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NEWS RELEASE

Hamilton, Bermuda, September 26th, 2013. ABIC Chairman George Hutchings today stated that, "ABIC welcomes and supports the Bill to amend the Incentives for Job Makers Act. Implementation of the important changes to facilitate exemption from work permits and PRC must be a national priority in order to retain and grow Bermudian jobs and support our economic recovery. International business and support services provide the majority of external revenue into Bermuda. More than 85% of our foreign exchange earnings come from this sector. Almost 1 in 3 people work in jobs that support this sector and no matter where we work on the Island we benefit directly or indirectly from it. People working in restaurants, hotels, retail shops, real estate, building construction, home and grounds maintenance, taxis and transport and Government services all derive a significant portion of their annual personal income from expenditures made by international businesses and their employees."

ABIC surveys show that employment in the international sector has been falling since 2007 with consistent reductions in Bermuda jobs directly related to employee relocations, retirements and the outsourcing of IT, accounting and administration functions. In addition, there has been a steady reduction in the recruitment of new Bermudian and overseas employees. The Association of Bermuda Insurers and Reinsurers (ABIR) 2011 survey data confirms 193 jobs lost since 2007, with 51 Executive, Senior or Middle managers leaving in 2011 and 28 in 2012. It is likely that we have lost at least 5,000 jobs in our overall economy since 2008 largely because of the reduction in the international sector.

Mr. Hutchings noted that, "As far back as 2007 ABIC identified the importance of retaining job makers and supported residency for senior executives in the international business sector as part of the solution to maintain our economy and lifestyle. These changes will help secure the loyalty of businesses and senior executives, and in turn help retain business and jobs for Bermudians while encouraging additional investment in Bermuda. We supported the 2011 Act when it was tabled by the previous Government, and we support the changes made in the Bill to be debated on Friday."

Under the 2011 Act companies who employ and train Bermudians may apply for a concession to have some staff exempt from work permits. To date 18 companies have applied and been approved for this concession and as a result 25 individuals have been exempted from WP. There have been no applications for residency because the 2011 Act deferred residency applications until 2015. Feedback from ABIC members confirm the two major reasons that the 2011 legislation fell short of achieving its goal of retaining job makers. First, the delay of

residency applications until 2015 gave no credit to those who had already invested significant time and financial resources into the island and second, the $120,000 fee for residency actually acted as a deterrent since many companies were not prepared to assume the cost and nor were the individuals who qualified .

Mr. Hutchings stated, “The required wait until 2015 for Bermuda residency applications was seen as an unnecessary delay. Amendments contained in the Bill allow senior staff with 10 years tenure to apply immediately. This change provides certainty to this important group, encouraging them to remain here and to invest in our economy. We expect the provision of residency to have an immediate and direct economic impact.”

The fee of $120,000 has created little interest in Bermuda residency and we believe will limit take up to a few individuals. Residency is a reward for the local employment created by the individual job maker as it is an important individual and corporate recognition of their past, present and potential future economic contribution to our economy. 70% of ABIC members are smaller companies with less than 20 staff and whose business models rely on revenues that are fee based and who earn relatively small margins. These companies are critical to the diversity and stability of the IB sector and must be considered. Reducing the fee to a more reasonable level of $25,000 will allow a greater diversity of ABIC membership to apply thereby retaining job makers, growing companies and creating job opportunities for Bermudians.

One of the other changes in the Bill makes the legislation more workable for the large international companies that are critical to the Island as they make up approximately 20% of ABIC membership and employ more than 1,600 people. Data from the ABIR 2011 Survey shows that the 5 ABIR members with historically the largest number of employees in Bermuda have reduced their employment over the past 4 years by 23%, while the average reduction in Bermudian employees over this period has been reduced by 19.6% The restriction of 5 Job Makers per company is limiting to large companies who may have several business units that are equally critical to maintaining a continued business presence on the island. Once it is removed, the Minister can give consideration to a number of variables when considering applications including size of firm, significance to the economy, our economic situation, the protection of local interests and the interest of the community as a whole. These changes will ensure that job makers from small, medium and large companies are able to apply for work permit exemption and residency if they have a demonstrated a track record of investing in our economy and our people.”

ABIC members have identified immigration policies, and the ease and cost of doing business as key issues to making Bermuda a more competitive choice.

ABIC, the voice of international business, represents more than 110 companies incorporated in Bermuda.