



BEST'S COMPANY REPORT

BF&M LIMITED

Domiciliary Address: Insurance Building, 112 Pitts Bay Road, PO Box 1007, Hamilton HM DX, Bermuda

AMB #: 084104

NAIC #: N/A

FEIN #: N/A

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BF&M General Insurance Co Ltd	A
BF&M Life Insurance Co Ltd	A
Island Heritage Ins Co, Ltd.	A



Best's Credit Rating Effective Date

July 02, 2024

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Information

[Best's Credit Rating Methodology](#)

[Guide to Best's Credit Ratings](#)

[Market Segment Outlooks](#)

Financial Data Presented

The financial data in this report reflects the most current data available to the Analytical Team at the time of the rating. Updates to the financial exhibits in this report are available here: [Best's Financial Report](#).

BF&M Limited

AMB #: 084104

Ultimate Parent: AMB # 084104 - BF&M Limited

Best's Credit Ratings - for the Rating Unit Members

Financial Strength Rating (FSR)

A u Excellent
Implication: Developing Action: Under Review

Issuer Credit Rating (ICR)

a u Excellent
Implication: Developing Action: Under Review

u Denotes Under Review Best's Credit Rating

Assessment Descriptors

Balance Sheet Strength	Strongest
Operating Performance	Adequate
Business Profile	Neutral
Enterprise Risk Management	Appropriate

Rating Unit - Members

Rating Unit: BF&M Limited | AMB #: 084104

AMB # Rating Unit Members
084739 BF&M General Insurance Co Ltd
084740 BF&M Life Insurance Co Ltd

AMB # Rating Unit Members
086644 Island Heritage Ins Co, Ltd.

Best's Credit Rating - for the Holding Company

Issuer Credit Rating (ICR)

bbb u Good	Implication: Developing Action: Under Review
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u Denotes Under Review Best's Credit Rating

Under Review Rationale

The rating action on these credit ratings follows BF&M Limited's (BF&M) and Argus Group Holdings Limited's (Argus Group) joint June 28, 2024, announcement that the two companies have signed a definitive amalgamation agreement, pursuant to which BF&M and Argus Group will combine in an all-stock transaction. BF&M is expected to maintain its current financial strength and operating performance as part of a combined BF&M/Argus Group entity and likely benefit from improved geographic and product diversification as well as a more favorable market position. The ratings will remain under review with developing implications pending regulatory approvals from the Bermuda Monetary Authority. The transaction is expected to close late in the fourth quarter of 2024.

The following report commentary and financial exhibits contained in the Best's Credit Report pertain to the previous rating event and have not been updated with this Under Review rating event. To view the most current financial information available, please refer to the [Best's Financial Report](#).

Rating Rationale - for the Rating Unit Members

The Issuer Credit Ratings and Financial Strength Ratings of the member operating companies of the rating unit are determined in accordance with Best's building block rating methodology as applied to the consolidated group's financial statements, and the supporting analytics and results are described in the following sections of this report.

Balance Sheet Strength: **Strongest**

- BF&M Limited's (BF&M) risk-adjusted capitalization measures are at the strongest level as measured by Best's Capital Adequacy Ratio (BCAR).
- Volatile earnings and consistent dividends led to a small erosion of shareholder equity over the last five years.
- BF&M utilizes an effective reinsurance strategy to minimize any potential catastrophic event impact on its operating results. BF&M has retained additional risk in 2023 in order to secure higher limits in the face of reinsurance capacity constraints to ensure the balance sheet is protected against catastrophic loss. Bermuda has strong building codes and storm preparation mechanisms to mitigate damage from storms.
- Investment strategy emphasizes high-quality and low-risk investments while maintaining adequate liquidity. Investments with moderately higher risks are thoroughly managed through its risk mitigation process.

Operating Performance: **Adequate**

- BF&M's results are driven by diversified lines of risk business and services that include pension administration (group and individual), group life, residential property, casualty, motor, marine, and health coverage.
- Unfavorable results in 2022 were due to a combination of very unfavorable investment results and pressure on core underwriting. While investment losses are not expected to repeat near term, pressure on underwriting will remain.
- Strong and stable operating gains over the medium term have been primarily driven by lower utilization of health benefits throughout the pandemic and lower frequency of large catastrophic events. Increasing utilization of health products and increasing care costs are pressuring the health segment near term.
- Total property/casualty business has historically reported profitable operating results. This line continues to be dependent on ample reinsurance and reinsurance commissions for profitability. Increasing reinsurance costs and lower commissions are expected to pressure the line, though absent a major weather event the line is likely to remain profitable.

Business Profile: **Neutral**

- Business is well diversified by product lines and geographically through its property/casualty, life, health and pension products. BF&M is one of the top three leading insurers in its domestic market of Bermuda and a leading provider of property/casualty insurance products. BF&M is a leading provider of property and marine insurance in Bermuda and has a competitive position in the health market.
- The Bermudian market has a limited population. BF&M competes with two other local health insurers in Bermuda. In the health lines of business, all three companies write the same lines and mainly compete on service and quality.
- Health markets have been disrupted due to major policy reform and changes to Bermuda's medical care funding process. An element of uncertainty remains in Bermuda's future regulatory reform as the government has abandoned the final stages of its previous health reforms and in its place has issued very general policy goals. Existing health products remain under pressure from increasing utilization post-pandemic and increased care costs for both domestic and off-island care.
- Property and casualty markets in Bermuda and BF&M's Caribbean markets are expected to be pressured near term as the availability of reinsurance is restricted. Higher reinsurance rates and lower commissions will pressure margins, while the reduced

capacity is expected to limit growth opportunities. BF&M is relatively well positioned to meet these pressures as its service-oriented business can likely pass on some costs to its policyholders and its strong balance sheet indicates it can retain additional risk, if needed, to accommodate policy growth.

Enterprise Risk Management: **Appropriate**

- BF&M employs a three lines of defense risk operating model framework that identifies risk management principles, risk governance, risk profile and tolerance, material risk and outlines/defines a risk register.
- Risk governance clearly defines the roles of senior management and the board for developing, monitoring and reporting on the risk management of the organization. Adoption of a shareholder rights plan in 2023 indicates less than full alignment of the board and shareholder interests.
- There are appropriate information and reporting systems to support decision-making, policies and procedures are well maintained, risk mitigation strategies are established, and actively managed risks are reviewed by the Audit Committee on a quarterly basis.

Rating Drivers

- A negative rating outcome may occur due to an unfavorable trend in operating results.
- A negative rating action may occur due to an unfavorable event affecting BF&M's business. BF&M is exposed to multiple event risks including catastrophic weather event(s), significant regulatory changes impacting Bermuda's health market, and business and execution risk in navigating the current pending transactions with Equilibria Capital Management Limited and by Argus Group Holdings Limited.
- A negative rating action may occur due to an unfavorable trend in corporate governance affecting BF&M's enterprise risk management assessment.
- While unlikely, positive rating action may occur due to a material and sustained improvement in operating metrics.

Rating Rationale - for the Holding Company

The rating of the holding company is determined by reference to the Issuer Credit Rating (ICR) of the operating insurance company members. It reflects consideration of holding company sources and uses of cash, the competing demands placed upon holding company resources and normal subordination of holding company creditors to claims of the policyholders of the operating insurance companies. In general, therefore, the holding company's Issuer Credit Rating is notched from those assigned to the operating companies of the rating unit.

Credit Analysis

Balance Sheet Strength

BF&M Limited's (BF&M) balance sheet strength assessment is strongest, driven by its strongest level of risk-adjusted capital as measured by Best's Capital Adequacy Ratio (BCAR). BF&M's has reported consistent operating profitability, but earnings volatility in 2022 and consistent shareholder dividends have restrained shareholder growth. However, limited growth in health premiums and growing ceded reinsurance for property and casualty products has allowed capital to remain appropriate to support premium and investment risks over the past 5 year period.

Capitalization

On a consolidated basis BF&M maintains the strongest level of risk-adjusted capitalization for its current underwriting, investment, and credit risk exposures as measured by Best's Capital Adequacy Ratio (BCAR). Capital growth has been constrained over the past 5 years due to dividends paid to shareholders offsetting growth in profitable years and investment driven losses in 2022, but limited growth in premiums and investment risk has maintained consistent levels of risk-adjusted capital. The company also protects itself against losses from major catastrophic events by limiting its exposure to prudent levels and employs a well-managed sound reinsurance program.

BF&M is publicly traded on the Bermuda Stock Exchange (BSX) under the ticker BFM.BH. Access to public markets implies superior access to capital and financial flexibility relative to a privately held company. However, trading volume on the BSX is thin which indicates only nominal access to external sources of capital over the short term.

Balance Sheet Strength (Continued...)**Asset Liability Management - Investments**

The company employs a conservative investment strategy aided by investment managers, who incorporate BF&M's primary objectives of a high probability of steady capital growth to preserve its risk-adjusted capital position and support its business expansion. In addition, the investment objectives call for sufficient cash flow and liquidity to support company operations and avoid forced asset sales, while enhancing the company's competitive position. BF&M's needs are met through its sound management of conservative investments and duration asset liability matching. Investment risks are mitigated through strategic allocations in the surplus accounts rather than placing market risks within the assets backing the liabilities. Since a large portion of the coverages written in the property and casualty lines are attributed to the property business segment, the insurance liabilities tend to be more short-tailed in nature, and accordingly, matched with cash flows from investments. Investment exposure is supported by sufficient capital such that volatility in investment results is highly unlikely to impair the company's ability to pay claims or other stakeholders.

While BF&M's investment portfolio is overall conservative, the company has exposure to higher risk assets. Historically the company has had an elevated exposure to direct mortgage loans, both individual and commercial, but this exposure has declined in recent years. Offsetting lower mortgage exposure is rising funds and equity exposure which is now approximately 16% of the portfolio. The equity portfolio is well diversified and has little exposure to domestic equities. Within the mortgage allocation, BF&M favors new mortgages in residential contracts with strict adherence to its loan-to-value requirements.

BF&M uses independent advisors to manage bond and equity investments under company guidelines, which are set by its board and periodically reviewed. Investment advisors also provide the company with compliance and performance reporting. Management is in close contact with their advisors and meet regularly to review performance, allocation and strategy. Any changes in investment strategy are analyzed thoroughly and put through BF&M's risk management program.

Reserve Adequacy

The policies for each member subsidiary are in line with local regulation authorities, and BF&M's performs quarterly reviews to test the adequacy of claims provisions.

Holding Company Assessment

The consolidated company has exhibited consistent shareholder's equity, maintains a high quality fixed income portfolio and increased attention to asset/liability matching. While investment portfolio is overall conservative, the company has exposure to direct mortgage loans, both individual and commercial. However, the trend of contracting mortgage lending has been in decline for a several years although with an increase in equities. BF&M Limited has demonstrated its financial flexibility during periods of stress, where it provided capital support to its subsidiaries as needed. The balance sheet is also strengthened by the organization's long-term trend of retaining favorable net earnings.

Corporate Overview

BF&M Limited (BF&M) is a publicly traded investment holding company domiciled in Bermuda and traded on the Bermuda Stock Exchange. The organization is actively engaged in property, casualty, motor, marine, life, annuities, health and long-term disability insurance, as well as pension fund management, investment advisory services, property ownership and health reinsurance. The group's principal business is insurance. BF&M is comprised of several insurance companies, led by its lead property/casualty insurer, BF&M General Insurance Company Limited (BF&M General) and its flagship life and health insurer, BF&M Life Insurance Company Limited (BF&M Life). Other owned entities include Island Heritage Insurance Company Ltd (Island Heritage), a Cayman property/casualty carrier, acquired in 2012. In 2017 BF&M Life established Island Heritage Retirement Trust Company Ltd, a wholly owned subsidiary formed to develop and administer pension related business in the Cayman Islands. In 2020, BF&M sold its 51.24% interest in Insurance Corporation of Barbados Limited (ICBL), to better position BF&M to execute its long term strategy with wholly-owned subsidiaries.

The group writes business in Bermuda and ranks among the three largest Bermudian direct insurers that serve this local market. Competition is primarily with the other Bermudian companies, though the group also competes in certain lines with the local operations of foreign insurers. The largest line of business in the Bermudian domestic/direct market is the health market, primarily group health.

BF&M General provides a broad range of property/casualty products, including property, casualty, motor, homeowners and marine. Distribution is primarily direct to the insured. BF&M Life, the organization's flagship company, provides individuals and businesses with a full array of programs for life, health, and pension. Products include ordinary, term and universal life, disability income, defined

Balance Sheet Strength (Continued...)

benefit and defined contribution pensions, and health coverage. BF&M administers certain pension plans where the management of the assets and trustee oversight is provided by an affiliate of a Bermuda financial institution. Island Heritage is a leading Cayman Islands based company that writes property and casualty insurance in the Caribbean region.

Following the divestiture of ICBL, BF&M's geographic diversification has declined. BF&M Limited's strategy includes closer integration of its subsidiaries in order to realize the economies of scale and enhance operational efficiencies. In addition, the company intends to expand its life and health products beyond Bermuda partially through utilizing market channels of its other Caribbean subsidiaries.

Operating Performance

BF&M Limited's consolidated net operating performance in 2022 was unfavorable due to large unrealized investment losses and modest pressure on underwriting income. Rising interest rates driving fixed income and equity devaluations were the cause of the unrealized losses while higher reinsurance costs, increased utilization of health products, and rising loss costs on P/C products also contributed to operating losses in the period.

BF&M competes primarily with two other health companies in the Bermuda market, where service often distinguishes a company's value proposition, and its life and health segment has consistently recorded favorable net income over the past five years driven by group health and pension product operating gains. The company's pension business over the past few years has increased the contribution of overall premium and earnings growth. After very favorable health earnings in 2020, a rebound in medical utilization post-pandemic and increased loss costs reduced earnings in 2021, a trend that intensified in 2022. Higher rates of elective procedures and escalating operating costs of medical providers are increasing claims values to higher than historical levels. Bermudan residents have access to on-island care for emergency and routine medical procedures and off-island care for more complex procedures. Both the frequency and cost of off-island care have increased post-pandemic which has contributed to a higher cost of claims. This pressure is not expected to ease near term, though longer-term surgery backlogs should clear, and the return of routine preventative treatment should reduce some excess severity of claims. Favorable Pension earnings also reversed in 2022 as lower assets under management, due to broad based capital market devaluation, drove lower fee income. Comparable 2020 pension income was also abnormally high as the fee driven model benefited from an increase in services related to the government's allowance for residents to access their pension funds during the pandemic while the shutdowns affected personal income. Pension income has stayed elevated throughout 2021 on favorable asset valuations and flow of contributions before reversing in 2022.

BF&M General and Island Heritage, like most regional P/C insurers, heavily reinsures its property segment to protect its earnings and surplus. This strategy has been very effective since 2014, where BF&M has been impacted by major hurricanes affecting claims across the property and marine accounts. BF&M General has historically recorded overall profitability (even in cat years) as a result of favorable underwriting results especially in non-cat years. However, the combined ratio for both companies deteriorated to in excess of 100% in 2022 due to increased loss costs and rising reinsurance rates. This pressure is likely to maintain over the near term as reinsurance rates in 2023 increased significantly in combination with a reduction in commissions paid to ceding companies. BF&M is issuing rate increases where possible to mitigate this pressure by passing increased costs on to customers. BF&M is also retaining additional risk by retaining more of some lower layers in its excess of loss tower in order to mitigate price increases and secure appropriate limits.

Investment income has been a solid source of income for the company, though declining yields through most of the past five years have pressured growth. The company has employed a conservative investment strategy for quite some time, however its investment policy allowed for an allocation to slightly higher risk investments in 2021, which may result in more yield over the medium term. Income from investments, mostly rental income and bond yield, was quite positive in 2022, though unrealized investment losses more than offset the positive cash flow to be significant drag on results.

Business Profile

The Bermudian market is very unique in its make-up, given that it functions within an economy that reflects all of the normal characteristics of an island economy in a nation that is simultaneously highly developed. The island's population of roughly 60,000 is spread over the island group that is about 21 square miles in size consisting of 138 coral islands in the mid-Atlantic Ocean. The country is a self-governing British possession. Accordingly, a variant of the British common law system is used for legal matters and contracts. Bermuda has virtually no natural resources, and it imports most of its consumer goods. The economy is based almost entirely on tourism and international companies business. The Island work force has been reduced in recent years due to the effects the global pandemic and a global economy affected by its slow recovery. In addition, changes in U.S. regulations made it more difficult to do business in Bermuda for American companies leading to reduced economic activity. Furthermore, the consolidations in the global reinsurance industry have negatively impacted the Bermuda market and add pressure on the reinsurance industry. Over the last several years, as a strategy to encourage business growth, Bermuda government implemented regulatory changes easing restrictions on immigration and foreign ownership. It has actively promoted a "Work From Bermuda" campaign to attract people working from home

Business Profile (Continued...)

during the coronavirus pandemic to supplement the absence of tourists and increase residential population. This is a one year certificate, and the government directs those interested to the three primary health providers on the island for their health coverage needs.

Bermuda's health reform has affected the payments of its government subsidized health care system. The Bermuda government made significant changes to how service delivered from the Bermuda Hospital Board is funded in 2019. The fee-for-service payment model, funded through the Standard Premium Rate (SPR), was replaced by a set grant paid directly by government and funded in part through an increase in the Mutual Reinsurance Fund (MRF). The change in funding has had an impact of a reduction of both the premiums booked by BF&M by the amount of the increase in the MRF and the corresponding claims which will now be retained by the Bermuda Hospital Board (BHB). Further reform is pending as the Government works to develop the implementation for its Bermuda Health Strategy.

All business of BF&M Life Insurance Company other than individual life insurance is distributed on a direct basis. Products include major medical and supplemental health coverages, ordinary, term and universal life, disability income, defined benefit and defined contribution pensions. The company's health business represents about 75% of its net premium volume. The majority of health products are sold to groups, with individual health accounting for less than 2% and declining. Health customers have access to hospitals in Bermuda and North America, where the company participates in preferred provider networks in the United States and Canada. Over the past several years, health products were enhanced with various wellness benefits which help to control the claims costs. BF&M Life offers term and whole life products and a variety of pension-related and savings products, to groups as well as individuals. BF&M Life administers certain pension plans where the management of the assets and trustee oversight is provided by an affiliate of a Bermuda financial institution. BF&M Life also offers a prescribed retirement product to individuals as a vehicle to hold locked-in pension funds until retirement.

BF&M General, one of the largest property/casualty insurers in Bermuda, provides a broad range of property/casualty insurance products. Distribution is direct through company sales personnel and independent agents. Commercial premium rates had been stable for several years; however, have been pressured upward to account for rising reinsurance costs. Both home and commercial construction in Bermuda tend to be high quality and uniform, with thorough government oversight of construction and safety. Structures are built with hurricane risks in mind. Commercial property underwriters attempt to visit those policyholders above a certain threshold at least annually. The legal system in Bermuda follows the British tradition, so BF&M General benefits from the lack of unpredictable civil liabilities common in the U.S. system. These circumstances provide some predictability to operating results for most business segments.

Island Heritage insures commercial and residential property, as well as a minimal amount of casualty and automobile, from its headquarters in the Cayman Islands. More recently, the company has entered the pension administration business and projects growth in this area. Additionally, it specializes in insuring buildings and homes of higher construction quality and has established a strong market presence throughout the Caribbean. Products are distributed through managing general agents, banks, brokers and on a direct basis. Approximately half of the company's book is homeowners, followed by commercial property, automobile and liability coverages. The company is primarily geographically spread in the Bahamas, Cayman Islands, U.S. Virgin Islands, Turks and Caicos, British Virgin Islands, and other islands in the Caribbean. BF&M had divested of its 51% stake in Insurance Corporation of Barbados (ICBL) in 2020. Despite the shift in control of the company, BF&M continues to have a business presence in the Barbados market.

The company has devoted considerable effort to developing its digital capabilities, which now permit individuals to obtain quotes and purchase, motor, homeowners, marine and travel policies. Policyholders can also remit premium payments for certain other accounts online. BF&M's innovation continues to move forward on it plans to expand the company's digital capabilities to a broader range of accounts.

Enterprise Risk Management

Risk Management is executed at the parent company level. BF&M has a mature Risk Management program utilizing a framework clearly identifying its risk management and risk governance principles. The primary objective of the program is capital preservation. BF&M's risk management principles are as follows: risk management is embedded in the organization at all levels, individuals responsible for risk management are qualified for their roles, there is appropriate information and reporting systems to support decision making, policies and procedures are well maintained, risk mitigation strategies are established and regularly reviewed. Risk governance clearly defines the roles of senior management and the Board for development, monitoring and reporting on the risk management of the organization. The company adheres to two key risk governance framework policies: its ERM framework and Group Capital Management Policy. Group Capital Management Policy is its establishment of protocols for movement of capital around the Group, target capital levels, dividend policy reporting and governance. The Group's Risk Committee reports to the Audit Compliance and Corporate Risk Management Committee of the Board.

Enterprise Risk Management (Continued...)

Risk appetite is approved by the Board and establishes risk accountabilities and limits. Risk appetite is expressed through risk retention limits by product line, as well as through capital management policy and investment allocations. Risk profile and tolerance define a conservative risk profile and tolerance levels for the organization. Currently, the key risks are identified as follows: Catastrophic, Pricing, Rating Agency Risk, Reinsurance Cycle, Cyber Security and Privacy Risk, Regulatory and Compliance Risk, Financial, Interest Rate, Trading Partner Concentration, Capital Projects, Business Continuity/Disaster Recovery and Legal. All key risks have clear mitigating factors along with monitoring process, which includes periodic stress scenario testing.

In July of 2023, subsequent to a subsidiary of Argus Group Holdings Limited (Argus) announcing an agreement to purchase a large minority interest in BF&M from an existing BF&M shareholder, the BF&M Board of Directors adopted a shareholder rights plan. Under the rights plan, which would trigger if an entity, person or group acquires beneficial ownership of 15% or more of BF&M's outstanding common shares in a transaction not approved by the board, the board may exchange each right for one additional common share or other securities or property of BF&M of equivalent value. The acquiring shareholders is exempt from this right. The net effect of the plan, if exercised, would be to effectively dilute the acquiring shareholders, in this case Argus, interest by 40%. The plan was approved by the Bermuda Stock Exchange and is thus legal under both Bermuda securities law and rules pertaining to listing on the BSX. Subsequent to that rights program being adopted, on October 11th, 2023 BF&M announced a strategic partnership with Equilibria Capital Management Limited ("Equilibria"), a Bermuda-headquartered global asset management company and the largest shareholder of Argus. Under the terms of the strategic partnership, Equilibria will grant BF&M an exclusive option to acquire a 13.7% stake in Argus. Additionally, BF&M will invest in a dedicated fund which will hold a 16.3% stake in Argus. The adoption of the rights plan and subsequent Equilibria investment indicates less than full alignment of interests between the board and existing shareholders. While the shareholder rights plan was withdrawn following the Equilibria transaction, its initial adoption singled a misalignment between the board and stakeholder interests. AM Best will continue to monitor the progress of the pending acquisition of BF&M shares by Argus and the potential exercise by BF&M of its option to purchase an additional interest in Argus for impacts on capitalization, strategy, and governance.

Environmental, Social & Governance

BF&M is exposed to environmental risk from possible catastrophic weather events that could impact their primary operating geography of Bermuda as well as its operations in the Cayman and other Caribbean islands. The company is a primary writer of property casualty cover in these regions however they maintain an extensive reinsurance program to mitigate this risk. The company also has a large presence in the health insurance sector in Bermuda and looks to address social factors impacting member health and wellbeing. They are also responsible for protection of individual health data from cyber threats. The company has a good governance structure nevertheless there has been several changes in senior management over recent years.

Rating Lift/Drag

No lift or drag applies.

Financial Statements

	12/31/2022		12/31/2022
	BMD (000)	%	USD (000)
Balance Sheet			
Cash and Short Term Investments	100,523	4.6	100,523
Bonds	498,783	23.0	498,783
Equity Securities	128,202	5.9	128,202
Other Invested Assets	72,352	3.3	72,352
Total Cash and Invested Assets	799,860	36.9	799,860
Reinsurers' Share of Reserves	100,968	4.7	100,968
Debtors / Amounts Receivable	88,112	4.1	88,112
Other Assets	1,178,254	54.4	1,178,254
Total Assets	2,167,194	100.0	2,167,194
Gross Technical Reserves:			
Unearned Premiums	101,738	4.7	101,738
Non-Life Reserves	50,976	2.4	50,976
Life Reserves	473,016	21.8	473,016
Total Gross Technical Reserves	625,730	28.9	625,730
Other Liabilities	1,238,197	57.1	1,238,197
Total Liabilities	1,863,927	86.0	1,863,927
Capital Stock	9,187	0.4	9,187
Paid-in Capital	69,335	3.2	69,335
Retained Earnings	224,815	10.4	224,815
Treasury Stock	-5,227	-0.2	-5,227
Other Capital and Surplus	5,157	0.2	5,157
Total Capital and Surplus	303,267	14.0	303,267
Total Liabilities, Mezzanine Items and Surplus	2,167,194	100.0	2,167,194

Source: BestLink® - Best's Financial Suite

Last Update

July 15, 2024

Identifiers

AMB #: 084104

Contact Information

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Financial Data Presented

The financial data in this report reflects the most current data available at the time the report was printed.

BF&M Limited

Operations

Date Commenced: August 05, 1991

Domiciled: Bermuda

Business Type: Composite
Organization Type: Stock
Stock Exchange: BSX: BFM.BH

Best's Credit Ratings

Rating Relationship

AM Best Rating Unit: [084104 - BF&M Limited](#)

Best's Credit Rating Effective Date: July 02, 2024

Refer to the [Best's Credit Report for AMB# 084104 - BF&M Limited](#) for details regarding the rating rationale, credit analysis, and financial exhibits available at the time the credit analysis was performed.

AMB#	Rating Unit Members	Best's Credit Ratings	
		Financial Strength Rating	Long-Term Issuer Credit Rating
084739	BF&M General Insurance Co Ltd	A u	a u
084740	BF&M Life Insurance Co Ltd	A u	a u
086644	Island Heritage Ins Co, Ltd.	A u	a u

Best's Credit Rating History

AM Best has assigned ratings on this company since 2007. In our opinion, the company has a Good ability to meet their ongoing senior financial obligations.

The following are the most recent rating events, for longer history refer to [Rating History](#) in BestLink:

Effective Date	Rating	Outlook	Best's Long-Term Issuer Credit Ratings
			Action
Current -			
Jul 2, 2024	bbb u	Developing	Under Review
Oct 13, 2023	bbb	Stable	Affirmed
Oct 4, 2022	bbb	Stable	Affirmed
Sep 21, 2021	bbb	Stable	Affirmed
Oct 22, 2020	bbb	Stable	Affirmed

Management

Officers

Chairman of the Board: L. Anthony Joaquin

President, CEO: Abigail Clifford (Group)

COO, EVP: Stephanie Hanson

EVP, Group CFO: Bruce Walker

EVP: Michelle Jackson

EVP: Caroline Mills-White

Directors

Nancy L. Gosling

Christopher Harris

Gordon Henderson

L. Anthony Joaquin (Chairman)

Andrew Lo

Paul C. J. Markey

Conor O'Dea

Jennifer Reynolds

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser.

A Best's Issue/Issuer Credit Rating is an opinion regarding the relative future credit risk of an entity, a credit commitment or a debt or debt-like security.

Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. These credit ratings do not address any other risk, including but not limited to liquidity risk, market value risk or price volatility of rated securities. The rating is not a recommendation to buy, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser.

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