



Bermuda

Set fair for success

Bermuda

INSIDE

- 4-5 Premier Michael Dunkley's enduring vision. The economy now in calmer seas after the storm
- 7 Bermuda's business case. Giving workers a head start
- 8-9 Land of poetry, pink sands and history. From Bermuda rigs to J Class yachts
- 10-11 America's Cup preview. Sir Ben Ainslie's excitement at returning to the Great Sound. Guaranteeing the legacy
- 12-13 Tourism: sporting opportunities, new experiences and hotels, the railway trail, beach makeovers
- 14-15 Covering the world's big catastrophes. Growth of the captives
- 16-17 Innovation: advances in insurance and finance; renewable energy
- 18 Preserving the past and protecting the future.

Editor: Mark Barber
0207 782 5742
Cover image: Getty Images

Tiny nation with big role on global stage

After six years of recession Bermuda is back in business with a bang,
writes **Tony Dawe**

Everyone, from the country's leaders, politicians, business and tourist chiefs down to fishermen and road sweepers, believes it is time for the world to sit up and take notice of Bermuda. Often forgotten as much as it is isolated in the North Atlantic, and confused with the Caribbean islands to the south, this tiny British Overseas Territory plays an increasingly important role in the global economy and has secured one of the world's most sought-after sporting events.

The finals of the America's Cup in the waters off Bermuda in a year's time will fly the flag for a country that has emerged from six years of

recession to attract not just yacht races, but foreign investment and a recovering tourism industry.

As Michael Dunkley, the premier, says, "We are well down the road to restoring the confidence and opportunity that all Bermudians seek". Underlying it all is political stability, a transparent administration and a legal system based on British rule of law.

In truth, Bermuda was never in the doldrums; it was just overlooked. Its insurance and re-insurance sectors continued to shore up the global economy; its sands remained as pink as ever; its coral reefs remained intact and businessmen still walked to work in Bermuda shorts.

Companies based in Bermuda contributed \$35 billion (£26.7 billion) over a dozen years to cover losses from US catastrophes and the Bank of England said earlier this year that Bermuda is the leading supplier of reinsurance for natural disasters in the EU. The industry is hot on innovation, with policies to cover risks associated with climate change, cyber security, terrorism and pandemics.

Bermuda is also a financial services

“If we had trains, the trains would run on time”



hub, with global asset management companies, family offices and trusts. Arthur Wightman, territory leader for PwC Bermuda, says: "The country is the home of substantive businesses and world-class talent, conducting itself at the highest levels of international best practices and regulation. This is in part what differentiates Bermuda from other offshore jurisdictions."

In the wake of the Panama Papers global corruption scandal, Dr Grant



APPLEBY

We are honoured to be the Official Law Firm of the 35th America's Cup.



APPLEBY
OFFICIAL LAW FIRM
2017 AMERICA'S CUP

applebyglobal.com



Gibbons, minister for economic development, insisted last month that Bermuda is not a tax haven. “We get lumped in unfairly with other financial centres. We don’t do offshore banking at all; Bermuda is a good place to make capital, not hide it,” he said.

It has a long-established register of company ownership, has implemented internationally-agreed tax standards and signed up to the latest insurance regulations. This reputation for

The laid-back image of Bermuda disguises its importance in shoring up the global economy when catastrophe hits

transparency and compliance and the presence of many chief executives, finance officers, senior lawyers and accountants make Bermuda an easy place to do business and is helping to boost the post-recession economy.

The country’s location, just 90 minutes’ flying time to New York - with customs and immigration clearance in Bermuda - and seven hours to London, encourages global firms to establish bases there, as well as making it a viable tourist destination.

Its charms have never faded. Bermuda has always been a perfect place for the British, with a year-round temperate climate, driving on the left and cricket among the local sports. Hamilton, the capital, is safer, cleaner and more picturesque than most cities. William Hanbury, chief executive of the Bermuda Tourism Authority, says: “Walk around the city and you will sense a country that is very buttoned up. If we had trains, the trains would run on time here.”

The town of St George, on an island lined with forts, is a Unesco world heritage site where almost every building around the town square has been standing for 300 years.

All this, however, has not been enough for Bermuda to keep pace with more pro-active holiday hotspots. But fresh initiatives and experiences are being introduced to attract a younger and more adventurous clientele, sporting events are getting a boost from the America’s Cup effect and new luxury hotels are planned for the first time in a decade.

Survival of the swiftest will test teams’ resolve

Only two yachts can contest the America’s Cup final, reports

Chris Partridge

The America’s Cup, one of the oldest and most famous sporting trophies in the world, will be fought over in the waters of Bermuda’s Great Sound in 2017. The government hopes the event will focus world attention on the natural glories of the islands, triggering a revival in tourism that could reduce economic dependence on offshore finance.

But for six teams of dedicated sailors from around the world, the event will be the finale of a gruelling series of regattas — the Louis Vuitton America’s Cup World Series, from which just one will gain the right to challenge for the cup itself. The teams clash this weekend on the Solent off Portsmouth.

The British challengers, Land Rover BAR (Ben Ainslie Racing), ranks second equal with Oracle Team USA behind Emirates Team New Zealand, but the aim is to move to the top of the table, according to Jono Macbeth, the sailing team manager.

A New Zealander, Macbeth is one of the most experienced America’s Cup sailors around, having been in the winning boats for the New Zealand challenge of 2000 and the BMW Oracle defence of 2010, where he worked with Ben Ainslie in one of the most astounding reversals of fortune ever, coming back from 8-1 down to win the series 9-8.

The World Series has created a buzz around the event and enabled the competing teams to develop, Macbeth says.

“From a racing perspective it gives the team the opportunity to go head to head with the other sailors and hone their race skills. As we near the

end you can really feel the enthusiasm and competitiveness start to grow. It’s pretty exciting.”

The boats in the World Series are a standard design — the AC45 foiling catamaran with wingsails — for racing that challenges the crews and provides a spectacle for fans at relatively low cost. Land Rover BAR operates its AC45s and develops its challenger boats at a new, purpose built headquarters at picturesque Portsmouth Point.

The boats are craned directly into the water from the cavernous shed within the building, ready to go through the harbour mouth for regular training and technical runs, closely followed by a small fleet of spy boats from the opposition.

Exciting new technology is being developed for the America’s Cup challenge itself.

“That’s the excitement of the cup,” Macbeth says. “In some respects we know more than in the old days, when they had big skirts to shroud the boat so you could never see the other teams’ appendages until the reveal day when everyone would put their wares

“**Hopefully we’ll return with extra hand luggage**

on display. When we get to Bermuda we will be able to see all the boats, what their foils and rudders are looking like. At the end of the day it’s a design contest.”

He adds: “We are incredibly lucky to have a base in Portsmouth that we can call home, but when we move to Bermuda at the end of the year we will have done most of our testing out in the Solent and can concentrate on spending time out in the Great Sound getting used to the intricacies of the race course.

“Hopefully we will come back with an extra bit of hand luggage.”

Of course it’s British...ish

Surely it can only be diplomatic forgetfulness that prevents Bermudians from pointing out that their much-loved island, home to 150 different nationalities, is not quite as British as the British like to think. Its unique mid-Atlantic culture is a rich historic melting pot of Caribbean, British and Portuguese influences — beginning on a clear day in 1505 when Juan de Bermúdez, a Spanish navigator, sighted the uninhabited island that would eventually be named after him.

The venturesome Portuguese were the first to make landfall, possibly shipwrecked, in 1543 and they inscribed a rock to mark their passing through, revered today as Bermuda’s first historical landmark. A Spanish galleon was laid up there for three weeks after running aground on reefs in 1603 but the captain’s reports of its beauty prompted no curiosity.

It was not until 1609 that the British became accidental colonists when the *Sea Venture*, one of a fleet of nine ships en route from Plymouth to the colony at Jamestown, Virginia, was wrecked in a storm. Three sailors who remained on the island were the first European settlers.

In 1620 — with slaves already part of the island economy — a British-style Parliament was convened, followed by the first school in 1662. Its colonial status was established in 1684. In 1809 Britain started to build the Royal Naval Dockyard to replace the North American ports lost in the American War of Independence.

Portuguese adventurers from Madeira began migrating in earnest in



1849, followed by waves of settlers from the Azores who helped cultivate the island’s fertile soil. From that time, Portuguese culture, music and culinary tastes have permeated Bermudian society and it is said that up to a quarter of the population can claim Portuguese blood.

Bermuda played a key role in Second World War counter espionage and in 1941 the US military leased a large part of the island. In 1957 Britain granted independence to its oldest colony. The transition was not without casualties. Rioting broke out in 1968 and in 1973 the governor, Sir Richard Sharples, was assassinated.

All has remained calm in the tourism-friendly years since. Bermuda celebrated its 400th anniversary with a year-long birthday party in 2009.

ELIZABETH GRICE

The Brits were the first settlers but the Spanish and Portuguese were there before them



Sir Ben Ainslie’s crew hanging tough on the Solent off Portsmouth last year

GILLES MARTIN-RAGET

Bermuda

Premier sets out vision for an enduring legacy

Bermuda is on the road to recovery but there is much more to do, says Michael Dunkley

Restoring confidence and opportunity in Bermuda is the declared objective for Michael Dunkley and his government and the premier believes they are on the way to achieving it. In an interview for *The Times*, he says: "It was very clear that when we won the election at the end of 2012, we had an uphill road ahead.

Our economy was spluttering at best; we had to get inward investment back into the island and that would only come with rebuilding confidence. We set about doing that and are now well on our road to recovery."

He bases his optimism on an improving economy, the strength of the country's insurance sector, increased efficiency and transparency in government and winning the bid to stage the America's Cup.

"Economic indicators are pointing in the right direction," he says. "For 13 months in a row retail sales were up and GDP is growing at a reasonable rate. Once the confidence is back and investment in place, businesses are going to hire people.

"We have an economic development committee with key ministers from cabinet sitting on it to make sure we

can break down red tape as much as possible. We take submissions from people on how we can push their projects forward, advise them on what to do and assign a minister to try to get it through. A lot of people just don't understand how to navigate the corridors of government."

"Our system works because we pay. When things happen throughout the world, our insurance sector pays. Billions of dollars have been paid out of Bermuda. No one has ever said, after any type of disaster or event, that 'the Bermuda market didn't deal with my claim'.

"Secondly, we are transparent in what we do. We share information and we cooperate with governing bodies and leaders throughout the world who make policy. We pride ourselves on our reputation, we are well regulated and well respected."

Dunkley says the tourism authority is putting the Bermuda brand back in front of people to show that "we have holiday experiences for everyone". He praises the Green family for helping to restore confidence with their investment in the Hamilton Princess hotel and beach club and expresses delight at the development of the Pink Beach Club and at plans for a \$100 million makeover of Ariel Sands resort.

News that leading international groups envisage first-class hotels in St George and at Morgan's Point and of negotiations to attract more air services, especially off-season, add to the optimism.

"When you get your hotels up to speed, when you get your airlift up to speed, there is no excuse for people not to take up the experience offered here," the premier adds.

Turning to the America's Cup, he



Michael Dunkley is pleased with his country's progress but wants to see greater opportunities for all Bermudians

says: "When we were approached early in 2014 we thought it was just a lark. So we discussed it around the cabinet table and thought it's not going to cost us much to put in a bid."

But as the shortlist was whittled down "we realised we could offer the organisers something unique. We started to think about how we could manage the event, the success we could create for Bermuda and a lasting legacy."

The premier is confident that Bermuda has the wind in its sails but adds: "I am impatient by nature because I like to get things done. There are still too many Bermudians that are struggling, so we will keep working to make sure that they have the opportunity in the tourism industry, in international business or by being an entrepreneur."

BDA
BERMUDA
BUSINESS
DEVELOPMENT
AGENCY

**BERMUDA
BUSINESS
CONCIERGE
SERVICE**

Our BDA Business Concierge Team can be your strategic partner, whether you're a start-up or a multi-national. Considering the Island as your base for business? Need an introduction, or some trouble-shooting? We welcome and support companies that invest in Bermuda. **Contact us today.**

Connecting Business

Maxwell Roberts Building, 6th Floor
1 Church Street
Hamilton HM 11
Bermuda

+ 1 441 292 0632
info@bda.bm
www.bda.bm

With all this fine dining

Drinks are as good and varied as the food on offer on the islands, writes James Henderson

With a well-travelled business community and faithful, well-heeled tourists, it's no surprise that Bermuda has a range of excellent restaurants and bars. And this is not to forget the lively local scene — there is nothing like a rum punch with a view of the sunset over the sea horizon. Nor, of course, that the finest fish roam the ocean deep just a few miles offshore.

The flagship restaurant of the moment is Marcus at the Hamilton Princess Hotel. Marcus Samuelsson, of Red Rooster fame in New York, has



A Dark and Stormy can always lift the spirits

brought his imaginative style to the waterfront. Surrounded by art from Warhol and Nelson Mandela, a half-moon of tables looks through the bar to the harbour. Samuelsson uses the best ingredients for his hot fish and steaks and has some playful takes on island dishes. His Bermudian fish chowder, generally served heavy and rich, is deconstructed into starter bites, its traditional rum accompaniment infused into aioli.

There are plenty of eateries to choose from in downtown Hamilton. The hefty wooden tables and upholstered bench seats of Devil's Isle have a rustic-chic air and they recommend wines to go with anything from a classic burger with fries and truffle mayo, to local rockfish in tomato and spicy caper sauce. Muse, with its lovely setting on the waterfront, offers creative dishes such as blackened salmon with Sancerre.

Of course, there are few things finer than fresh local fish just hooked, cooked and brought directly to you on

Economy in calmer seas after tempest

The territory was hit hard by the recession but the future is bright, says Phil Thornton

Bermuda's success in winning the rights to host the 2017 America's Cup yacht race is an apt metaphor for the campaign the British Overseas Territory has fought to hold its course amid the stormy seas of a global economic recession and financial crisis.

The self-governing territory recorded a fifth successive quarter of economic growth in the last three months of 2015, indicating a return to a sustainable recovery after experiencing recession between 2009 and 2014, when output contracted on average 3.3 per cent annually.

According to Moody's Investors Service, the credit ratings agency, economic growth will accelerate to 2.3 per cent on average in 2016-17 and will grow between 1 and 2 per cent during the following three years.

"Positive economic momentum should carry into 2016 and 2017, supported by increased tourism activity related to the 2017 America's Cup, as well as by increased investment on tourism-related and public infrastructure projects," Moody's analysts said in June.

Ross Webber, chief executive of the Bermuda Business Development Agency, says that evidence of recovery can be seen in other data, such as inflation figures, real estate purchases and domestic retail sales.

"When you see all of those indicators on an upward trend, it is a



A sunnier outlook and renewed confidence in the economy is attracting increased investment in tourism and infrastructure

clear indicator we are climbing out of a recession," he says.

As one of the world's largest insurance and reinsurance markets, the tiny territory was heavily exposed to the financial crisis that gripped the world in 2008.

The financial sector contributes over half of the GDP and more than a quarter of total employment. Bermuda is the global leader in the captive insurance industry — companies that insure the risks of their owners — commands a 14 per cent share of the global reinsurance market and is home to a third of the world's top 50 reinsurers.

Bermuda's economy punches above the weight of its 60,000 residents. A report commissioned by the finance ministry and written by Charles Ludolph, the former deputy assistant secretary at the US Department of Congress, found that it supports 500,000 jobs worldwide, including 70,000 in the UK.

Bob Richards, the island's deputy premier and finance minister, describes insurance as Bermuda's

flagship industry. "Our principal role, or what I call value proposition to the world, is that we cover risks that aren't really covered in the rest of the world. Catastrophic risks that other insurance centres find difficult or uneconomic to insure."

The island is starting to exploit the convergence between the insurance industry and investment business through insurance linked services, which take insurance products and packages them into securities, thereby reducing the cost of insurance.

The downside of Bermuda's major role in insurance is that the economic crisis left it nursing heavy debts as the economy slowed.

Although its debt to GDP ratio has stabilised at about 40 per cent in line with its peers, Moody's, which downgraded Bermuda's sovereign rating to A2 from A1 in June, said its narrow revenue base meant that interest payments took up an eighth of annual revenues.

The government has set out plans to eliminate the annual budget deficit by 2018/19, predominantly through increasing revenue, and has already cut spending by 3 per cent in the latest fiscal year.

"This government is committed to getting rid of that deficit in three years because the overhang of that debt and deficit is a real eviscerator of confidence," Richards says.

The finance minister is also determined to diversify the economy and to revitalise its tourist industry: the government has signed a deal with the Canadian Commercial Corporation to redevelop LF Wade International Airport.

The tourist industry will undoubtedly receive a major boost from the 2017 America's Cup. Webber says the event will provide a "magnificent looking glass" into the territory. "It provides people the opportunity to see Bermuda very much for what it truly is."

there must be a Swizzle



a plate. The Flame, in a family house on the north shore, will cook up fillets that they — or you — landed earlier in the day. In the famous dockyard, Anchor offers tasty family cuisine.

Make sure to hunt out Bermudian specialities. For the best fish sandwich (battered fish fillet loaded with salad, usually into a raisin bun), try Woody's,

A taste of New York in Hamilton harbour: Marcus restaurant at the Hamilton Princess

a deck between the road and waterfront in the West, and Art Mels, a takeaway with outlets in Hamilton and St George. And forget its setting in a car park, Café Ole is famed for its wahoo nuggets, though the delicately spiced recipe is kept secret.

There is always a lively bar crowd in Bermuda. Test run the island rum, Gosling's, which has been blended by the same family for seven generations. Their Black Seal and Gold Seal are fiery, but the aged Family Reserve Old Rum is exceptionally mellow.

Even the national drink in Bermuda is associated with the sea: a Dark and Stormy has dark rum floating over lighter-coloured ginger beer like storm clouds passing out to sea. The Swizzle, another island favourite, is a fruit laden rum punch with a secret spices. The most elegant cocktail in town is at the waterfront 1609 bar at the Hamilton Princess Hotel. Or join the Bermudians for an after-work cocktail on UberVida, which plies the shallows of the Great Sound until sundown.

HOW LONG DOES IT TAKE TO
**CRYSTAL CLEAR
WATERS?**

7 HOUR DIRECT FLIGHT FROM LONDON
TO THE PRIVATE BEACH CLUB
AT HAMILTON PRINCESS, BERMUDA

thehamiltonprincess.com

HAMILTON PRINCESS
BERMUDA
HOTEL • BEACH CLUB • MARINA
A FAIRMONT MANAGED HOTEL



XL CATLIN



UNDERWRITERS PROUD TO SUPPORT THE AMERICA'S CUP.

From luxury yachts and fine art to private jets and champion racehorses. When it comes to insuring your prized possessions, XL Catlin can tailor global insurance coverage to your individual needs.

MAKE YOUR WORLD GO

xlcatlin.com



**OFFICIAL INSURANCE PARTNER
2017 AMERICA'S CUP**

XL Catlin, the XL Catlin logo and Make Your World Go are trademarks of XL Group plc companies. XL Catlin is the global brand used by XL Group plc's (re)insurance subsidiaries.

A good business case, plus beaches

The success of the insurance and finance sectors is attracting others, says Phil Thornton

Thanks to its beaches, golf courses, stable government and sub-tropical climate, Bermuda has a head start on many rival jurisdictions seeking to attract investors. But while the quality of life is a draw, the tiny archipelago also has worked hard to build up a solid business case for companies to establish themselves there.

As a major centre for insurance and reinsurance activities it has built up a large reserve of intellectual capital and acquired a reputation for innovation.

Many observers point to the strength of the regulatory environment. In November 2015, Bermuda was awarded full equivalence under the EU's Solvency II directive, which gives its firms a "passport" to sell directly into Europe.

Since January 1 this year, the Bermuda Monetary Authority has implemented the Basel II regime for banking, which requires financial institutions to maintain enough cash reserves to cover risks incurred by operations.

According to Timothy Faries, Bermuda managing partner for Appleby, the offshore law firm, the



GETTY IMAGES

reputation of those sectors has created a "snowball effect".

"Not only do you have the actual market here but also the capital, the decision makers who can do deals, as well as the support infrastructure," he says.

"You have got lawyers, you have got regulations, and you have got the accountants, auditors, and

actuaries: you have everything here."

Asset management businesses are coming to Bermuda, including private equity, hedge funds, mutual funds, as well as investment management services firms. Bermuda is also home to private client firms such as family offices.

Added to its solid regulatory approach are relative economic and

Businesses that move to Bermuda will find a powerful support infrastructure, strong regulation, a favourable tax regime... and wonderful beaches

political stability: it has a legal system based on English Common Law and a neutral location within which to structure transactions. Travellers to the US can pre-clear customs in Bermuda and so enter America as a domestic arrival.

The territory does not have income tax, capital gains tax, VAT or capital transfer taxes. It also benefits from being an offshore tax regime that has received a clean bill of health from the Organisation of Economic Co-operation and Development.

While the target market for inward investment is the US, the Bermuda Business Development Agency (BDA) has successfully reached out to Canadian firms in the energy and mining sector, as well as to Latin American countries such as Colombia, Mexico, Peru, Chile, and Argentina.

Bermuda is starting to attract companies from outside the financial services sector. Ross Webber, chief executive of the BDA, points to firms such as Roivant Sciences, the biopharmaceutical company, and Trunomi, the fintech firm, which has offices in London and California as well as Bermuda.

"What Bermuda has offered for years and is continuing to offer is a very refined, compliant and transparent jurisdiction that provides a safe harbour with privacy," Webber says.

"We do not particularly fight on price. We fight on quality of service and the blue chip product.

"We have done our research. We have honed in on our target market. We have discussed what our value message and our proposition is."

Incentives offered in drive to find skilled staff

Talented locals are needed to exploit the America's Cup feelgood factor, writes Alan Copps

As Bermuda's economy recovers and the island looks forward to the excitement of the America's Cup season, one of the biggest challenges it faces is to find and train the skilled staff required in areas ranging from financial and professional services to hospitality and health.

The financial and tourism sectors are hoping for a long-term boost from the publicity surrounding the America's Cup and a series of supporting features, so the government and individual companies are investing heavily in scholarships and training schemes.

These range from programmes available locally at Bermuda College in health sciences, information technology and teacher training, to awards worth up to \$30,000 a year for

study at US or Canadian universities in fields including business, law, economics and architecture. More than 100 scholarships are listed on the government's website.

Among the schemes offered by companies, PwC Bermuda's HeadStart programme is one of the most competitive. It seeks out talented young Bermudians and helps them get accredited as chartered accountants, actuaries or tax professionals and offers them career opportunities from the firm's base in Hamilton. PwC has recruited 74 professionals through this scheme since its launch in 2008.

"Our emphasis is on identifying outstanding students who are capable of achieving the highest positions in our firm and outside," says Arthur Wightman, territory leader at PwC Bermuda.

"As part of HeadStart we have, on average, 14 interns working at the firm for two to three months every summer. Since 2011 we have turned 28 students and interns into full-time hires.

"Each year we also offer up to two scholarships to young Bermudians. This is a \$20,000 renewable annual scholarship that guarantees them a position to work full-time with the firm after graduation in our associate



SHAWN G. HENRY

programme. The awardee is offered ongoing career coaching and support through university and beyond."

Wightman adds: "We also have coordinated opportunities abroad through our global mobility programme. Within the past five years six of our Bermudians have transferred and are now getting exposure to international opportunities."

This year PwC launched two further business scholarships with the Association of Bermuda International Companies (ABIC) to support one student at Bermuda College and another at a university overseas.

Arthur Wightman: "Our emphasis is on identifying outstanding students who are capable of achieving the highest positions"

The renewed upsurge in tourist development has also prompted the introduction of more training schemes in construction and hospitality.

Craig Christensen, chief executive of Morgan's Point, the company that is building a new resort at Caroline Bay, says it wants to provide as many opportunities as possible for Bermudians on the site and that the contractor has been working closely with the government's department of workforce development.

"Right now we've got an overseas developer that is using Bermudian labour. That has worked out well and we are starting to identify certain skill levels that the government will assist in training Bermudians up to the correct experience level so that they can participate. I think it's going to be very helpful for the Bermuda economy," Christensen says.

In preparation for the opening of the resort, the company has been in discussions with Ritz-Carlton Reserve about training hotel staff to five-star level. "Caroline Bay is an opportunity for those in the hospitality area to move towards career positions rather than just jobs. With the very high-end properties, it gives young Bermudians, who have a lot of energy, opportunities for careers," Christensen says.

Bermuda

Land of poetry, prose and pink sands

The archipelago has attracted A-listers down the ages, reports Robin McKelvie

*"Could you but view the scenery fair,
That now beneath my window lies,
You'd think that Nature lavished
there,
Her purest wave, her softest skies."*

The Irish poet Thomas Moore is just one of the luminaries who have been beguiled and bewitched by Bermuda.

Author Mark Twain, a plethora of US presidents and a volley of British royals have all fallen under the archipelago's subtropical spell.

Hollywood A-listers are also fans: John Travolta, Samuel L Jackson are all visitors, while the family of Michael Douglas have a concern in the Ariel Sands resort. Not to be outdone, Rod Stewart and Alicia Keys have also been known to sing the praises of the archipelago. It is easy to see why.

This necklace of 181 (mainly uninhabited) islands, which lie adrift out in the deep Atlantic, are fringed by a coral reef and laced with pink sand beaches, verdant forests and a captivating culture that blends the charmingly colonial with the impressively modern. Bermuda may

not be the Caribbean — those islands lie 1,000 miles to the south and Bermuda is closer to Nova Scotia than Miami — but it feels far more laid back and welcoming than its reputation as a centre for global finance might suggest.

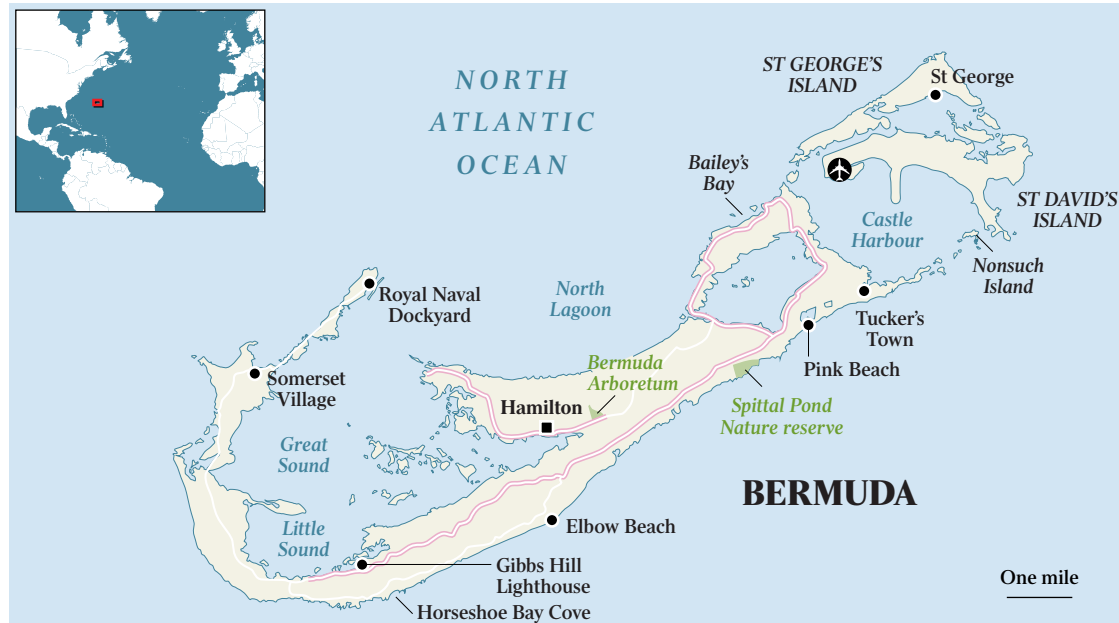
It is hard not to instantly admire an oasis whose motto is *Quo Fata Ferunt*, or "Whither the fates carry us", which dates from British colonial times. Today this British Overseas Territory feels unique in the modern world.

With a population of just over 64,000, commuters, many wearing Bermuda shorts, were often welcomed to the capital of Hamilton in the morning by "Mr Happy", local man Johnny Barnes, waving everyone a good day (sadly, Johnny died on July 9 this year aged 93); the speed limit is a stately 22mph and a cricket match engenders a two-day holiday.

The sublime climate helps, too, with

“They look like beaches that only exist in brochures

cooling ocean breezes to temper the summer heat and balmy winters not blighted by frost or snow. Ideal weather for savouring the island's rich natural attractions, such as Spittal Pond Nature Reserve and Bermuda Arboretum, through to the wooden walkway that opens up Paget Marsh



GETTY IMAGES

and guided tours of the lush Botanical Gardens. Then there is the old Bermuda Railway, now reopened as a walking trail that delves into the island's more bucolic corners.

Backing up these natural oases is a swathe of history, with St George one of the British Empire's oldest and best-preserved New World legacies. This Unesco World Heritage listed town is alive with whitewashed historic buildings, many sporting the distinctive traditional Bermudian roof tapered to catch the rainfall.

Take a tourist office walking tour and you cover St George's main sites, including St Peter's Church, where parliament first convened, and the Unfinished Church, a result of local squabbling. The latter offers sweeping views of a town where slick boutiques and lively bars now spice up the historic streets: Duke of York Street, the main thoroughfare, Aunt Peggy's Lane and Needle and Thread Alley.

Farther west, Hamilton is the only city but it is still much in keeping with the rest of this relaxed archipelago. The hub is picturesque Front Street,



In the pink: when you have had your fill of culture and history there is always a beach to fall back on
Top right: St George

awash with a pastel palette of shops, galleries and restaurants with verandas sporting views out over the myriad boats that bob around the harbour. After touring the stores that stock global fashion brands, take a seat

A dip (or two) into history

GETTY IMAGES


Visitors to St George on most days about noon will be astonished to see a raucous argument taking place at the harbour. The town crier is bellowing at an unfortunate woman, accusing her of foul gossip, while she screams in defiance.



Fear not, Bermuda's reputation for hospitality is not being abused: this is street, or rather dockside theatre recreating the centuries-old tradition of punishing gossiping wenches. The nature of the gossip varies but often involves the lady saying that she has dallied with the town crier.


Refusing to repent, she is chased before being tied to a ducking stool at the end of a long plank and, with the aid of the crowd, dropped into the harbour and dunked repeatedly until she pleads forgiveness.

It could only happen in a warm climate.



SUPPORTED BY  ASCENDANT group

...AND POWERED BY  BELCO

BERMUDA AMERICAS CUP

27 Serpentine Road, Pembroke HM 07, Bermuda
Tel: (441) 298-6100 • info@ascendant.bm • www.ascendant.bm



in one of the veranda bars and savour the subtropical swagger of this engaging, bijou capital.

The best view of the city is from Fort Hamilton. Its bristling cannon instantly evoke the territory's rich past. It does not hold out alone: a ring of fortresses and gun emplacements wrap around the islands, such as the might of Fort St Catherine and the expanse of the Royal Naval Dockyard, now a popular attraction offering the chance to swim with dolphins alongside lashings of military history.

The most famous joy of visiting Bermuda, of course, are those beaches. With their distinctive pink sands they look like the sort of beaches that only exist in glossy brochures. Elbow Beach regularly features in lists of the world's best beaches while Horseshoe Bay Cove is the quieter one locals often recommend.

Around the nine parishes are epic spreads of pristine sands, striking enough to have Douglas moving to Bermuda and Twain proclaiming: "You go to heaven if you want to, I'd rather stay right here in Bermuda".

Sail of the centuries is still going strong

Chris Partridge
tacks into the history of the Bermuda rig, and of yachting itself

The Bermuda rig — that configuration of mast and rigging so beloved by yachtsmen everywhere — first came to the world's attention in the 19th century. But yachting itself owes its popularity to royalty 200 years earlier.

When Charles II was living in exile in the Netherlands he was bitten by the sailing bug, taking to the water in fast, light boats originally designed to hunt down pirates. They were called pursuit boats — *jaghtschip* in Dutch — although by that time they were built for luxury and pleasure rather than law enforcement.

After Charles was restored to the British throne, the city of Amsterdam presented him with his own *jaghtschip*, the *Mary*. Within a year Charles had another, the *Katharine*. His brother, James, bought his own, the *Anne*, and inevitably they competed, holding the first documented yacht race in England from Greenwich to Gravesend. The crew of *Anne* won the first leg, but the king himself steered *Katharine* on the way back and evened the score. The British were hooked and "yacht" entered the language.

As yachts developed in the 18th century they became longer and slimmer, and the leeboards were replaced by deep keels. The sail plan, however, changed little. The standard rig was a squareish, fore-and-aft sail with the top corner supported by a yard or sprit.

In the 19th century yachtsmen

began to look for a sail that would enable them to sail upwind faster. They discovered a unique triangular sail in Bermuda that did just that, according to Dr Edward Harris, the executive director of the National Museum of Bermuda.

"It was geography that caused the invention of the Bermuda rig," he says. "The island trends southwest to northeast and the prevailing wind is southwest. Local sailors needed a rig that allows you to sail very closely into the wind so you wouldn't have to spend your entire day tacking to get from one end of the island to the other."

The triangular sail had practical advantages, too: "There is no gaff or sprit holding up the sail so it is much more manoeuvrable," Harris says.

At first, the Bermuda rig was used in

“

They were sold to people who wanted speed

ships built for speed. "The rig was exported on ships called Bermudians, regarded as the fastest things afloat in the 18th century. They were sold to people who wanted speed for legal and illegal activities."

That speed attracted the attention of yachtsmen and what may have been the first ever ocean race took place off Bermuda in 1849, two years before the yacht *America* came to England. It was between *Pearl*, a Bermudian, and the Boston-based, conventionally-rigged *Brenda*, a schooner. *Pearl* won by over a minute.

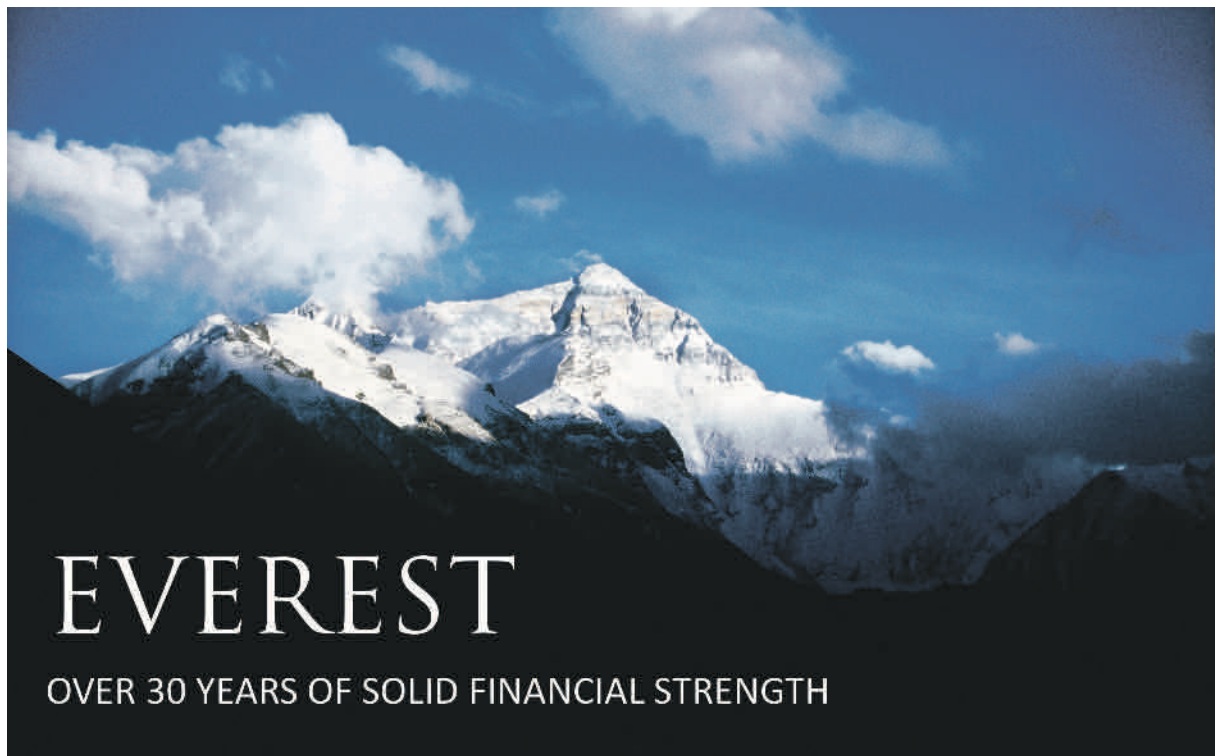
America herself was gaff-rigged and it was not until Nat Herreshoff, the celebrated American yacht designer, started spending time in Bermuda in the late 19th century that the new rig



J Class yachts, with their Bermuda rigs, date from the 1930s and are still popular today

began to be adopted in the US and Europe.

In 1929, advances in technology made it possible for America's Cup contenders to use the Bermuda rig for the first time. And the rig, with its great cloud of sail, is one of the main reasons for the continuing appeal of the majestic J Class yachts, built for the America's Cup in the 1930s and still raced round the world today.



EVEREST

OVER 30 YEARS OF SOLID FINANCIAL STRENGTH

Everest is a world leader in property and casualty reinsurance and insurance, offering innovative products, responsive service and unsurpassed financial strength.

Our global footprint, highly efficient operating structure and strong balance sheet provide significant competitive advantage and the flexibility to provide customized solutions to our clients. We leverage these strengths to optimize returns over the underwriting cycle, thereby creating value for our shareholders and business partners.

Find out more at www.everestgroup.com



EVEREST

Seon Place, 4th Floor - 141 Front Street
P.O. Box HM 845, Hamilton HM 19
Bermuda

Bermuda

Regatta diary

Bermuda Regattas

2016

Viper North America Race
November 14-19

Bermuda Keel Invitational Boat Race
November 18-20

MS Amlin Moth Regatta
December 3-9

2017

Antigua Bermuda Race
May 12-20

Rendezvous Tall Ships Regatta
June 1-5

America's Cup Superyacht Regatta
June 13-14

J Class Regatta
June 15-16

Marion Bermuda Race
June 16

Red Bull Youth America's Cup
June 21-22

Louis Vuitton America's Cup

Races

Qualifiers
May 26-31

Qualifiers
June 2-5

Playoffs
June 7-12

Finals
June 17-27

Holders

Oracle Team USA

Jimmy Spithill: Skipper
Tom Slingsby,
Kyle Langford, Joey Newton
Louis Sinclair

Challengers

Artemis Racing (Sweden)

Nathan Outteridge: Skipper
Kalle Torlen, Iain Percy,
Iain Jensen, Chris Brittle

Land Rover BAR (UK)

Ben Ainslie: Skipper
Paul Cambbell-James,
David Carr, Nick Hutton,
Giles Scott

Emirates Team New Zealand

Glenn Ashby: Skipper
Peter Burling, Ray Davies,
Blair Tuke, Guy Endean

Groupama Team France

Franck Cammas: Skipper
Arnaud Psarofaghis, Thierry Foucher, Arnaud Jarlegan,
Devan Le Bihan

Softbank Team Japan

Dean Barker: Skipper
Chris Draper, Kazuhiko Sofuku, Jeremy Lomas,
Derek Saward

Big cats poised to snatch sail

Excitement will be guaranteed when the America's Cup comes to town, writes Ron Lewis

There was a revolution in San Francisco Bay in 2013 as the America's Cup, for the first time in its 162-year history, became a race for the people.

There was always plenty of intrigue to the America's Cup, but not many thrills and spills. Superyachts sailed by the super-rich, with as many battles played out in court as on the water. Becoming a spectator sport was not high on the list of priorities. Instead, the racing always took second place to the social occasion.

When the cup is contested in the Great Sound in Bermuda in May and June next year, it will be more competitive than ever before and more people will be watching.

The America's Cup has always been the pinnacle of yacht racing, at the forefront of sailing technology. But after Oracle USA 17's massive trimaran thrashed Alinghi 5's catamaran to win the cup in 2010, things began to develop at a huge pace.

Oracle's winning AC72 boat was the first to be powered by a fixed-wing mainsail, which could harness the wind to such effect that boats could go faster than the breeze that propelled them.

By the time the cup was contested again in San Francisco in 2013, the boats were flying out of the water on foils. By the end of the thrilling final between Oracle Team USA and Emirates Team New Zealand, the yachts were foiling upwind as well as downwind.

It helped to have a spectacular final. For most of the time it seemed that New Zealand would win easily, as they

carved out an 8-1 lead in the first to nine series. Then Oracle staged one of the greatest comebacks in sporting history, to win 9-8 and create a legend. A new era of the America's Cup had been born.

There is film footage of President John F Kennedy watching *Weatherly* win the 1962 America's Cup. He is on board a yacht himself, watching the action through binoculars. The race used to take about four hours.

"The racing used to take place miles out to sea, so you needed to be on a boat to see any of it," says Sir Russell Coutts, the former America's Cup winning skipper who is now chief executive of the America's Cup Event Authority (ACEA). "At San Francisco we brought the action in much closer to land and that is what it will be like in Bermuda."

There was no single thing that transformed the America's Cup in 2013. The speed and beauty of the yachts was one thing, but the focus was also much more on the sailors, with the AC62s proving incredibly physical boats to sail.

One of the main changes was to make the course manageable for people to watch. In 2010 in Valencia, the course was about 40 nautical miles; in San Francisco it was around 10 nautical miles, with races limited to a maximum of 40 minutes.

Plus, for the first time, the racing was arranged to fit into a television package, with military grade satellite navigation systems plotting their exact place and speed on the course.

San Francisco was a huge success, so it came as something of a surprise that the 2017 renewal was moved to Bermuda over a host of US cities.

"A key driver was being able to house the entire sporting product for the fans in one venue that overlooks the racecourse," says Sam Hollis, chief operating officer of the ACEA.

"Coupled to that, you have to add the conditions here in Bermuda from a sporting perspective. Every day the weather is a bit different. So you'll have days where there are strong



winds, and other days where there are light winds. You'll have days where the wind comes from a certain direction and other days where it's from a different direction.

"The sailors love it here. From an event perspective we really like it

because it means that Land Rover BAR might be fast one day, Oracle Team USA another — it's much more exciting."

Five teams will try to wrench the America's Cup from Oracle: Emirates Team New Zealand, Land Rover BAR,

Sir Ben sings praises of the Great Sound

Britain's greatest yachtsman feels at home in the waters around Bermuda, says Ron Lewis

When Bermuda was chosen above three cities in the US as the home for the 2017 America's Cup, it was an early victory for Sir Ben Ainslie. To Ainslie's fledgling Land Rover BAR team, the choice of Bermuda meant that the British team would be trying to win on very friendly waters.

"Oracle count themselves as the home team there, because they

selected the venue," Ainslie says. "But we had a bit of fun, because we were telling people we are the British team, the cup is already halfway home."

"We should be the home team. The historical links with Britain are still very strong, I've been there many times over the years and they are always very welcoming."

"It's a fun place. Sailing is a big part of life. They love the sailing, the history of it. People will stop you in the street and ask you about it and once the racing is over, there is a real carnival atmosphere around sailing events and particularly now with the America's Cup."

Ainslie has many happy memories of racing in Bermuda, particularly in the Argo Group Gold Cup. He won the event in 2009 and 2010 and made an emotional return to compete in 2013, teaming up with Iain Percy, the

Artemis racing manager, to race in memory of Andrew "Bart" Simpson, their close friend. Simpson, who had won Olympic gold with Percy in the Star class in 2008, had died tragically in an accident prior to the 2013 America's Cup in San Francisco. After Ainslie's victory as part of Oracle Team USA, he and Percy headed for Bermuda to raise money for Simpson's foundation, where they finished second.

"It was the fourth time we had done that event and it was quite a reflective time for all of us," Ainslie says. "Mark Watson, whose company, Argo Group, sponsored the Gold Cup, put a lot of support into Andrew's sailing foundation."

"We had a fundraising evening and the whole event really got behind Andrew, because he had been there with us in previous years and he was

well remembered and well loved by a lot of Bermudians."

The America's Cup teams had an early indication of what next year's racing will be like at the Louis Vuitton America's Cup World Series event in Bermuda last summer, not only with the atmosphere, but with the course.

"It wasn't the exact course we will be sailing in the America's Cup but it was very close to it," Ainslie says. "The Gold Cup was right off the Hamilton harbour front, but due to the size and speed of the America's Cup boats there was no way we could race there."

"We were sailing in the Great Sound, which is effectively where the America's Cup racecourse will be, so it was a great indication of what conditions will be like. They were very good because it is enclosed so the water is very flat, which is absolutely what you need for these foiling boats,

ling's greatest prize



GETTY IMAGES

Trophy trivia

The America's Cup is the oldest trophy in international sport, dating back to 1851

In 166 years only four nations have ever won the trophy – the US, Australia, New Zealand and Switzerland

The 132 years of US dominance (1851 - 1983) is the longest winning streak in sport

The trophy was first named the £100 Cup but was wrongly inscribed as the 100 Guineas Cup. It became the America's Cup after the schooner that won the 1851 race

An America's Cup crewman will burn 6,000 calories a day – three times the adult daily average

The wing mast on a modern America's Cup AC45F class boat is as tall as a seven-storey building (70 feet).

The cup itself flies around the world in a purpose-made Louis Vuitton case in a seat in first or business class and is enrolled in many frequent flier schemes

Artemis Racing, SoftBank Team Japan and Groupama Team France.

After all the crews have honed their skills in the Louis Vuitton America's Cup World Series, it should be the most keenly contested America's Cup in its history.

Oracle Team USA in action on their way to winning the America's Cup in spectacular style in San Francisco in 2013

"The current America's Cup has the very best sailors in the world racing on the world's fastest boats," Hollis says. "For me, the real success of this cup is going to be the strength of the teams." *Ron Lewis is a sports writer for The Times*



Children can have a splashing time on the America's Cup Endeavour scheme

Cup will leave a legacy in its wake

A boatload of local initiatives is aimed at renewing links with the sea, writes Alan Copps

All great sporting events leave a legacy: in outstanding performances, in infrastructure, in the memories of those who attend. But perhaps the most important result of staging the America's Cup in Bermuda will be to reconnect the island with its maritime heritage, overshadowed in recent decades by the growth of financial services. For it was here that the Bermuda rig, the triangular sail that ultimately enabled boats to head upwind much more effectively than the old square riggers, originated (see page 9). In the age of the superyacht, the pleasure vessel of the global elite, it is hoped that Bermuda will once again become an ideal staging post between the Caribbean, the East Coast of America and the Mediterranean.

Peter Durhager, chairman of the America's Cup Bermuda Development Authority, envisages facilities for up to 100 superyachts and maybe 300 other sailing vessels on the island. "If Bermuda is the sailing capital of the world, this actually represents a return to our roots."

That is, he says, partly what drew Sir Russell Coutts, chief executive of the America's Cup Event Authority, to the country and it is drawing a whole boatload of other regattas to the shores in the run-up to next year's contest. These include events for classes of boats including Moths, Phantoms, the MC32, a lightweight catamaran, and the RC44 — a larger racing yacht originally designed by Coutts.

"They're coming to Bermuda in some cases for the first time and being blown away by the same things that drew Russell Coutts in over the years:

the fact that in January, February or March they can host regattas in Bermuda, they can train all year round," Durhager says.

"The relationship between the America's Cup and Bermuda is not like the Super Bowl and a city, where it's a weekend or a week of economic activity. This is an event that takes place over four to six weeks.

"But with teams living and working in schools and shopping in grocery stores, renting homes, buying cars and scooters and whatever, over a period of three years the economic impact is material to a community of this size."

For those who live in Bermuda, the drive to revive the seafaring spirit is already under way, chiefly through the America's Cup Endeavour scheme which aims to give every child aged between 8 and 12 on the island a taste of the sea.

But there is more to it than teaching them how to sail. The scheme offers a vocationally-focused education in science, technology, engineering, arts and maths, known as STEAM.

Students participate in a five-day programme which includes hands-on experience that helps increase their understanding of water safety and sailing knowledge. They have the opportunity to learn how to sail with four types of boats as they develop their skills with certified instructors.

The programme was launched in October last year and to date, more than 800 pupils have completed the course. With the help of Oracle Team USA, holders of the America's Cup, 15 Optimist dinghies have been refurbished for Endeavour "graduates". The students also have a chance to spend a week aboard the sloop *Spirit of Bermuda*, the island's sail training vessel.

In some ways the legacy is already taking shape. Artemis Racing, one of the competing teams, employs 60 people at its Morgan's Point base. But perhaps the greatest legacy of the races will be simply to raise Bermuda's profile, to show the world its ability to organise such an event and attract more in the future.



GETTY IMAGES

Historical links with Britain are still very strong

so it naturally lends itself to being a top venue.

"They put in a lot of effort for that World Series event. Conditions were great and it really showed what racing in the America's Cup with crystal blue

Sir Ben Ainslie has developed a close friendship with Bermudians

waters is like and just how excited the locals are to have the America's Cup on their island. If that is an indication of what the America's Cup will be like next May/June time, we're in for a really terrific contest."

Bermuda

Sporting gem with links to presidents

It may be small but Bermuda packs a real punch for the active tourist, says James Henderson

It is perfectly possible to lie on the beach all day in Bermuda, but venture beyond it and you will find an amazing amount to do on an island just 22 miles long by about one mile wide.

The golf courses of Bermuda have played host to a roll call of US presidents — George Bush, Jimmy Carter, Richard Nixon, JFK — and a few British prime ministers besides: Edward Heath, Harold Macmillan and Winston Churchill.

There are nine courses. Almost all are on the coast so wind can be part of the challenge, but they are lush and in better condition than most links courses. Most are private, so your best bet is to stay in a hotel which offers a golf package, but two — Ocean View and Port Royal (a third, St George's, is currently closed) — are public and can offer tee times to allcomers. Tennis is also popular on the island and hotels will either have a tennis court, or will book one for you.

If you would like to explore Bermuda, a great way to do so is by

bike. Mountain bikes are for hire and there are organised tours, particularly along the track of the old railway (see story below). Cut into the island's sandy rock, 18 of the original 22 miles can be ridden and there are signboards along the way to explain the island's history. The Walking Club of Bermuda meets each Sunday at 7am and explores remoter parts of the island.

But wherever you go around Bermuda you will be looking at the sea, which beckons in all its surreal blue glory. In fact, not to spend some time afloat is almost to miss the whole point of Bermuda.

Sailing is written into the island's DNA. Of course, the pinnacle of yachting, the America's Cup, will take place there in 2017. The crews are practising already and you can watch them flying back and forth on the Great Sound. Most of us don't aspire to such heights but there are plenty of other opportunities for action afloat.

Hotel concessionaires and independent watersports operators will rent you a Hobie Cat, a small catamaran. Or you can hire a wind- and now a kite-surfer. Finally, if you are an experienced yachting hand you could contact a sailing club and sign on as crew for one of the many regattas.

With so much protected water, it is great fun to explore Bermuda by kayak, paddling from beach to beach and exploring the various sounds. Or you can rent a Boston whaler, a small motorboat, and nose around the



islands and beaches independently.

There are many day sails which will take you off to a snorkelling reef and then to a beach for a picnic. Or you can take an afternoon cruise to catch the sunset over the horizon.

Bermuda is well known for wreck diving. The fringing reef that has sunk so many unsuspecting ships over the centuries now offers protection to corals and also to wrecks that have been purposefully sunk. You can take a turn around a tug boat 60 feet down,

Water is a pleasure, not a hazard, at Port Royal, one of two golf courses currently open to the public on the islands

stand at the wheel or peer into a porthole. And the sea floor has sprouted a whole networks of reefs, coral heads, caves and swim-throughs, where lobsters lurk and brightly coloured tropical fish pick over the star corals and boulder corals.

If your game is larger fish, you can hire a deep sea fishing boat, head out into the Atlantic and cast a line for marlin, tuna and wahoo. But be warned, there are marlin weighing more than 1,000lbs out there.

On the track of natural splendour

What better way to enjoy the rich patchwork of Bermuda than by following the railway line, long since devoid of trains but now an 18-mile trail for hikers and bikers through flora-filled cuttings, across fields and along the coast?

The very nature of the country, with its many islands, means it is impossible to progress from one end of Bermuda to the other because linking bridges either collapsed or were removed after the railway was closed in 1948 or because of urban development.

But the trail does follow long stretches of the coast from north of Hamilton on Main Island to St George on St George's Island, while the route through the middle of the country is the most varied. This part of the line captures the essence of Bermuda: a serenity interrupted only by the gentle rustle of leaves and where the smell of allspice, cedar or hibiscus in bloom replaces the rumble of railway engines.

A guide dividing the trail into seven sections, each taking between one-and-a-half and three hours to walk, is available from visitors service bureaux in Bermuda or online at bermuda-attractions.com.

On my last visit I joined the trail in the central section in Paget parish and headed gently west, through cuttings in the limestone rock, along paths lined with sweet-smelling shrubs and

between trees which curled inwards to form a natural tunnel.

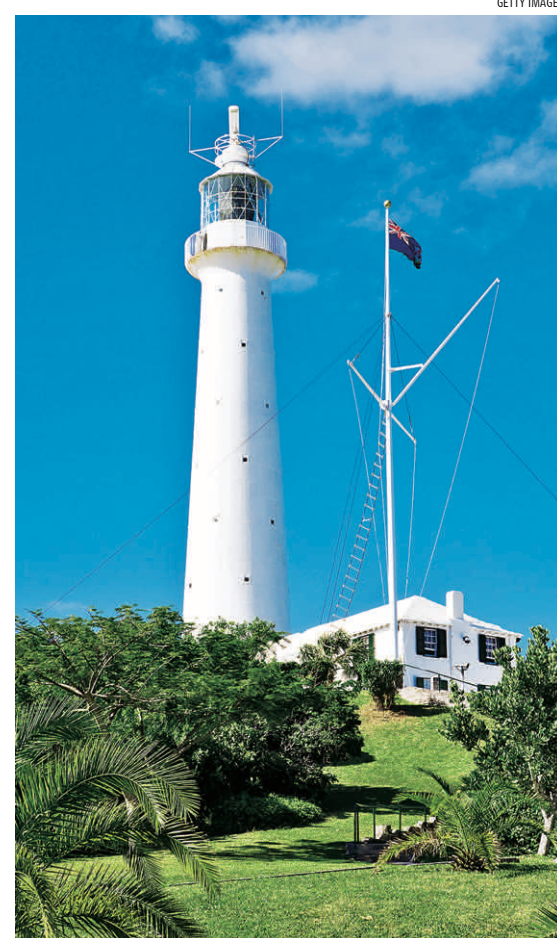
A real tunnel then followed and when I emerged blinking into the open, I saw the Gibbs Hill lighthouse towering above the landscape. It is worth climbing the 185 steps for the magnificent views across Bermuda.

The shore of Little Sound offered a contrasting but equally impressive view of the coastline curving around Great Sound with yachts picking up the breeze. On a warm day, I succumbed to the temptations of a roadside bar and then let the bus take me through narrow strips of land and across numerous bridges to reach the Royal Naval Dockyard.

Closed as a naval base in 1995, its victualling yards are now home to pubs, art and craft centres, shops, a cinema and the Bermuda National Museum. After exploring, I took the quick route back to Hamilton — by ferry across the Great Sound.

The easterly section of the trail, following the coast and parallel to the North Shore Road, now crosses Bailey's Bay on a 740 feet long footbridge with wonderful views of the waters. Sadly, the bridges linking Coney Island to St George's have long since disappeared but it is possible to follow the trail from Ferry Point Park towards Bermuda's oldest town.

TONY DAWE



Gibbs Hill lighthouse is a high point on the walk

ATN
ADVANCING TELECOMMUNICATIONS
IN BERMUDA SINCE 1998

KeyTech
CELLONE
LOGIC

www.atni.com

Tourism given overdue kiss of life

A new energy has replaced the old 'newly wed and nearly dead' image, writes Tony Dawe

With a newly opened luxury spa in a cave, adventure tours including cliff jumping and jungle treks and the \$100 million renovation of its best-known hotel, Bermuda is regaining lost ground and planning to re-establish itself as a leading tourist destination.

Some 400,000 day-trippers are arriving on cruises this year and the number of British holidaymakers is on the up. But government ministers and tourism officials are hoping that the new initiatives will give a further boost to a tourism market that has been in decline.

Michael Dunkley, the premier, admits that the 1970s and 1980s were the heyday for tourism in the country but that it became complacent and "slipped off the radar". It had even earned a reputation as a destination for "the newly wed and nearly dead".

His government started to rebuild the brand by establishing an independent tourism authority, which has come up with creative ideas to promote the country as a destination to suit all tastes and ages.

Bermuda is known for its pink sand beaches, history and heritage buildings, sailing and golf courses but the new strategy is to focus on unique, authentic experiences. Pat Phillip-Fairn, the authority's product and experiences expert, says: "Today's travellers to Bermuda want to immerse themselves in local culture and that means more than heritage and forts; it means interacting with people on their own turf, it means food in a big way."

"Local food is a reflection of the blend of cultures here, so in restaurant week we challenged everyone participating to produce a Bermuda-inspired menu. The chefs got very fired up and that brought a substantial increase in business for restaurants."

"Another example is carnival which reflects the history of Bermuda, bringing together a whole new generation of entrepreneurs to display their ideas to visitors. What's special about the Bermuda carnival is that it ends up on the water in a massive raft-up with all kinds of boats joined together."

New experiences for visitors include the Haunted History guided walking tour through the cobbled streets of St George and the Hidden Gems tour featuring cliff jumping, cave exploration and snorkelling.

Phillip-Fairn adds that as part of the authority's strategy to promote Bermuda as a year-round destination, it is offering the opportunity for sports teams to visit for pre or off-season training for football, rugby, hockey, swimming and golf. "We have a multi-sport facility with a 50-metre



The Hamilton Princess Hotel has undergone a luxurious makeover

pool, four fields and a track," Phillip-Fairn says.

The re-awakening of the tourism sector has encouraged a sudden boom in hotel building and renovation. The Hamilton Princess, the largest hotel in the capital and official hotel for the America's Cup, has a new pool with an outside terrace and opened a beach club on the site of the former Sonesta Hotel as part of a \$100 million project. Alexander Green, a member of the

owning family, says: "We've increased our food offerings with two spectacular restaurants, one built over the water with windows on three sides and open on the fourth, and have brought in Marcus Samuelsson (the award-winning chef) from New York to helm our signature restaurant."

"We are also building an Exhale spa and an exercise studio and bringing some local stores selling high-end brands into our retail corridor."

Grotto Bay, one of the hotels most popular with British holidaymakers, has just opened a Natura spa in an ancient cave with an underground lake set amid thousands of stalactites and stalagmites.

The Pink Beach Club, a boutique hotel being developed on the site of an old property with two restaurants, two pools and suites, is expected to open in time for the America's Cup. New hotels in the early planning stage include a St Regis in St George and a Ritz-Carlton at Morgan's Point.

Nicky Shafe, marketing manager at Prestige Holidays, the UK-based tour operator, says: "I was most impressed on my last visit with all that is going on, quite a contrast to previous visits when there was nothing new to report. The island is being upgraded, hotels refurbished and a younger clientele attracted."

William Hanbury, chief executive at Bermuda Tourism Authority, says: "We are no longer in a downward spiral; we are beginning to move the tourist numbers in the right direction."

"We believe we have a product that is very attractive to UK visitors — and on an all-year round basis."

Beach Vision is more than sand castles in the air

It is difficult to improve on what nature has given Bermuda in the way of fine pink sand beaches washed by azure seas.

Natural beauty, however, can at least be complemented if not improved upon and having canvassed widely, the Bermuda Tourism Authority and the Ministry of Public Works have forged a development plan to enhance the beach experience for islanders and tourists alike.

Beach Vision recognises the need to meet visitors' desires for accessible, pristine beaches, clean restrooms and authentic food and drink, while also complying with the national parks act which permits only minimal development to prevent exploitation and environmental damage.

Five public beaches have been identified as suitable for a Beach Vision makeover, namely John Smith's Bay, Horseshoe Bay, Shelly Bay,



Tobacco Bay and Clearwater.

The plan is to improve the facilities at those beaches which already have the infrastructure in place, as opposed to creating new infrastructure at beaches where none currently exists. "We are confident we can enhance the experience on the beach without interrupting the natural beauty or upsetting the

environmental sensibilities that make our beaches so special," says William Hanbury, chief executive of the tourism authority.

"When we get this right more people will be employed in Bermuda's beach economy and people using the beach will have their consumer desires better met."

MARK BARBER

Airport is on the up

Essential to Bermuda's plan to attract more tourists to the country is the improvement of the L F Wade International Airport and, after years of delays, work is finally expected to start later this year.

A master plan was being prepared ten years ago but it was only in 2014 that the Bermuda government struck a deal: the Canadian Commercial Corporation and Aecon, its sub-contractor, will fund the \$250 million project in return for running the airport for 30 years and collecting any revenue raised.

The government was accused of "selling out" but it insisted the deal was the best for the country and that local firms would be employed. That has finally started to happen in the last two months with Aecon appointing three Bermudian firms to carry out structural, electrical and mechanical engineering services.

The main part of the project is to replace an ageing passenger terminal which struggles to cope with 800,000 passengers a year. The new one will eventually accommodate nearly double that number and help attract new air services to Bermuda.

TONY DAWE

INNOVATIVE SOLUTIONS ATTRACT INNOVATIVE PARTNERS



Ironshore is proud to be the Official Insurer for ORACLE TEAM USA. Our innovative coverage enables one of the most elite racing teams in the world to pursue their passion and focus on defending the America's Cup.

IRONSHORE

ORACLE TEAM USA

Bermuda

'700 miles off the US eastern seaboard but no less connected'

Consolidation in telecoms should benefit residents and businesses, writes Mark Frary

Bermuda is one of the most connected places on the planet with more than 97 per cent of the population having access to the internet, placing it in the top five countries globally.

However, Bermuda also enjoys the dubious honour of appearing in a similarly lofty position in the rankings for the average cost of broadband. A monthly 25Mbps package with service provider Logic in Bermuda costs a shade under \$150 (£113), compared with less than \$50 for a package in the UK that it is twice as fast. Businesses also pay far more in the country than in many other places around the world.

Frank Amaral, chief executive of KeyTech, Logic's parent company, says

things are improving. He says the implementation of integrated operating licences in 2013, reducing the red tape around related services such as fixed line telephony and broadband, saw the discounting of internet services by more than 50 per cent.

Earlier this year, ATN, the US telecoms company which operates the CellOne network in Bermuda, completed its acquisition of a controlling 51 per cent interest in KeyTech. Amaral says, "We see market consolidation as another reason why the customer will benefit, but with more of a focus on creating solutions. KeyTech should also see itself as the premier provider for both mobile and fixed services, all under one roof. We truly see an opportunity to become a trusted partner to our business clients in particular."

Gary Phillips, chairman of KeyTech, says the America's Cup will make Bermuda an even more attractive destination for businesses because of its "solid infrastructure of social, political, and economic stability".

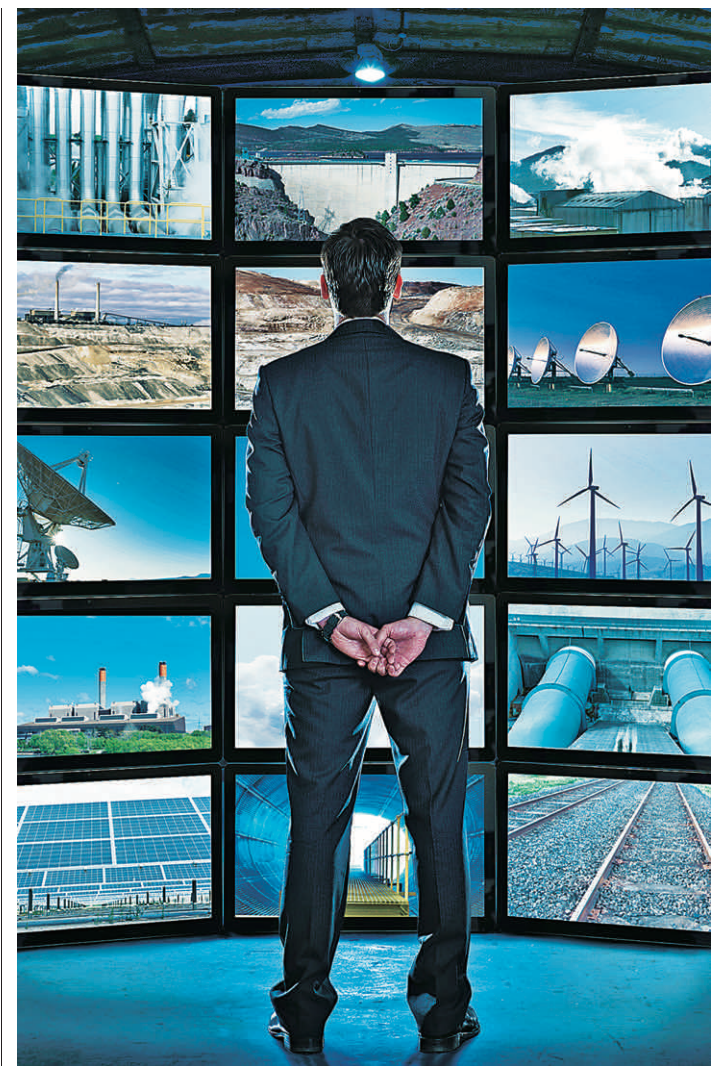
"It has good telecommunications, good banking systems and good governance. That's why companies will want to come here. Here you are

in Bermuda, 700 miles or so off the eastern seaboard of the US, and you are no less connected. You are no less connected to your industries, to your family, to your friends."

Bermudian residents and businesses are also likely to see legacy benefits: for the Louis Vuitton America's Cup World Series event in Bermuda in October 2015, telecoms companies invested some \$880,000 in improving wi-fi, mobile and data capabilities, much of which remains in place.

Fiona Beck, chair for the telecommunications group of America's Cup Bermuda, says the future bodes well for the telecoms sector. "The island is strategically very well positioned to be the Atlantic hub for submarine cable corridors, allowing cable systems to capitalise on Bermuda's unique location, infrastructure and commercial benefits," she says.

She also thinks a booming telecoms sector will attract businesses to the islands. "These companies need stable jurisdictions to locate in that also have an outstanding commercial value proposition, and Bermuda fits that bill. Among its many other advantages, Bermuda offers a wealth of talent in fintech, ICT and technology."



Communications in the country are excellent and still evolving

Reading the conditions takes experience...

It takes an experienced team to anticipate and adapt to an ever-shifting financial environment without losing sight of the real destination – *your goals*. At Butterfield, we've spent more than a century honing our banking and wealth management skills in all conditions. We'll help you map out a meaningful plan for the future, supported by our exceptional team of experts across the full range of banking services and investment options.

Contact us today about setting out the best course for all your financial needs.



www.butterfieldgroup.com

THE BAHAMAS | BERMUDA | CAYMAN ISLANDS | GUERNSEY | SWITZERLAND | UNITED KINGDOM

The economic shock absorber

Bermuda has an insurance industry to rival the world's financial hubs, says Garry Booth

Scanning Hamilton's low rise city profile, it is not immediately obvious that the island is a powerhouse of the global insurance industry. But in terms of both the financial and intellectual risk capital that resides in Hamilton's modest, pastel coloured office buildings, Bermuda rivals London and Zurich as an international hub for big ticket insurance business.

Last year, \$72 billion (£54 billion) worth of premiums were written by the island's biggest property and liability insurers and reinsurers. Between them, the 19 members of the Association of Bermuda Insurers and Reinsurers (ABIR) have a capital and surplus base of nearly \$100 billion.

In less than 25 years, Bermuda's insurers and reinsurers have gained a formidable reputation for underwriting the sort of policies that pay out when national disasters strike.

Twenty-nine per cent of the reported liabilities for the international reinsured share of the devastating Japanese earthquake and tsunami in 2011 were covered by Bermuda companies, as were 51 per cent of the reported liabilities from

New Zealand's 2010 and 2011 earthquakes.

Another example of the value that Bermuda brings to other countries can be seen in the UK with the recently established Flood Re programme.

Stephen Weinstein, group general counsel at RenaissanceRe, a Bermuda reinsurer, says: "This programme was designed and developed by UK thought leaders but there was tremendous participation and collaboration from the Bermuda reinsurance market: a willingness to share our science and the observations that we've seen from covering the flood peril around the world."

Bermuda has also been behind insurance payouts to cities that have suffered some of the world's biggest man-made disasters. These include 20 per cent of the estimated \$3 billion combined global loss generated by the Tianjin port explosion in China in 2015, the biggest insured man-made accident to date in Asia.

Bradley Kading, president and executive director of ABIR, says: "We are writing risk that's high severity, low frequency business. And the only way you make it work is if you are getting a geographic spread of risk around the world."

"So we are taking Australian and Japanese typhoons and cyclones, US hurricanes and European floods and windstorms, pooling all that risk on to a central balance sheet and then getting a diversification benefit because we are writing perils that are in no way correlated."

"And we are doing similar things with terrorism risk and energy market



losses: the Bermuda companies have 60 per cent of the US Gulf of Mexico energy [insurance] business."

It is a world away from the common perception of offshore locations where shell companies with lightly regulated, secretive balance sheets operate. By contrast, Bermuda's highly transparent risk carriers are overseen by a supervisory authority whose regulatory framework is as rigorous as any in the global financial markets.

For example, since January this year, all European insurers and reinsurers operate under the European Union's Solvency II regulatory programme, which was designed to ensure a uniform level of policyholder protection across the EU. Earlier this year Bermuda's own system was officially recognised as being "equivalent" to the EU programme.

Mitchell Blaser, chief executive of Ironshore, a Bermuda-based global

Bermuda's insurance and reinsurance industry prides itself on its reputation for paying out when catastrophe strikes

insurer, says that to equal Solvency II means a widely understood seal of approval that confers credibility and strong capability on the island's industry. "These are not fly-by-night companies or just shingles on a wall. They are truly operating companies with a capital base, an infrastructure and a governance structure, and all the boxes have to be ticked."

With climate change, terrorism and cyber risk all adding to the global risk picture, Bermuda's role as an economic shock absorber is only going to increase, according to Timothy Faries, Bermuda managing partner of Appleby, the law firm. "Bermuda is a market where new ideas can flourish in a safe, effective, well regulated and supervised way, and it will continue to support the global economy as it has done in the past," he says.

Garry Booth is a reinsurance industry writer

Companies delighted to be captives on island

In-house insurers are being enticed by well-established services, reports Lee Coppack

While Bermuda's big insurers and reinsurers pay headline losses, the island's hundreds of captive insurance companies are quietly helping businesses and others to manage their risks. At its simplest, a captive is an insurance subsidiary used by a company to insure its own risks — giving its owner an alternative to buying insurance in the open market.

The concept started in the US in the 1960s, when industrial companies thought insurers were charging too much. Bermuda offered a home to what became their in-house, but offshore, insurers. Captive insurance has worked so well that, despite tax issues occasionally becoming contentious, there are perhaps as



many as 7,000 captives worldwide, with Bermuda being home to well over 500 of them.

Hosting captives is a competitive market. While the owners reduce the overall cost of their risks, captives generate fees and other sources of income for their hosts from a very small footprint. Other territories, such

Hamilton, the capital, is home to a host of captive insurance companies, lured by solid regulatory and tax environments

as the Cayman Islands, Guernsey and the Isle of Man, have also developed as important centres for captives but Bermuda remains the largest.

The island's cluster of services for captives — managers, accountants and actuaries — and well established regulatory and tax environments ensures a steady flow of new

formations on the island: in 2014, the Bermuda Monetary Authority (BMA) registered 16 new captive (re)insurers, and 22 new captives in 2015.

According to Shelby Weldon, director, licensing and authorisations at the BMA, captives registered in the second half of 2015 insure a diverse range of risks, from oil and natural gas drilling to drivers in Peru. The US remains Bermuda's greatest source of captive formations, but the island is also successfully targeting Canada and Latin America for captives.

In addition to captives owned by single parent companies, Bermuda hosts a number of very important mutual insurers. These include protection and indemnity clubs that insure the liabilities of worldwide shipping companies, and Oil Insurance Limited (OIL).

OIL was set up by 16 energy companies in 1972 after two major losses resulted in high pricing and reduced coverage from the commercial market. Today, it has more than 50 members and insures assets of more than \$3 trillion.

Lee Coppack is a writer on risk and insurance

Bermuda

Where cheers come after raising the roof

The roof is more than a remarkable feature of the architecture of Bermuda, it is essential to the life of the country. For the rain which falls on it, at an average of five inches a month, is the only natural source of drinking water for the inhabitants.

With an absence of freshwater streams and lakes in Bermuda, rain is precious, even more precious than Gosling's rum, made on the island for more than 200 years.

Whenever a building is completed, tradition demands that the roof is christened with a bottle of Black Seal Rum. The owners and builders climb on to



the roof for the ceremonial pouring – and then share the rest among themselves.

A typical house in Bermuda has a slanted and stepped limestone roof and when the rain falls, it travels through a series of grooves and over the limestone surface before running into an underground cistern, from where a water pump delivers it as required.

From the 1960s, hotels and other major consumers of water began to install desalination plants, using reverse osmosis to purify seawater by pumping it through a membrane at high pressure, removing salt and impurities in the process.

However, rainwater still remains the largest source of drinking water in Bermuda.

Energy options in the spotlight

The government is looking at gas and renewables as alternatives to oil, writes **Mark Frary**

Island economies around the world often suffer from a common problem: over-reliance on the supply of key resources from outside. In Bermuda, this is especially apparent with energy — the territory relies almost entirely on imported fossil fuels.

With the World Bank predicting oil to cost an average of \$41 (£31) a barrel in 2016, this hardly seems the time to worry but, as oil price shocks in the past have shown, Bermuda's businesses and residents suffer when volatility pushes the price up.

Despite the current low price of oil, the government sees the need to innovate. Dr Grant Gibbons, minister of economic development, says: "We recognise that with new technologies we have the ability to move towards distributed generation.

"That means not relying so much on a central generating facility but to have smaller facilities, such as a combined heat and power plant, and

renewables all contributing to our energy mix."

The government is currently pushing to open up competition in the supply of electricity and recently published a draft electricity act aimed at lowering costs, reducing pollution and emissions and improving the security of supply.

Using liquefied natural gas (LNG) is one option. In March, the government published a report on the viability of replacing heavy fuel oil and diesel with LNG. The report cited the relatively low and stable historical cost with the potential upside of reduced carbon emissions.

Walter Higgins, chief executive of Ascendant Group, the parent company of Belco, Bermuda's monopoly electricity supplier, says: "LNG is now accessible in large quantities at low prices from the US. So it is coming out of a non-politically volatile jurisdiction, which increases the comfort that you're not trading one set of bad actors for another."

There are challenges, however. The use of LNG will require significant investment in an import facility and opponents say it just replaces one fossil fuel with another.

Presenting the government report earlier this year, Gibbons said the deployment of LNG was "feasible, and could be desirable" but only if the pricing differences between natural gas and oil are sufficiently disparate.



The country is keen to ease its dependence on fossil fuels and is exploring alternative sources of energy

AXIS Capital,
a leader in
specialty risks,
welcomes the
2017 America's Cup
to Bermuda.



Innovation? Bermuda

Nurturing fresh ideas keeps the island's insurance industry buoyant, says **Lee Coppack**

Whether you call it innovation or problem solving, in just over 30 years the Bermuda insurance and reinsurance market has grown into one of the three largest in the world by innovating to help manage exposure to risks.

It started with a crisis in the US. Traditional insurers there had a backlog of years of liability losses. They halved the amount of cover they were offering to industry, doubled the premiums and then increased them again. Businesses were suffering.

A few insurance people who knew Bermuda well promoted the idea of making a fresh start with new companies, with the added innovation of a new, clearer policy contract. Two companies were born in Bermuda: ACE in 1985 and XL in 1986. They played a critical role in solving the crisis and today they are among the

ranks of the largest insurers in the world, with ACE recently combining with Chubb and XL with Catlin.

Since then, Bermuda has continued to solve risk problems for the world. After Hurricane Andrew blew through the insurance market with \$24 billion of claims in September 1992, Bermuda was there to offer sympathetic treatment of companies that wanted to take advantage of the developing technique of catastrophe, or cat, modelling.

Within about a year there were eight new reinsurance companies in Bermuda giving extra capacity to insurers. One of those was RenaissanceRe. Stephen Weinstein, its group general counsel, explains that his firm wanted to apply technical breakthroughs, such as cat modelling, with "a commitment to the application of science and innovation to what had been a very traditional business".

Following the devastating losses of 9/11, more capital came to Bermuda and helped stabilise a badly shaken insurance market. Once (re)insurers in major markets had built up enough capital against future big events, competition started to keep returns down. Bermuda's answer was another innovation.

Companies devised ways in which sophisticated investors could share in



GETTY IMAGES

All systems go for fintech

Bermuda-based expertise could create global hub for new industry, says David Adams

There may well be some substance to the claim that Bermuda could become a hub for the fintech (financial technology) industry. Fintech companies target processes within financial and insurance industries that could become more efficient through use of technology; from retail banking systems through to blockchain — the digital currency-based public ledger technology and one of the most important innovations in finance today.

In June this year the Bermuda Monetary Authority, the financial regulator, met the Agentic Group, a New York-based global blockchain consortium, to discuss fintech-related opportunities. Rik Willard, Agentic's founder and managing director, said he believed Bermuda could become "one of the leading fintech hubs".

Bermuda is never going to take over from London, New York or Singapore as a primary source of fintech innovation, but it does possess some attributes that may enable it to play a key role in the industry. They include

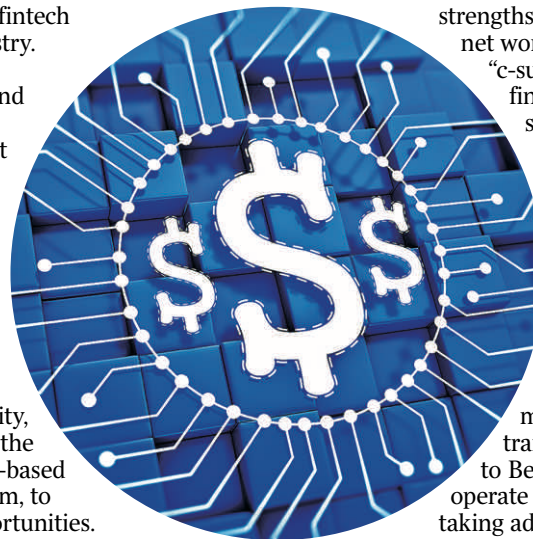
well-established financial and professional services infrastructures, including its status as a centre for the insurance industry; and its geographical position between the London and New York markets.

Stuart Lacey is founder and chief executive of Trunomi, a Bermuda-based fintech company which develops technology to help financial companies improve customer acquisition and management processes.

He believes one of Bermuda's key strengths is the large number of high net worth, current or former "c-suite" executives from the financial and technology sectors based there. This creates a pool of expertise to nurture fintech start-ups or help established companies expand across the world.

Lacey agrees that a fintech start-up is more likely to form in London, New York, Singapore or San Francisco, but points out how much sense it then makes for these firms to transfer at least some operations to Bermuda in order to be able to operate in all of those markets, while taking advantage of Bermuda's tax, regulatory and intellectual property regimes.

And while he accepts there are deeper pools of young people with technical and business expertise and talent in those other markets, he says recruitment isn't usually a big problem: "it isn't very difficult to persuade people to come and work in Bermuda."



He added that the decision to adopt LNG lies with the private sector.

Bermuda does have other options. A study in 2014 by the University of California, Santa Barbara into the feasibility of offshore wind power concluded that a compact wind farm to the north-east of the islands would be "an attractive option" and that the cost of producing electricity this way would be well below the present level.

Higgins says: "One of the issues with wind in Bermuda is where you put it. It makes noise and it has other issues: there isn't a lot of land here, people don't want to hear windmills [and] they don't want to see a windmill offshore."

Bermuda is also well placed to adopt

more solar power. One proposal involves building an 80-acre solar farm close to the airport that could generate up to 30 megawatts. ATN, the telecoms company, which operates similar projects in the US, has expressed an interest in taking a role.

Gibbons says, "Our peak load in Bermuda is about 100 megawatts, so 20 to 30 could provide up to 25 per cent of peak input, which would be non-fossil, low-environmental impact, and using renewable sources of energy."

Bermuda also needs to change its planning regulations. Higgins says: "We actually could, and should, have policies that encourage buildings to be energy efficient."

has it covered

more volatile, but potentially more rewarding specific risks, rather than investing in quoted insurance companies. As a result, most of the "single purpose" insurance companies, set up for events such as Atlantic hurricanes or US Mid-West earthquake risks, are registered in Bermuda, and catastrophe bonds and other insurance-linked securities currently provide about \$25 billion global risk capacity.

“Cyber risk is fast growing and very challenging

The looming risks related to climate change, terrorism and cyber crime are in Bermuda's sights. As Robert Childs, chairman of Hiscox Group, explains: "Climate change is going to change the pattern of catastrophes. It is vital for us to be aware of it, understand it and help people to mitigate the risk as much as possible."

One way of doing this is by participating in the Insurance Development Forum, a public-private partnership between insurers, the

United Nations and the World Bank Group to extend insurance protection globally. Stephen Catlin, executive deputy chairman of XL Catlin and chairman of the Association of Bermuda Insurers, is also chairman of the forum's steering group.

Jed Rhoads, president and chief underwriting officer at Markel Re, says the market has an obligation to create new products to respond to needs around the world, such as helping governments address the issues of flood and terrorism. "Innovation can be done quicker in Bermuda than in other regulatory environments," he says.

"We also see cyber risk as a fast growing, meaningful risk. It's very challenging, and that means we have to be creative and innovative and take risk in doing that. But 20 years from now, we'll be talking about cyber in a very different way than we are today."

Weinstein sums up why Bermuda has become known as the insurance laboratory of the world: "Over time, success builds on itself by bringing people together, by creating a market, a market for financial protection but also a marketplace of ideas.

"New ideas, transformative ideas in our space, percolate and get implemented in Bermuda much more rapidly than in many other places."



GETTY IMAGES



"You can go to heaven if you want.
I'd rather stay in Bermuda." ~ Mark Twain



Butterfield & Vallis
WHOLESALE DISTRIBUTORS



bv.bm

Bermuda

Holding on to a bit of heaven

Bermudians are determined to preserve their past and present, says

Deborah King

Bermuda is a beautiful island. Mark Twain loved it so much that he wrote it was “like being in heaven” and it is easy to see why: the bays and beaches of fine, pink sand are divine. Fortunately, man has been careful in his dealings with it. The main islands, clustered together in the shape of a fishhook, are connected by a series of bridges and causeways; houses are low lying and painted in shades of pastel.

Bermuda's rich past has also been well preserved. In 1969 the Bermuda National Trust cared for 12 historic buildings, including three museums: today it looks after 82 properties. The preservation of these in St George, the oldest English town in the Americas, led to its designation as a World Heritage Site in 2000.

The town's first inhabitants had a memorable arrival in 1609 when their ship, the *Sea Venture*, owned by the Virginia Company of London, was caught on the surrounding reefs during a storm. They established St George in 1612. Many of the pretty, whitewashed buildings are preserved in their original soft limestone and here you will find the Old Rectory, one

of the oldest buildings cared for by the trust and a typical example of traditional architecture.

Another building of importance is the National Museum of Bermuda at Keep Fort, part of the old Royal Naval Dockyard. The museum has restored a number of British military buildings on the 16-acre site, including the Commissioner's House, the oldest in the dockyard, and Casemate Barracks, built around 1842. This remarkable set of surviving British fortifications and artillery is of international importance.

Dr Edward Harris, director of the museum, says: “One of the buildings restored was designed by Captain Francis Fowke, one of the two architects of the Royal Albert Hall, and the British are beginning to realise that much British heritage overseas is imperilled and that Britain has a responsibility for its preservation.”

The museum's remit covers wildlife preservation and part of the ramparts are now home to a colony of Bermuda longtails following a decline in the birds' natural nesting holes, partly due to cliff erosion.

The museum also conducts archaeological research on land and underwater sites around Bermuda in an effort to document, survey, interpret and protect its rich cultural heritage.

Bermuda is considered the shipwreck capital of the world with more than 300 wrecks in the surrounding waters. It is a maritime legacy worth preserving and an underwater wonderland for divers. Many salvaged records and artefacts are held at the museum and these date



back to the *Sea Venture* itself. Two unusual artefacts from the ship include a small pewter syringe used to inject mercury and a gold ring decorated with tiny clasped hands.

One of the smaller islands in the archipelago, Nonsuch, is now a wildlife sanctuary and the most important place in Bermuda for the conservation of rare and threatened species and habitats. Created by conservationist David Wingate who reintroduced Bermuda's national bird, the petrel, visitor numbers are strictly controlled by the department of environment.

In 2005, a partnership was formed

A diver explores one of more than 300 wrecks beneath the waves around the islands

between the Bermuda National Trust and the Bermuda Audubon Society in a bid to protect open spaces for future generations, identify land under threat of development and create a green belt and sanctuary for biodiversity. This includes wetlands, agricultural land, offshore islands, woodland and coastlines.

Since it was introduced this Buy Back Bermuda project has preserved 14 acres of land and raised \$4.2 million. On an isolated island with a total area of 21 square miles it is a remarkable achievement and has wide community support.

Healthy corals good to grow

The coral reefs around Bermuda which include the most northerly in the world are surviving virtually undamaged and are “fairly healthy”, according to the most detailed underwater survey ever carried out.

While some 40 per cent of corals have been lost from reefs over the last 30 years because of pollution, destructive fishing and climate change, the XL Catlin Seaview Survey reports “few declines in live coral cover off Bermuda since the early 1990s and corals relatively free from disease and bleaching”.

The reefs, which benefit from the Gulf Stream, are in good condition because there is very little pollution entering the water from the islands.

The findings are welcome news for Stephen Catlin, executive deputy chairman of the global insurance company which launched the survey in response to concerns about climate change and rising sea temperatures. He says: “I had a hunch that the characteristics of the coral reefs off Bermuda might well be different from elsewhere — and that hunch looks



The coral around Bermuda is in good condition, washed by the Gulf Stream

like it's right. They are now some of the finest you will see in the world, and that is a boost for tourism.”

The seaview survey was launched in 2012 with investigations of the Great Barrier Reef and Coral Sea. It has now visited 26 countries and studied 1,000 kilometres of reef. Its aim is to create a baseline record of the world's reefs in high-resolution, 360-degree panoramic vision, enabling change to

be clearly monitored over time. This will enable scientists, policymakers and the public to see and understand the threats and work out how to best protect the reefs.

Catlin adds: “My personal view is that we have a duty of care as insurers to collect this type of data and to share it globally. And we would like to see governments more aware of the risks.”

TONY DAWE

Take a virtual dip 12,000 feet down

Its isolated position in the middle of the North Atlantic makes Bermuda an ideal spot for ocean research. A few of its 180 islands are so small they are just rocks but some of the water surrounding them has travelled from as far away as the Arctic and Antarctic Oceans.

Seawater collected and analysed by the Bermuda Institute of Ocean Sciences (BIOS) is helping scientists to understand the effects of climate change on oceans and marine life and with more than 75 miles of coastline and stunning pink beaches of crushed coral, Bermuda has good reason to protect its environment.

The wealth of marine life contributes significantly to the country's economy and cultural identity. Whales pass through here as they migrate northwards during March and April and can often be seen from vantage points at

Church Bay and Gibbs Hill Lighthouse.

One of the BIOS research programmes is the world's longest running of its kind. Since 1954, data has been collected every two weeks from hydrostation S, a deep water mooring, to monitor the temperature and salinity which point to changes in the chemistry of the oceans. Results from this complex, interconnected ocean system are then deciphered to better understand the earth's climate.

One way to learn about the deep is at the Bermuda Underwater Exploration Institute where visitors can take a simulator experience to 12,000 feet below the surface. The institute works to increase understanding of the ocean and encourage its protection and preservation by way of some fascinating displays and exhibitions.

DEBORAH KING



Tested in local waters.
Proven worldwide.

At Argus we are experts in Employee Benefits, Wealth Management and Global Property & Casualty Insurance and we thrive in offshore island territories. Our ability to retain and acquire new clients in competitive and complex regulatory markets is a testament to the strength of our people and our operations. We have to be responsive, flexible and open to the varied challenges that come our way. By far our greatest asset is our people - Our team.



ARGUS
Our Interest is You.

**We're proud to support
the America's Cup
Endeavour Programme**

and be part of a lasting legacy for
Bermuda well beyond the 35th
America's Cup.

**Official Audit and Assurance
Provider** for the America's Cup
and ORACLE TEAM USA.

Find out more by visiting us at
www.pwc.com/bermuda



AMERICA'S CUP
BERMUDA 2017
OFFICIAL SUPPLIER