the highest visitor numbers ever recorded for a second quarter. Bermuda saw **228,781** visitors arrive on our shores during this period, an increase of **28.4%** over the same period last year. Air arrivals in quarter two of 2006 showed an increase of 9.8% over the same period in 2005 with 9,028 more visitors coming to the Island.

Exit survey results indicate that the 101,133 air visitors injected an estimated \$115 million to \$134 million into the Bermuda economy during the second quarter. This represents an average of between \$1,138 and \$1,324 per person a slight increase over last year.

There was a boost in Yacht arrivals this quarter mainly due to the Newport to Bermuda Yacht race, which celebrated its Centennial year. From June 19-25, Bermuda was the primary focus, with a record 264 boats and some 3,000 sailors, visitors and media descending on our 21 square miles. On the cruise ship front, cruise arrivals continue to climb this

quarter surpassing 2005's all-time second quarter high by 48.1% with an increase of 39,787 visitors over the same period last year.

Naturally, the positive second quarter visitor arrival numbers had a trickle down effect, with our hotel properties reaping tremendous benefit. According to our Pace reports, overall, hotel bookings were up in April by 9% and in May by 11%.

For the second quarter of the year, the average intended nights stay was just in excess of 6 nights similar to that of last year. I am delighted to say that the future looks bright for Bermuda. Projected hotel bookings for the next quarter were showing double-digit percentage increases.

Such positive results mean Bermuda's tourism industry is truly reaping the rewards of the BDOT team's efforts to revitalize the industry. We are seeing that steps introduced just over a year ago, with the organizational restructuring; aggressive steps to improve our airlift capacity; breakthrough advertising and highly selective and effective media placement have delivered for Bermuda month over month in the first and second quarters of 2006.

In this effort, we have been greatly assisted by the effective use of technology. The Internet is such an important tool for people choosing their holiday destinations and it is essential that our Bermuda Tourism site is as good if not better than any of our competitors. The introduction of our new revamped website launched in June has enabled us to refocus our marketing efforts in ways that are seeing almost instantaneous results.

Feedback indicates that the site is resonating with potential vacationers to Bermuda. The new website (www.bermudatourism.com) is not only visually breath taking, but provides all of the information a prospective vacationer, honeymooner, meeting planner or member of the press would need on Bermuda.

Part of our strategy in strengthening Bermuda tourism was the introduction of a host of unique plans aimed at revitalizing the industry, including new hotel development, revamping our entertainment product, ramping up our sports driven tourism focus and retargeting our marketing and promotional efforts.

I am pleased to say that during this second quarter we have seen undeniable signs that our energies are bearing fruit. This past quarter saw the success of such initiatives as our Summer Series events. They have struck a positive chord with our visitors and locals alike. The feedback has been extremely encouraging at the range of events to choose from after the sun goes down.

From Sunday to Sunday Bermuda has been alive with events featuring live jazz, dinner shows, beach parties, club nights and family festivals. Our feedback indicates that thousands of visitors and locals have taken advantage of the more than 19 events that began in May and the Series gained momentum as the summer progressed.

As we look forward to the Golf and Spa Season, we are eagerly preparing for a major line up of events during the fall.

The 2nd African Diaspora Heritage Trail (ADHT) Conference planned for September 27th to October 1st featuring renowned actor and activist Mr. Danny Glover, as the Conference Chairman. This year's theme is "Linking our Futures, from Philosophy to Practice in Heritage Destination Development".



The ADHT conference will add significantly to Bermuda's reputation of being a premier Heritage and Cultural Tourism destination.

Also in October, Bermuda's signature music event, the Bermuda Music Festival, celebrates its 11th year. It continues its growing tradition of featuring top quality artists performing in front of the most breath-taking backdrop at the Royal Naval Dockyard.

The dazzling line up of musical artists include, multi Grammy Award winning songstress Gladys Knight, Frankie Beverly and Maze, Harold Melvin's Blue Notes, the original Manhattans featuring Gerald Alston & Blue Lovett, to name a few.

October will also see the return of the "Gourmet Getaway" – formally known as the Culinary Arts Festival. This year, celebrity chef Bobby Flay will host this event.

For the first time in Bermuda's history, the BDOT in association with various churches in the community have spearheaded a major faith based tourism initiative aimed at reaching the hearts and souls of Bermudians and visitors alike.

A half a dozen events including the Bermuda Super Soulfest; the Bermuda SonFest; the Bridge the Gap Convention and Taking it the Streets merged music, unity workshops, arts, dance, family festivals and inspirational activities are designed to create a revival that will carry across the Country.

The events which conclude in October featured a who's who of guest speakers and performers such as Rev. Bernice King daughter of the late Dr. Martin Luther King, Jr. and Mrs. Coretta Scott-King and performing artists including Richard Smallwood and Israel and Newbreed just to name a few.

All indications show that Bermuda tourism is fast approaching the level and intensity that makes the term 'second pillar of our economy' ring true. We can say with honesty that we are one in the tourism business. We must recognize however that there can be clouds to this silver lining. Complacency, violence and inattention to detail – each of these in their own way will detract from the tireless efforts of many Bermudians to grow tourism.

As a community we must resolve not to tolerate any of them and to combat any attempt to ruin our good name. We have a hard-earned reputation for excellence and to maintain it will take constant effort.

My charge to the community is to see our successful 2nd Quarter as the stepping-stone to stronger results. We are optimistic and we are confident. Armed with a clear formula for success tourism is steadily re-gaining lost traction and we are poised for continued success.

Dr. The Hon. Ewart F. Brown, JP, MP
Deputy Premier and Minister of Tourism and Transport
(September 2006)

Benfield Bermuda Quarterly 1H 2006

There was a wide range of growth rates as some companies entrenched while others expanded to exploit the rapid increase in catastrophe prices in the run-up to the US mid-year renewal. Substantial price increases were reported for energy and US peak zones. Elsewhere, outside the US, the market was generally flat and described by some as

disappointing. Irrespective of what the 2006 hurricane season might bring, most companies predicted a continuing hard market into 2007 due to sustained capacity constraints.

Total gross premium income for the BBQ group of 17 showed a modest decrease of 4% to USD31bn for 1H 2006, notwithstanding the inclusion of Lancashire in BBQ for the first time. On a like-for-like basis, excluding Lancashire, GPW 5% lower.

1H 2006 GPW by company – the numbers are compared to 1H 2005 and show the percentage change year on year.

ACE saw its gross premiums written grow to \$9,094 million from \$8,756 million a year ago – a 4% increase.

XL saw its gross premiums written drop by 26% to \$5,539 million from \$7,490 million.

White Mountains saw its gross premiums written drop by 1% to \$2,323 million from \$2,351 million.

Arch saw its gross premiums written grow to \$2,304 million from \$1,921 million – a 20% increase.

PartnerRe saw its gross premiums written drop by 1% to \$2,190 million from \$2,213 million.

Axis saw its gross premiums written grow to \$2,160 million from \$1,966 million – a 10% increase.

RenaissanceRe saw its gross premiums written grow to \$1,491 million from \$1,138 million – a 31% increase.

Aspen saw its gross premiums written drop by 11% to \$1,201 million from \$1,354 million.

Endurance saw its gross premiums written drop by 8% to \$1,023 million from \$1,106 million.

AWAC saw its gross premiums written grow to \$1,016 million from \$947 million – a 7% increase.

Platinum saw its gross premiums written drop by 29% to \$665 million from \$942 million.

Max Re saw its gross premiums written drop by 23% to \$540 million from \$701 million.

Montpelier saw its gross premiums written drop 10% to \$521 million from \$582 million.

IPC saw its gross premiums written grow to \$356 million from \$293 million – a 22% increase.

Lancashire posted gross premiums written for 1H2006 of \$316 million – change 2005/6 n/a.

PXRE saw its gross premiums written drop by 48% to \$99 million from \$192 million.

Quanta saw its gross premiums written drop by 57% to \$148 million from \$341 million.

Overview of Bermuda's Cricket from the Minister of Community Affairs and Sport

Undoubtedly Bermuda has enjoyed an overwhelming year of success in the sport of cricket. From qualifying for the 2007 ICC Cricket World Cup; to taking part in the Stanford Twenty/20 Cricket Classic in Antigua this past summer; to being crowned champions of the American Region, after beating Canada, Argentina and the US to win the America's Cup.

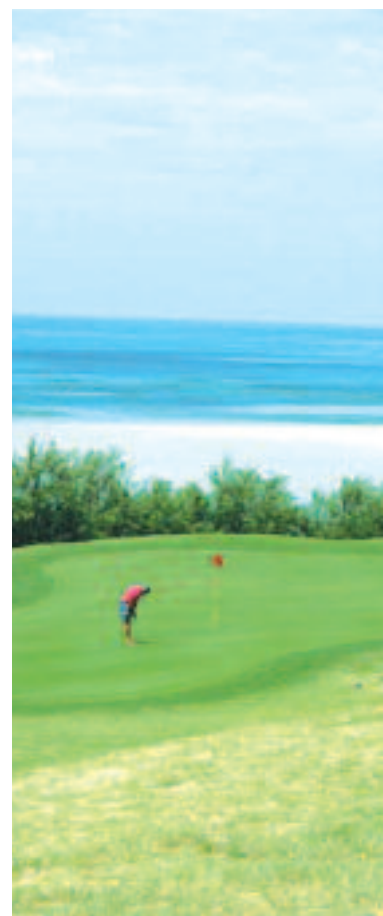
Yes, Bermuda has much to be proud of.

In the past year, we have seen a tremendous growth in our

The distribution of GPW is as follows:

ACE	29%
XL	18%
White Mountains	7%
Arch	7%
PartnerRe	7%
Axis	7%
RenaissanceRe	5%
Aspen	4%
Endurance	3%
AWAC	3%
Platinum	2%
Max Re	2%
Montpelier	2%
Lancashire	1%
IPC	1%
Quanta	1%
PXRE	1%

Source: Benfield Group





National Cricket Team and in our National Cricket Programme. And as we make steady progress towards the 2007 ICC Cricket World Cup, we cannot help but feel that we are poised for even greater accomplishments in the international cricket arena. Winning the America's Cup was a testament to that.

Our road to success all began with qualifying for the ICC World Cup last year. Until being named America's Champions, this was classified as perhaps the greatest team success that we have had in any of our sports. We had tried to qualify for this prestigious event seven previous times, having come so close. But, on that historical day in July, we finally made it, and now have an opportunity to stand shoulder to shoulder with the cricket world's elite.

In 2007, we will be the smallest nation ever to contest for the Cricket World Cup. It is a tremendous achievement for our National Team and an exciting time for our Country of 65,000. And we are thrilled at the opportunity to show that world just what Bermuda can do.

In the past year, the team has worked around the clock to prepare for their date with destiny. They have sweated long hours in training and practice sessions to build stamina and endurance. They have strengthened and honed their international competitive skills and experience, by travelling to such far away corners of the world as Antigua, Namibia and Dubai. And with the recent win in Canada we believe that we are primed for the world stage.

Cricket today is a truly global sport and I am pleased to say that the Bermuda Government recognises its importance and the need to prepare our players for the future. As such we have invested much needed capital in the development of local cricket and its players.

In March 2007 the Cricket World Cup will draw together teams from five continents hailing from a host of different cultures. And it is into this wonderful spirit of competition that Bermuda finds itself.

Our opening match against Sri Lanka promises to be memorable. Some would say that it will be the most important fight of the Bermuda team's professional lives, but we are confident that we will be up for the challenge.

We have the tenacity, hunger and most of all; we will have the support of many Bermudians who will be making the journey to support our National Team. I want to take this opportunity to encourage the Bermuda Society to extend its best wishes to our Island and its cricket heroes, and join with us as we embark on our journey of a lifetime.

The Hon. Dale Butler, JP, MP
Minister of Community Affairs and Sport
(September 2006)

Society Events

Lecture Meetings, Seminars and Receptions

The future programme for Lecture Meetings, Seminars and Receptions anticipates the following:

- ❖ H.E. Sir John Vereker, KCB, Governor and Commander-in-Chief of Bermuda.
- ❖ The Hon. Gerald D. E. Simons, OBE, President and Chief Executive Officer of The Argus Group and President of the Bermuda Insurance Institute.

- ❖ Mr. Greg Wojciechowski, Chief Executive Officer, the Bermuda Stock Exchange.
- ❖ Mr. Anthony Bolton, Fidelity UK.
- ❖ Dr. Anthony H. Knap, President and Director, Bermuda Institute of Ocean Sciences.
- ❖ Mr. J. Henry Hayward, Chairman, St. George's Foundation.

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

Annual Dinner for Members and Guests 2005

The Chairman of The Bermuda Monetary Authority, Mrs. Cheryl-Ann Lister was the Society's principal guest speaker at last year's Annual Dinner held at the House of Lords.

The members and guests present included key figures and policy makers from the international business sector, banking and financial services, insurance, management consulting, and the law and accounting professions; plus a group of Bermudian students currently studying in the UK.



From left to right

Ian Davidson, MP, Chairman, All-Party Britain-Bermuda Parliamentary Group in the UK

Mrs. Cheryl-Ann Lister, Chairman, The Bermuda Monetary Authority

Dr. James A. C. King, MD, FRCS(C), FACS, JP, Chairman, The Bermuda Society



From left to right

Miss Phelicia Barnett and Miss Kim Burgess





From left to right
Miss Chiara Nannini and Miss Zoe Roberts

AGM and Annual Lunch

The Society's Annual General Meeting for the year 2006 and Annual Lunch was held on 22nd May at Guildhall, City of London. The Rt. Hon. The Lord Levene of Portsoken, KBE, Chairman of Lloyd's was guest speaker at the Lunch.

Annual Dinner for Members and Guests 2006

The Society's 20th Annual Dinner for Members and Guests has been arranged to take place in the Livery Hall at The Worshipful Company of Armourers and Brasiers in the City on the evening of Tuesday, 21st November 2006. Bermuda's Minister of Finance, The Hon. Paula A. Cox, JP, MP will be guest speaker.

London and Bermuda: Moving Forward Together

A speech by The Rt. Hon. The Lord Levene of Portsoken, KBE, Chairman of Lloyd's given at The Bermuda Society's Annual Lunch in Guildhall on 22nd May 2006

Introduction

Many thanks for the invitation to speak here today on the relationship between two leading insurance markets – London and Bermuda. I have a lot of respect for Bermuda. People often forget that it's a valuable partner of Lloyd's, not just a competitor, and we have forged strong links with one another over the years.

I was actually on the island earlier this year and was made most welcome. It combines beauty with entrepreneurialism – what a combination! And very much, dare I say, like the Lloyd's building in London, so there's the first link.

I'd like to talk about three things today: the ongoing relationship between London and Bermuda, the complementary strengths of both markets, and some of the key issues we both face as we continue to develop.

Of course, in Lloyd's terms, Bermuda is still a new kid on the block. At Lloyd's, we go back to 1688. But since it emerged around 30 years ago, the Bermuda market has undergone a significant transformation. It has grown considerably in size and scale, and is now a major player on the international stage.

London and Bermuda

During my recent visit there I took part in an industry panel at the World Insurance Forum. I met several Bermudian business leaders while there, and we all agreed on an important fact – a strong Lloyd's is vital for Bermuda, and vice versa. This is because of the close links between the two, and the fact that we live and operate in an increasingly global, economic environment.

There are those who like to think of Lloyd's and Bermuda merely as competitors, caught in a trade war vying for the same business. The press love that caricature of course, and help foster it. But this is a very narrow view and the reality is completely different. Sure, we compete with one another – and competition is a very healthy thing – but we also complement one another.

The relationship we enjoy exists on many levels. Many companies in Bermuda reinsure with Lloyd's syndicates and vice versa. Several hundred million dollars of reinsurance flows between the two markets each year!

Bermudian businesses also provide a significant proportion of capital to the Lloyd's market – making up about a billion pounds in 2006.² This makes Bermuda our third biggest investor. And just as Bermudian companies have invested in Lloyd's for a decade, so you will have seen some Lloyd's vehicles now investing over there, setting up complementary platforms as a means of diversifying their business.

This diversification makes good business sense in an increasingly global marketplace. It is certainly not something we worry about. Does it mean that businesses are leaving London? Absolutely not. The businesses concerned – Amlin, Hiscox and Omega – are all increasing their Lloyd's presence this year too, raising their combined capacity in our market by 13% this year.³

London – a leading financial centre

So there is a strong, tangible and growing relationship between Bermuda and London. We are extremely important to one another. But both markets also have their unique advantages.

In London, the insurance market benefits greatly from the highly sophisticated financial infrastructure surrounding it. 264 foreign banks have offices in London – more than any other city worldwide. London accounts for 43% of the world's foreign equity trading, and four of the world's five largest law firms are based in the city.⁴

And in the middle of it all, you will find the largest concentration of insurance knowledge anywhere in the world – a unique mix of underwriting and broking talent with more than 300 years of experience. At Lloyd's in particular, our underwriters pride themselves on their experience, their depth of expertise, their appetite for risk, and their creativity.

The Lloyd's market is an important component of the whole. It is a powerful brand recognised across the globe for handling the world's toughest risks and for paying valid claims quickly. We have a stable security rating at a time when many others are facing downgrades, we do business in 200 countries, and we have the capacity to write £14.8 billion of insurance business this year alone.

So as you can see, we play our part in helping London stake its claims to the title of the world's leading international



¹ Xchanging – Reinsurance Reports for 2005
² Lloyd's Member Services – May 2006
³ Lloyd's Member Services – May 2006
⁴ Corporation of London – The Competitive Position of London as a Global Financial Centre – November 2005



financial centre. But the London insurance market is more than just Lloyd's alone. Let's look at the numbers:

Eighteen of the world's 20 largest reinsurance groups can be found in the nation's capital. Eight of the world's top 10 insurance brokers operate here, as do all of the top 10 reinsurance brokers.⁵

The capital city also attracts some of the best people in the business. There are some 40,000 people working full-time in the London insurance market.⁶ This includes not only the underwriters and brokers at Lloyd's, but experts on every aspect of insurance.

It all adds up to an unrivalled cluster of risk and insurance expertise. London's market share of the world's reinsurance and commercial business sectors is around 10 to 15%. It covers 15% of the marine market, 25% of the aviation market, and two thirds of the energy market.⁷

Yet despite these strengths, we are not complacent. We are well aware that we face a number of challenges.

At Lloyd's, for example, we need to sort out our processes, and reduce the cost of doing business in the market. One of our key objectives, outlined in our three-year strategic plan, is to deliver a modern platform that is as cost effective as possible, bringing its processes into the 21st century. A lot of good work is being put into this, and our new CEO Richard Ward has the skills to deliver it.

The benefits of Bermuda

Bermuda, as we all know, has its own advantages and challenges. Lighter regulation allows for the speedy start-up of new businesses. This makes Bermuda an attractive destination for new capital, particularly after a major catastrophe such as last year's US windstorm season, when businesses need to recapitalise.

So, I was pleased to see the announcement by the UK regulator the FSA earlier this year that they are responding to this. They say they will speed up the process of authorising new insurers at times of pressure, reviewing applications in just one month when they have prior knowledge of a business. This will obviously help London. But I don't want to downplay what has happened in Bermuda, there is no denying that the range of new start-ups there is very impressive.

We are also well aware that the Bermuda tax regime offers a significant financial advantage compared to many other centres. This obviously makes it a very attractive place for capital when there is the opportunity for profit, and is a key strength.

Along with other insurers, we have drawn the UK Government's attention to the differences in taxation. We would be very disappointed if the UK changed its tax regime in any way that increased the difference between it and Bermuda, or indeed other low-tax centres. Indeed, let me be frank. Like any businessman, I would like the Government to take steps to reduce the tax burden.

I was pleased to see commitment from the Government to further promote London as a leading financial centre in the recent budget speech. We will be actively involved in discussions with the Treasury to that end.

So if its regulation and tax regime can be considered its

strengths, what are Bermuda's challenges? In my opinion, the most significant one is the physical size of the island, and all the issues that presents to an expanding market. There are limits to how far Bermudian businesses can diversify their portfolios, and there are challenges in attracting and retaining talent.

So what can the old pro that is London learn from the talented newcomer Bermuda? Quite simply, that we can never be complacent. We cannot assume that our future is safe just because we've been around for more than 300 years. Our industry is becoming increasingly competitive, customers are getting greater choice, and none of us have a God-given right to be here. To maintain our leading role in the insurance industry, we have to constantly adapt and change. Our strategic plan sets out a clear agenda for us to do just that. We need to offer a good return to those who write business and those who invest in the market.

Common challenges

So those are some of the distinctive features of London and Bermuda, but what do we have in common? Well, as two leading players in the same industry, we face many of the same industry challenges, and I was speaking about a number of these during my recent visit there.

One such challenge is managing the insurance cycle. All of us in Lloyd's and Bermuda recognise that this is a cyclical market, and we must avoid the dramatic highs and lows of the past if we are to attract and retain capital. There has been much talk among CEOs of disciplined underwriting in the industry, but we need to see action, not just fine words.

This is never more true than when disaster strikes, such as last year's Hurricane Katrina. The destruction wrought by her and her sisters is easily the greatest test to us all since 9/11, ranking as the costliest natural disaster in North American history. Damages to insured property from Katrina alone are estimated at upwards of 22 billion pounds.

This clearly demonstrates the importance of Lloyd's and other international markets for policyholders.

While Lloyd's and the industry as a whole responded strongly, the storms of 2004 and 2005 have been a learning process. They have proved yet again that risk models are only as good as the assumptions that lie behind them.

Advances in science and in technology over the past two decades have certainly taken our understanding to a totally new level. But we must continue to invest in developing our understanding of risk, its severity, its frequency and its impact.

Without that, insurers cannot plan and prepare properly. They cannot price risk correctly, and the insurance buyers will lose out. They won't get the solvent, financially secure insurers which the storms have demonstrated they need.

Another challenge we all face in the industry involves attracting and retaining the best people. Few would disagree that the insurance industry has been poor at promoting itself and consequently is very poor in competing in the "war for talent".

A recent study by the Chartered Institute of Insurance (CII) and the CASS Business School found that 75% of all recruiters for insurance companies find it very hard to recruit the level of talent they think their company requires.

⁵ Corporation of London – The Competitive Position of London as a Global Financial Centre – November 2005

⁶ ibid

⁷ ibid



I was not surprised to hear, and you probably won't be either, that insurance was less attractive to students than Investment Banking or Consultancy. Students on track for a 1st class honours degree ranked insurance well below the others.

But what is shocking is that 90% of students would not even consider looking into a career in insurance.

This all suggests to me, quite simply, that we are just not doing enough at an industry level to communicate and explain to the public how we work, and our value to the economy.

We need to engage in joint effort with schools, universities and career departments with an attractive story and a coherent strategy about insurance careers. In the UK, the Chartered Insurance Institute is launching a number of initiatives to do this, which are supported at Lloyd's.

Another challenge for both London and Bermuda involves ensuring that we are free to trade around the world. In a globalised environment, the only solution is standardised, harmonised regulation which is transparent, fair, proportionate and permits proper market access.

At the moment, we are not competing on an even playing field with our competitors. This is wrong, and it has to change.

In the US, reinsurance rules regard all US licensed reinsurers as good credit risks and allow them to reinsure US insurance companies without any collateral behind them. Their financial strength is irrelevant. They have the right zip code and that's that.

But by contrast, all "alien" or foreign reinsurers are required to post collateral equal to 100% of their gross liabilities to US companies. It costs foreign reinsurers more than half a billion dollars a year. This has driven up the costs of reinsurance, restricted critical capacity, and left US customers losing out.

We have taken a leading role in lobbying to end this. It is completely unacceptable, it is protectionist, it is unfair, it is unbalanced and the administration in the US recognises this.

I am pleased to see some encouraging signs from the National Association of Insurance Commissioners in the US. They have said that they will look at this issue very seriously, and try to get somewhere by the end of the year. As I say, encouraging, but what we now need are results.

Conclusion

So to sum up, London and Bermuda have a strong and important relationship – partners in risk; they each have their own strengths; and they both face a similar set of challenges as the global marketplace continues to evolve. But perhaps the most important thing we have in common is the importance we place in one another. Yes, there is competition among us, but I welcome competition in the insurance market, wherever it is found. Businesses only get better when they are faced with real competition. To quote the old proverb: "competition is the whetstone of talent", so long may it continue.

Lord Levene of Portsoken, KBE
Chairman
Lloyd's

The Bermuda Stock Exchange

Australia Foreign Investment Fund

The Bermuda Stock Exchange (BSX) has been granted Approved Stock Exchange status under Australia's Foreign Investment Fund (FIF) taxation rules.

Recognition by the Australian authorities is seen as a tremendous step forward for the BSX and Bermuda in promoting regulatory cooperation and transparency between the two jurisdictions.

UK's Financial Services Authority

The Bermuda Stock Exchange (BSX) has been granted Designated Investment Exchange (DIE) status by the UK Financial Services Authority (FSA).

The importance of the designation is summarized as follows:

- ❖ The list of Designated Investment Exchanges provides UK investors and their brokers with a reference point for those non-UK exchanges which, while not carrying on a regulated activity in the UK, have appropriate standards of investor protection.
- ❖ Second, under certain rules, UK authorized firms may treat transactions effected on a Designated Investment Exchange in the same way as transactions on a recognised investment exchange. The direct consequence for firms is that these transactions will attract a significantly lower position risk requirement and reduce their costs; and
- ❖ A third benefit is that UK authorized firms may take advantage of the exemptions granted under Rule 30.10 of the US Commodity Futures Trading Commission's Rules and sell investments listed on a Designated Investment Exchange to customers located in the USA.

List of BSX Regulatory Recognitions:

- ❖ UK FSA, Designated Investment Exchange
- ❖ World Federation of Stock Exchanges, Full Member
- ❖ Bermuda Monetary Authority, Recognised Investment Exchange
- ❖ US Securities and Exchange Commission, Designated Offshore Securities Market
- ❖ The London Stock Exchange, Registered Organisation
- ❖ IOSCO, Affiliate Member
- ❖ Australian Tax Authority; Approved Stock Exchange under Australia's Foreign Investment Fund (FIF) taxation rules.

For more information on the BSX, contact the Bermuda Stock Exchange on +441-292-7212 or info@bsx.com. Information is also available at www.bsx.com and on Bloomberg at BSX <Go>.

Greg Wojciechowski
Chief Executive Officer
The Bermuda Stock Exchange



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 by visiting the Society's website at www.bermudasociety.com

Bermuda Business

Information on international business in Bermuda may be found at:

www.biba.org
www.bma.bm

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

Bermuda Insurance Industry

www.bermuda-insurance.org

Bermuda Insurance Update – the official journal of the Bermuda Insurance industry – is available online.

Customers and brokers around the world now have 24/7 access to the Bermuda market through an online directory.

Bermuda Tourism

Telephone 020 7864 9924 for a free information pack or visit www.bermudatourism.com
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

The Bermuda National Trust

The Bermuda National Trust is a charity, established in 1970 to preserve natural, architectural and historic treasures and to encourage public appreciation of them. Its forerunner was the Bermuda Historical Monuments Trust, working in conservation from 1937 to 1970.

The Trust's programmes and activities are focused in the key areas of Preservation, Education and Advocacy. Its purpose is to ensure that Bermuda's unique heritage remains protected for future generations.

In the National Trust's care are 70 properties, covering 250 acres and representing much of the best of Bermuda's heritage – a rich variety of traditional historic houses, islands, gardens, cemeteries, nature reserves and coastline. In addition, three museums display an outstanding collection of artefacts owned and made by Bermudians, and tell the intriguing story of the island's development.

www.bnt.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:

Suzanne Stubbins
Secretary
The Bermuda Society & Secretariat
Five Trees
Wood Lane
Stanmore
HA7 4JZ
United Kingdom

Tel: +44 (0)20 8954 0652
Fax: +44 (0)20 8420 7319

Email: BermudaSoc@aol.com
Website: www.bermudasociety.com

Minimum Annual Fees

Corporate Membership
£250/\$390

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

Private Individual Membership
£25/\$40