

2026 Bermuda International Life & Annuity Conference

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Skadden was proud to serve as a Diamond Sponsor of the 2026 Bermuda International Life & Annuity Conference, hosted by Bermuda International Long Term Insurers and Reinsurers (BILTIR). Skadden's Insurance practice was prominently represented among attendees of BILTIR and Skadden's Elena Coyle, co-head of reinsurance and insurance M&A, moderated a panel on the U.S.-Bermuda value chain, which examined how innovation in U.S. life and annuity market flows through to Bermuda-based reinsurance solutions.

Drawing from conversations at the conference and Skadden's observations of current market trends, we have the following five key takeaways for the long-term (re)insurance sector.

1. Bermuda Is Making Transparency Its Competitive Advantage

Bermuda's long-term sector opened the conference with a clear message: Its resilience is demonstrated publicly, not just asserted. BILTIR Chair Natasha Scotland Courcy told delegates that the market manages more than \$1.5 trillion in assets for roughly 90 million policyholders, and that assets exceed liabilities by \$238 billion, up from \$231 billion a year earlier. She pointed to the BMA's global financial crisis stress test, where the median stressed liquidity coverage ratio was 471%, more than four times the 105% regulatory minimum. She also said the BMA's enhanced public disclosure requirements give stakeholders better visibility into the assets and liabilities backing long-term business. (For a detailed look at the framework behind these results, see Skadden's *Encyclopaedia of Prudential Solvency* chapter on the Bermuda prudential solvency regime.) As more international attention falls on asset-intensive reinsurance, we expect disclosure and stress-testing results to play a larger role in counterparty diligence and regulatory dialogue.

2. US Regulators Are Weighing Higher Capital for Certain Offshore Transactions

National Association of Insurance Commissioners (NAIC) President Scott White told delegates that U.S. regulators are considering tougher capital requirements for some offshore life reinsurance deals, particularly transactions that leave insurers holding less capital than U.S. standards would require. He explained that some transactions with nonreciprocal reinsurers have produced larger reserve reductions and could create more strain if recapture is needed, and that the NAIC is exploring capital requirements that reflect both recapture risk and the higher credit risk of weaker reinsurers. Bermuda already holds NAIC recognition of regulatory equivalence, while Cayman, whose life and annuities sector held about \$101 billion at the end of 2025, is seeking the same. Cedents and reinsurers should expect more attention on recapture provisions, collateral arrangements and counterparty strength in transaction structuring, along with a growing regulatory distinction between jurisdictions.

Key Takeaways

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3. Private Credit Remains Under the Microscope

Private credit was a theme on both days. White said the NAIC is strengthening its oversight of private-credit investments, which now make up a growing share of life reinsurers' portfolios. He described changes to bond classification rules, stronger powers to challenge ratings, better reporting on affiliated investment arrangements and updated capital factors for certain structured securities. He also said that starting this year, insurers will be required to provide much more detail on how private investments are originated, valued, distributed and supported. In Bermuda, the Bermuda Monetary Authority (BMA) introduced a prudent person principle and expanded disclosure requirements effective January 2026. A Day 2 panel with the BMA, Blackstone, the Wisconsin insurance commissioner and Global Atlantic focused on liquidity, valuation, transparency and alignment in private credit that backs long-term liabilities. As the convergence of insurance and asset management continues, strong governance and clear valuation practices are becoming central to the market's license to operate.

4. Risk Transformation Is Moving Toward Segregated Capital Structures

One of the panel sessions on day one looked at how Bermuda's risk transformation toolkit has grown beyond traditional securitization and ILS into segregated capital solutions such as sidecars,

SPIs and ISACs, driven by investor demand, BMA-supported innovation and the growth of asset-intensive reinsurance. We continue to see third-party capital looking for efficient, ring-fenced access to life and annuity risk. We expect these vehicles to become more common alongside traditional reinsurance and flow arrangements, particularly as sponsors seek to scale capacity without adding to their own balance sheets.

5. Asia and the Retirement Gap Are Shaping Long-Term Growth

While the U.S. remains Bermuda's core market, accounting for 82% of ceded business compared with 11% for Japan, Japan is one of the market's fastest-growing strategic relationships. Scotland Courcy discussed that aging populations will create large demand for retirement income and longevity protection, and that Bermuda is well positioned to help insurers across Asia and elsewhere turn long-term savings into dependable lifetime income. Day 2 sessions on the global retirement gap and Bermuda's growing presence in APAC reinforced the point, with particular focus on high-net-worth and long-term savings markets. Consistent with our ReFocus observations, we expect reinsurer interest to keep expanding beyond Japan into other developed East Asian markets.

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