



**CHAIRMAN'S REPORT  
TO THE ANNUAL GENERAL MEETING  
OF THE BERMUDA FOUNDATION FOR INSURANCE STUDIES**

**DECEMBER 10, 2008**

I am pleased to report on the activities of the Bermuda Foundation For Insurance Studies for the year ended June 30, 2008.

**FINANCIAL HIGHLIGHTS**

Revenues from contributions (restricted and unrestricted) were \$433,502 for the year compared to \$258,998 in 2007. The Foundation follows the deferral method of accounting whereby unrestricted contributions are recognized when pledged and restricted contributions are recognized in revenues in the period of expenditure (as the scholarships are paid).

The number of scholarships given out over the past fiscal year was 17 totaling \$333,079 which is similar to the prior year expenditure of \$326,271 for 17 scholarships. In each of the past two years, the Foundation has provided 10 scholarships of \$25,000 or more as the tuitions for overseas studies has risen.

Office and administrative costs have increased over the prior year with the Foundation now employing two full time staff. Corporate and professional fees have increased, primarily related to the increase of audit fees; however these are offset by an increase in revenues as they are donated services. Career guidance expense includes the final expenses related to the video production. Other expenses have been kept below prior year levels.

Effective July 1, 2007, the Foundation adopted the new provisions of the Canadian Institute of Chartered Accountants Handbook relating to financial instruments being Sections 3855 (Financial Instruments – Recognition and Measurement) and Section 3861(Financial Instruments – Disclosure and Presentation). The new standards have been applied prospectively without restatement of prior year comparative figures.

Under Section 3855, all financial instruments are classified as being held for trading, held-to-maturity, loans and receivables, available-for-sale or other financial liabilities. The Foundation has classified its investments in mutual funds and fixed income securities as securities available for sale and its cash and cash equivalents as held for trading. Available-for-sale and held for trading assets are valued at fair value with changes in fair value included as a separate component of the Foundation's unrestricted net assets as unrealized until they are sold. Impairment losses for investments available-for-sale, by reference to current fair value where there is evidence indicating a future loss, are recognized in current year expenditure.

As a result of adopting the new provisions, the Foundation reflected a transitional adjustment to net assets of \$847,995, reflecting the unrealized gain on investments at the beginning of the year. In addition, the

expenditures include an impairment adjustment of \$205,694 relating to its investment in mutual funds. Investment income relating to interest and realized gains, net of investment management fees was \$188,336 compared to the prior year investment income of \$131,712.

Cash, cash equivalents and investments held at year end, as more fully described in Note 4 to the financial statement include cash and cash equivalents of \$2,733,172 (2007: \$2,852,315) and investments of \$3,749,211 (2007: 4,119,213). Due to current economic conditions there has been a further decline in the value of investments subsequent to the year end. As reported by our investment advisor, the relatively defensive stance of the FBIS portfolio with over 50% in deposits, short dated money market funds or US Government bonds has enabled the portfolio to soften the impact of the deterioration in the global debt and equity markets. The finance committee, along with our investment advisor, is continuing to monitor the portfolio closely during this difficult time.

## **MEMBERSHIP AND DONATIONS**

The Development Committee updated the fundraising package which included a copy of the BFIS DVD 'Set To Succeed' and undertook a targeted mailing to promote awareness of BFIS to new companies establishing operations in Bermuda as well as some of the older companies who are not yet BFIS sponsors.

We welcome new donors Aspen Re and Flagstone Re, and renewing donors Amlin, Arch Re, Ariel Re, AXIS Capital, DW Simpson of Chicago, Hannover Re, Marsh Bermuda, Max Bermuda, OIL Management Services, Platinum Re, World Insurance Forum and Zurich.

## **SCHOLARSHIPS**

This year saw a large increase in the number of applicants for BFIS scholarships with 50 applying for up to 10 scholarships. This is attributed to BFIS partnering with ABIC (Association of Bermuda International Companies) to make presentations by our Executive Director, Cathy Lapsley and ABIC's Executive Director, Richard Winchell, to the graduating year of high school students and their parents in all seven of the high schools and some of the home schools. BFIS also attends the annual Colleges and Careers Fairs to promote scholarships.

Sixty-six BFIS-funded students are now in the workforce and 21 are currently in university. I am pleased to report that BFIS graduates are reaching Assistant Vice President and Senior Analyst positions, and Gino Smith (2000) received the Bermuda Insurance Institute's Young (Re)insurance Person of the Year Award.

An survey of BFIS graduates is currently underway in order to learn more about how are they are progressing in their careers, what further education plans they may have and what improvements BFIS can make to its programmes. A secondary survey focusing on scholarships available in Bermuda is being undertaken to determine if BFIS should be making any changes to its scholarship funding levels.

### **2008 Graduates**

Hataya DeSilva - Actuarial Science – Temple – now with PricewaterhouseCoopers  
Deniece Gordon - Insurance – Temple – studying for MBA  
Andrew Laing - Math & Finance – Charleston – now with Partner Re  
Erika Suber - Actuarial Science – Temple – now with Ariel Re  
Kellyn White - Actuarial Science – Temple

### **Current Scholars with year awarded**

Timothy Fox '08 - Business - Queen's University - (Graduating 2012)  
Maryssa Gabriel '08 - Law - Trinity College, Dublin (Graduating 2010)  
Chelsea Mayeaux '08 - Actuarial Science - St. John's University (Graduating 2012)

Nakia Foggo '08 - Finance - St. John's University (Graduating 2011)  
Christopher Abraham '08 - Math - St. Francis Xavier University (Graduating 2012)  
Travis Stephens '08 - RM & Insurance - St. John's University (Graduating 2009)  
Akira Robinson '08 - Accounting - University of Tampa (Graduating 2011)  
Kyle James '08 - MIS/Business - Temple University (Graduating 2011)  
Stacy Oughton '08 - Accounting – MSVU at Bermuda College  
Rishi Aggarwal '07 - Math - Southampton (Graduating 2010)  
Victoria Borges '07 - Commerce - St. Mary's (Graduating 2011)  
Kimberly Lewis '07 - RM & Insurance - North Carolina At Charlotte (Graduating 2010)  
Dena Saunders '07 - RM & Insurance - St. John's (Graduating 2011)  
Christina Ratteray '07 - Actuarial Science - Southern Adventist (Graduating 2010)  
Kiara Somner '07 - Business Admin - Bermuda College  
Donita Stevens '07- Actuarial Science - Temple (Graduating 2011)  
Lorenzo Whitehurst '07 - Actuarial Science – Temple (Graduating 2009)  
Laura Robinson '06 - Economics - Mount Holyoke (Graduating 2010)  
Jahvon Washington '06 - RM & Insurance (Graduating 2010)  
Andrew Osborne '06 - Economics & Geography - McGill (Graduating 2010)  
Stephen Bath '05 - Economics - British Columbia (Graduating 2009)

### **INTERN PROGRAMMES**

Now in its seventh year, the BFIS Bermuda Summer Intern Programme continues to be well supported by the local insurance sector. BFIS organizes this three-week programme with Illinois State University's Katie School of Insurance and Finance so that two Katie School students and two Bermudian students to study all aspects of the Bermuda insurance market.

For the third year, the Katie School and their alumni working in the Chicago insurance market helped organize a similar intern programme for two Bermudian students to spend 2 weeks in the Chicago insurance market.

In July 2008, two Bermudian students were sent to London for 2 weeks to experience that market. Three out of the six Bermudian students chosen to take part in these internships were BFIS scholars and all the students found that these programmes gave them an insight into, and knowledge about, the industry which they can never achieve through their university courses.

Due to the growing popularity of these programmes, success in terms of benefit to students, and its low cost-ratio benefit we are doubling the number of Bermudian interns in 2009. None of this would be possible without the generous support of the hosting companies and their staff.

#### **Summer Interns 2008**

Daniel Hill - Actuarial Science - Temple (Graduated '08)- with ACE Tempest Re  
Tyler Owen - Risk Management and Insurance - St. John's (Graduating '09)  
Kimberly Lewis - Risk Management & Insurance – U. of North Carolina at Charlotte (Graduating '10)  
Doya Morgan -Insurance & Finance – U. of Hartford (Graduated '08) - with ACE Tempest Re  
Lorenzo Whitehurst -Actuarial Science - Temple (Graduating '09)  
Jahvon Washington - Risk Management & Insurance - St. John's (Graduating '10)

### **MENTOR PROGRAMME**

Our Mentor Network continues to grow and continues to improve the methodology for matching students to mentors. A number of events have been held throughout the year, including an annual Christmas Networking lunch and a reception in May. BFIS partners with both the Bermuda Branch of the CPCU Society and the Bermuda Under 40s in order to increase the pool of potential mentors and general

interactions for students and recent graduates. Students in the network were also invited to our Summer Scholarship Awards Reception sponsored by Max Bermuda.

## **CAREER GUIDANCE**

In addition to our scholarship presentations, BFIS also visits the high schools, middle schools and home schools to show the 'Set To Succeed' video and talk about careers in the insurance sector. In a number of instances students who show particular interest are hosted to 'lunch and learn' events.

As in previous years the BFIS office receives a steady flow of people interested in entering the insurance sector, ranging from high school and college students to career changers. We continue to work closely with the Bermuda Insurance Institute to advise on educational options, as well as with the job placement companies to assist with finding insurance employment opportunities. BFIS is represented on ABIR's Public Outreach Committee and their series of radio talk shows generated further interest in insurance as a career. Several BFIS graduates took part in these presentations which were well received by the general public.

Students looking for vacation or permanent jobs continue to get positive results through posting their resumes on the BFIS website and donor companies and placement agencies are visiting the website when searching for potential employees.

BFIS continued with its presence at various career events throughout the year including BIBA's College Student Networking event held in July, the Careers Fair in October and the Colleges Fair in December. BFIS graduates as well as others who have been assisted by BFIS over the years 'give back' though assisting at these career events and school presentations to great effect.

## **PUBLICITY**

Advertising for the scholarship and intern programmes was continued in the local print media including specific features such as 'Youth News' and the 'Young Observer' pages in the Royal Gazette. Scholarship recipients, graduates and new donors continue to be highlighted through print advertisements. We will also be placing some scholarship advertising on Power 95 radio and using Face Book as well as some of the more popular websites to promote scholarships for 2009.

## **COMMITTEES**

Historically there are few changes to the make-up of our committees with some members serving for ten or more years. Although this is good for continuity, your Board of Trustees would like to ensure that a method is in place to bring a number of new members onto the Board and various committees and therefore has agreed to establish a rotational approach with a fixed number of members stepping down each year for at least one year. This will be in place for the 2009 Annual General Meeting.

### **Retirements**

Our thanks go to the following committee members who have stepped down during the past year:

Jon Beck of Ariel Re from the Board and the Finance Committee.

Erin Field of the ACE Foundation from the Careers Committee.

Rajesh Pachai of Endurance from the Mentor Committee.

Mike Fisher of Integro as Chairman of the Careers Committee (remains on Committee).

Gina Graham of Bermuda College from the Careers Committee

Faye Cook of Allied World from the Development Committee

### **Welcome**

Lionel 'Kip' Herring of Max Bermuda to the Board of Trustees.

Neil Anderson of Hannover Re to the Finance Committee.

Juliette Oatley of Arch Re to the Finance Committee.  
Gerry Begeman of Bermuda College to the Careers Committee.  
Crystal Clay of ACE Bermuda to the Careers Committee.  
James Botelho of Validus Re to the Mentor Network Committee  
Jennifer Farias of XL Re to the Mentor Network Committee

### **SPECIAL THANKS**

KPMG for undertaking the audit and preparing the Audited Financial Statements pro bono.

Quorum Bermuda Limited for assisting with corporate secretarial issues pro bono.

Tracy Keill who continues to put in many volunteer hours for BFIS as our Treasurer and Chairman of the Finance Committee.

Jane Bielby has now been with us for eighteen months, which has made a huge difference in what BFIS can accomplish and therefore the Foundation's effectiveness in the community.

At this point, we would like to make a special award - the Pink Shorts Award - to someone who has given time to BFIS over the years as an active member of the Board and the Careers Committee. We would like to show our appreciation to: Michael Fisher, BFIS Careers Committee Chairman.

# BERMUDA FOUNDATION FOR INSURANCE STUDIES SLATE OF NOMINEES 2008/2009

\* New appointees

## BOARD OF TRUSTEES

Paul Simons ( <i>Chairman</i> ).....	SVP and Underwriter, <b>XL Re</b>
Scott Bradley .....	Principal, <b>Ascendant Risk Services</b>
Michael Fisher .....	Managing Principal, <b>Integro (Bermuda)</b>
Rees Fletcher .....	President and CEO, <b>ACE Bermuda</b>
Duranda Greene .....	President, <b>Bermuda College</b>
Meredith Head.....	VP – Property Catastrophe, <b>Tokio Millenium Re Ltd.</b>
Lionel ‘Kip’ Herring * .....	SVP and Marketing Director, <b>Max Bermuda</b>
Tracy Keill .....	Director, <b>Primary Group</b>
Catherine Lapsley .....	Executive Director, <b>BFIS</b>
Gail Martin .....	VP & Underwriter, <b>Hannover Re</b>
Peter Oliver.....	VP Reinsurance and Underwriting, <b>Colonial Group International</b>
Christopher Sposato .....	President, <b>Integrity Business Services</b>

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Brian O’Hara .....	Chairman, <b>XL Capital</b>
Walter Scott .....	Retired Chairman, President and CEO, <b>ACE Ltd</b>

## EXECUTIVE OFFICERS

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Treasurer & Vice President.....	<b>Tracy Keill</b> , Director, <b>Primary Group</b>
Vice President .....	<b>Scott Bradley</b> , Principal, <b>Ascendant Risk Services</b>
Vice President .....	<b>Michael Fisher</b> , Managing Principal, <b>Integro (Bermuda)</b>
Executive Director & Corporate Secretary.....	<b>Catherine Lapsley</b> , Executive Director, <b>BFIS</b>
Assistant Corporate Secretary .....	<b>Quorum Limited</b>

## FINANCE COMMITTEE

Tracy Keill ( <i>Chairman</i> ).....	Director, <b>Primary Group</b>
Neil Anderson * .....	Assistant Financial Controller, <b>Hannover Re</b>
Scott Bradley .....	Principal, <b>Ascendant Risk Services</b>
Kip Herring .....	SVP and Marketing Director, <b>Max Bermuda</b>
Catherine Lapsley .....	Executive Director, <b>BFIS</b>
Juliette Oatley *.....	Underwriter – Professional Lines, <b>Arch Insurance</b>
Christopher Sposato .....	President, <b>Integrity Business Services</b>

## SCHOLARSHIP COMMITTEE

Paul Simons ( <i>Chairman</i> ).....	VP and Underwriter, <b>XL Re</b>
Joyce Duarte .....	AVP - Professional Lines, <b>Allied World Assurance</b>
Duranda Greene .....	President, <b>Bermuda College</b>
Meredith Head.....	VP – Property Catastrophe, <b>Tokio Millenium Re., Ltd.</b>
Catherine Lapsley .....	Executive Director, <b>BFIS</b>
Julie Preece .....	Director of Education & Training, <b>Bermuda Insurance Institute</b>
Gino Smith .....	AVP and Underwriter, <b>XL Re</b>

## DEVELOPMENT COMMITTEE

Christopher Sposato ( <i>Chairman</i> ).....	President, <b>Integrity Business Services</b>
Neil Anderson .....	Assistant Financial Controller, <b>Hannover Re</b>
Scott Bradley .....	Principal, <b>Ascendant Risk Services</b>
Catherine Lapsley .....	Executive Director, <b>BFIS</b>

## CAREERS COMMITTEE

Remy Colmet ( <i>Chairman</i> ).....	Underwriter, <b>XL Insurance</b>
Kalreta Conyers-Steede.....	Acting Senior Education Officer, <b>Department of Education</b>
Crystal Clay.....	Director of Learning & Development, <b>ACE Bermuda</b>
Michael Fisher.....	Managing Principal, <b>Integro (Bermuda)</b>
Gerry Begeman *.....	Division Chair of Business Admin. & Hospitality, <b>Bermuda College</b>
Catherine Lapsley.....	Executive Director, <b>BFIS</b>
Grace Lovecchio.....	VP - Administration, <b>White Mountains</b>
Lynn Osborne.....	HR Manager, <b>Colonial Group International</b>
Susan Panchaud.....	VP – Captive Solutions, <b>Marsh Management Services (Bermuda)</b>
Julie Preece.....	Director of Education & Training, <b>Bermuda Insurance Institute</b>

## MENTOR NETWORK COMMITTEE

Gino Smith ( <i>Chairman</i> ).....	AVP and Underwriter, <b>XL Re</b>
Remy Colmet.....	Underwriter, <b>XL Insurance</b>
Rebecca DaPonte.....	Underwriter, <b>Oil Casualty Insurance</b>
Juliette Oatley.....	Underwriter – Professional Lines, <b>Arch Insurance Bermuda</b>
Jennifer Farias *.....	Associate Underwriter, <b>XL Re</b>
James Botelho *.....	AVP - Pricing Actuary, <b>Validus Re</b>

## PLEDGED MEMBERS

### Representatives

ACE Foundation.....	<b>Ralph Richardson</b> , Executive Director
Allied World Assurance Company.....	<b>Kent Smith</b> , Charity Chairperson
American International Company.....	<b>George Dove</b> , SVP - Human Resources & International Payroll
Amlin Bermuda.....	<b>Stuart MacKellar</b> , Managing Director
Arch Re.....	<b>Charles Penruddocke</b> - Senior International Underwriter
Ariel Re.....	<b>Russell Brooke</b> , Chief Operating Officer
AXIS Capital.....	<b>Bill Fischer</b> , CEO & President of Global Reinsurance
Bermuda Education Services Trust.....	<b>John Neal</b> , President
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Conyers Dill & Pearman.....	<b>Christopher Garrod</b> , Partner
Hannover Re.....	<b>Gail Martin</b> , VP & Underwriter
IPCRe.....	<b>Jim Bryce</b> , President and CEO
Marsh Captive Management.....	<b>Jill Husbands</b> , Head of Office
Max Bermuda.....	<b>Kip Herring</b> , SVP and Marketing Director
OIL Management Services.....	<b>Gail Pantry</b> , Director - Human Resources
Partner Re.....	<b>Lindsay Hyland</b> , Human Resource Manager
Primary Group Limited.....	<b>Tracy Keill</b> , Director
RAM Re.....	<b>Vernon Endo</b> , President and CEO and Director
Renaissance Re.....	<b>Maureen Nusum</b> , Human Resource Manager
Scottish Re.....	<b>Peter Grewal</b> , SVP & Director of Internal Audit
Swiss Re.....	<b>Tom Coffey</b> , Head of Bermuda Operations
Validus Re.....	<b>Jerome Dill</b> , General Counsel
Willis.....	<b>Vincent McGeehan</b> , Exec. Vice-President, Managing Director
World Insurance Forum.....	<b>Robin Spencer-Arscott</b> , Bermuda Insurance Symposium
XL Foundation.....	<b>Amanda Outerbridge</b> , Head of Internal Communications, XL Capital
Zurich.....	<b>Joanne Edwards</b> , AVP