



2025 BRIM CONFERENCE MEDIA LAUNCH

Feature Remarks

by Warrick Ward

CEO, Financial Services Commission

To the Board and management of the Barbados International Business Association, conference sponsors, specially invited guests, members of the media, ladies and gentlemen; good morning.

Time has flown by because this year marks the hosting of the fifth annual edition of the Barbados Risk & Insurance Management Conference (BRIM). As always, it is a pleasure for the Financial Services Commission to partner with BIBA on what is gradually becoming a “must-attend” event. Bringing together local, regional, and international thought leaders on insurance, risk management and global business, the conference allows us to hear from a distinguished group of experts and policymakers and exchange ideas and perspectives on key areas.

With responsibility for regulating and supervising Barbados’ non-bank financial sector, which includes insurance, we at the Commission seek to foster a dynamic and

competitive financial services industry, that is well-regulated, innovative and effectively serves the needs of both domestic and international stakeholders. International finance and international business more broadly, should be seen as critical to Barbados' economic growth and development. In addition to its strong link with the tourism sector, it provides a significant portion of the government's corporate tax revenue and provides good employment opportunities for many of our graduates. Given the industry's overall importance and the criticality of our role in its functioning we, therefore, see our involvement with this conference as a natural fit. I know what many think about regulators and supervisors. Therefore, the BRIM conference allows us to get away from creating new guidelines and legislation, to get outside, provide key updates and avail ourselves of the opportunity to listen, learn and consider the views of not only our direct stakeholders but all those who operate in this space.

Let me provide you with a glimpse into the current state of the insurance sector. The insurance sector is the largest of our regulated sectors, but in terms of international business, we are also revamping our framework for the securities sector because that is another plank that Barbados can further develop. We aim to do this without weakening the regulatory rigour we strive to uphold. Globally, the captive insurance sector continues to grow as companies, with the increased use of analytics in business operations to support decision-making look to optimise their use of capital. These insurance structures also provide capacity that may not be available in traditional insurance markets, for example, the growing interest in parametric solutions, especially around climate and environmental risks. A 2024 report by Howden and Boston Consulting Group forecasts that global insurance premiums for climate resilience and property exposed to natural catastrophes could reach \$250 billion by

2030, a 50% increase. Let me explain a bit because I know that in this current global environment, the word captive might cause us to sit up, please do not let your minds wander, captives or captive insurance is simply a structure that allows participants to share in the risk for a potential reward of lower costs, underwriting profits, and investment incomes. Sorry to disappoint!

So there are opportunities for Barbados! At the most recent count, the Commission regulates just over 1,300 licensees – 1,053 insurance companies and market intermediaries, 25 credit unions, 245 occupational pension plans, 25 mutual funds, and 19 securities companies. Additionally, there are over 100 brokers, traders, investment advisors and other market participants. As of September 2024, the FSC held “on its books” 175 registered Class 1 companies with an estimated asset value of BDS\$49.1 billion. At the end of the same period, there were 112 Class 2 licensees with an estimated asset value of BDS\$123.8 billion. For those who may not be familiar with our classifications, a Class 1 licensee is an insurance company that underwrites related party business. Class 2 refers to an entity that underwrites third-party risk, and a Class 3 Licensee is an insurance intermediary, such as an insurance management company, or an insurance holding company.

The bulk of the captive insurance business continues to originate from Canada, which accounts for 51% of registrants, followed by the USA with approximately 25%. In 2024, there were 19 captive formations compared to 12 in 2023, and Barbados continues to be ranked the 3rd captive jurisdiction in the Caribbean and 7th globally.

The insurance sector continues to grow, and at the Commission, we are patently aware that we must evolve and be positioned to meet the needs and demands of our stakeholders. Therefore, in 2024, the Commission would have informed of the proposed amendments to the Insurance Act, Cap. 310, to facilitate the introduction of risk-based requirements regarding statutory funds, capital and solvency. We have made a few necessary amendments, but we have started a comprehensive, purpose-driven approach to our legislative reform agenda, ensuring the implementation of a modern and flexible framework that allows the Commission to do what it needs to and take that risk-based approach we continue to speak. As always, as part of our commitment to engagement, these amendments will be preceded by a consultation process, thus allowing you to share your perspectives which will be considered in shaping the final versions of the legislative changes.

Regarding the AML/CFT regime for the general insurance industry, and our intent to reassess and establish a risk rating appropriate for the general insurance business, this continues to be a work in progress. In the meantime, we urge you to take appropriate measures to continue to combat Money Laundering, Countering Terrorist Financing and Proliferation Financing.

These are but some of the initiatives currently engaging the attention of the Commission, and during the conference, you will hear more. They demonstrate our commitment to you to provide strong regulatory oversight and enhanced service offerings as we build out FSC 2.0. The Commission is focused on effectively implementing a risk-based supervisory methodology that will allow us to better address the micro and macro-prudential exposures that may arise. Robust risk

management is essential for fostering investor confidence and driving increased investment into and within the Barbadian economy.

The Commission looks forward to continuing to collaborate with our stakeholders to create a regulatory framework/environment conducive to innovation and growth. Ultimately, we are committed to optimising operations to ensure alignment with the evolving regulatory landscape. This involves creating a more streamlined and responsive framework that effectively addresses the unique needs of our stakeholders. Fundamentally, we will continue to work with BIBA and others as strategic partners to improve the financial landscape in Barbados.

The conference will be an exciting time for education and networking as we exchange ideas and points of view in all areas of risk and insurance. You will hear from a diverse group of speakers representing a wide cross-section of this industry. As in times past, I know they are looking forward to sharing with you and are eager to connect with you all and learn from your experiences as well. Based on prior iterations of this event, you will leave inspired and energised – full to the BRIM, so to speak. I really couldn't resist; I look forward to seeing you and interacting with you.

On behalf of the Commissioners, the management and staff of the FSC, I wish you a successful and engaging conference.