



TACKLING THE DATA RISK IN REINSURANCE

A strategic imperative for the Bermuda market

EXECUTIVE SUMMARY

Reinsurance programmes continue to serve as a cornerstone of growth strategies for insurance markets worldwide, including Bermuda, which remains a leading jurisdiction for innovative risk transfer and capital efficiency. These programmes are essential for managing volatility and protecting balance sheets, but increasingly, they are being shaped by data-driven decision-making. As insurers and reinsurers seek to optimise capital deployment, enhance underwriting precision, and respond to emerging risks, the role of accurate, timely, and actionable data has become central to strategic planning and execution.

However, despite the growing reliance on data analytics and predictive modelling, the operational infrastructure underpinning reinsurance arrangements, particularly the ingestion, validation, and management of third-party data, remains largely outdated. Many firms continue to rely on fragmented systems, manual workflows, and legacy technologies that are ill-equipped to handle the volume, complexity, and velocity of cedant data. This disconnect introduces a range of challenges, including elevated operational risk, reduced efficiency, and increased exposure to regulatory scrutiny. The lack of automation and standardisation also impairs transparency, slows decision-making, and limits scalability across jurisdictions.

This paper examines some of the causes and implications of these operational constraints, introducing VIPR Solutions as a transformative partner for reinsurers seeking to modernise their data infrastructure.

By enabling improved data insights, faster and more accurate decision-making, and enhanced regulatory compliance, VIPR supports not only data risk mitigation but also long-term strategic objectives.

REINSURANCE DATA MANAGEMENT: A Strategic Vulnerability Demanding Urgent Modernisation

Reinsurance programmes are foundational to insurers' portfolio management and enterprise risk strategies. They facilitate risk transfer, bolster capital resilience, stabilise loss ratios, and support compliance with increasingly stringent solvency regimes such as Solvency II and Bermuda's Insurance Code of Conduct. Beyond tactical risk mitigation, these arrangements serve as strategic levers for profitability, diversification, and market access.

Yet the effectiveness of reinsurance is increasingly constrained by a persistent and systemic vulnerability: **manual data processing**.

INCONSISTENT INPUTS

Each programme relies on a complex ecosystem of data sourced from brokers, cedants, MGAs, coverholders, and clients. This information arrives in inconsistent formats, including structured bordereaux, scanned PDFs, spreadsheets, and corrupted files. Many of these require extensive cleansing, validation, transformation, and reconciliation before they can inform underwriting, reserving, or regulatory reporting. Fragmented submission protocols and incompatible systems compound the challenge, particularly in multi-jurisdictional programmes involving layered treaties and facultative placements.

RESOURCE HEAVY

The operational burden is significant. Reinsurers routinely allocate substantial resources to repetitive, error-prone tasks, often performed manually across siloed systems. These inefficiencies introduce latency, reduce transparency, and impair auditability. This can delay executive oversight and board-level responsiveness. Inadequate data controls distort exposure modelling, reserving assumptions, and pricing accuracy, leading to suboptimal capital allocation and increased volatility in financial results. This is especially acute in high-volatility lines such as catastrophe, cyber, and specialty risk, where misaligned data can result in adverse selection and accumulation risk.

INCREASING REGULATORY EXPECTATIONS

Supervisory frameworks now demand robust data governance, traceability, and real-time auditability. The rise of AI and machine learning in underwriting and compliance functions adds further complexity, placing pressure on reinsurers to adopt technologies capable of managing evolving data risks while maintaining regulatory alignment.

REPUTATIONAL RISK

Inaccurate or delayed reporting erodes stakeholder trust, damages long-term relationships, and undermines strategic positioning. For reinsurers seeking to differentiate themselves as strategic partners rather than transactional risk carriers, data integrity is no longer a back-office concern – it is a governance priority and a brand imperative.

Manual interventions are no longer fit for purpose—they inflate administrative overheads, heighten exposure to scrutiny, and compromise agility in responding to market developments or retrocession opportunities.

The strategic imperative is clear: modernise data infrastructure through automation. Organisations that embrace this transformation reduce friction, enhance accuracy, and unlock opportunities for improved analytics and capital deployment. In a digitised and regulated global insurance ecosystem, firms that fail to evolve risk not only operational inefficiency but strategic irrelevance.

BERMUDA CONTEXT:

Continued reliance on manual processing

Bermuda has established itself as a premier global financial centre specialising in insurance, reinsurance, banking, investment management and digital assets, serving both institutional and retail clients, often through cross-border arrangements.

In 2023, commercial providers wrote over \$171 billion in Gross Written Premium (GWP) - up from \$145 billion in 2022 - representing approximately 36% of the global property and casualty reinsurance market¹. And this growth is set to continue. Between June 2024 and June 2025, the Bermuda Monetary Authority registered a total of 78 new entities, an increase from 75 in the previous 12 months², reflecting a steady pace of market expansion.

Yet, despite its scale and sophistication, Bermuda's reinsurance sector faces acute challenges in managing third-party data. Many firms continue to rely on manual processes - to ingest and validate third party data. In a recent poll by Exordium Limited, over 60% of respondents identified manual processing of spreadsheets as the single biggest obstacle to achieving efficient real-time data analytics in insurance and reinsurance³.

This presents significant risks to both Bermuda-based reinsurers and the industry as a whole, as international competitors and other global insurance markets seek to invest significant amounts of capital into data solutions, with an estimated \$5.7 billion invested in the first half of 2024, compared to \$1.8 billion for the whole of 2023⁴.

¹Association of Bermuda Insurers and Reinsurers

²Bermuda Monetary Authority

³Exordium Limited

⁴Life Insurance International

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DATA MANAGEMENT:

Finding opportunity in the solution

Reinsurers are becoming increasingly aware of the opportunities. Data management is no longer a back-office concern - it is a strategic priority. Boards and executive management are demanding real-time visibility, auditability, and assurance around data received from cedants to enable better decision making, portfolio optimisation, better capital utilisation and enhanced risk appetite monitoring.

Improved data efficiency enables reinsurers to process vast volumes of data with greater speed, accuracy, and consistency, with the real value in how it transforms decision-making. With clean, timely data, reinsurers can gain more visibility into live program performance across jurisdictions and partners, assess exposures more precisely, price risk more competitively, and respond to emerging trends with agility.

Not only can opportunity be found within existing portfolios, it can also be used to increase strategic business offerings through informed product design, with reinsurers able to offer bespoke products to suit specific client needs, including through more granular predictive modelling and the design of data-driven parametric and index-based products.

Many companies are realising the importance of data as a strategic enabler, rather than an operational burden or compliance tick-box. Choosing a suitable data management solution often requires significant financial and time investment, with modifications, legacy systems and change management often presenting a barrier for many companies. Working with a provider that can offer bespoke, tailored solutions allows companies to ensure that any investment results in a long-term business solution which enables better strategic decision making and long-term value.

VIPR SOLUTIONS:

A global leader in insurance data management solutions

Founded in 2009, **VIPR Solutions** is a trusted technology solution provider to global insurance markets.

VIPR offers a wide range of technology solutions, each designed to address a specific aspect of underwriting data management. Just one of the solutions offered, its delegated underwriting platform is used by over 60% of Lloyd's Managing Agents and processes more than \$12 billion in GWP annually. VIPR has recently secured multi-year contracts with top-tier syndicates, reflecting deep integration into the Lloyd's ecosystem.

Headquartered in London and with a US presence in Hartford, Connecticut, VIPR also has global strategic implementation partnerships in place across multiple locations, including the United States, Canada and Switzerland.

VIPR specialises in bespoke solutions which are designed to enhance operational efficiency, improve underwriting performance, support scalable, secure data exchange and ensure regulatory compliance. Rather than one-size-fits-all, VIPR's modular architecture allows reinsurers, MGAs, and brokers to tailor solutions to their needs while maintaining control and transparency.

BESPOKE SOLUTIONS:

VIPR's tailored options for Bermuda reinsurers

VIPR's ability to design bespoke solutions aligned to each client's operational model, regulatory obligations, and data architecture sets it apart. Its intelligent ingestion engines reduce manual effort and flag anomalies in real time, while built-in audit trails and reporting modules support compliance with Solvency II, Lloyd's, and BMA standards.

By automating the standardisation of third-party inputs and utilising secure data exchanges, VIPR's platforms reduce manual intervention and significantly lower the risk of errors. Configurable business rules allow reinsurers to enforce contractual compliance and flag anomalies early, ensuring that downstream processes such as actuarial reserving and regulatory reporting are built on a foundation of clean, reliable data.

Its modular architecture makes it suitable for both start-ups and global reinsurers and allows strategic growth of portfolios or global books through scalable solutions, reducing third party onboarding time and optimising internal resources.

When it comes to product design, VIPR's capabilities allow reinsurers to analyse historical performance across programs and geographies, providing the insights needed to refine treaty structures and pricing models. This data-driven approach supports innovation, whether in developing parametric solutions, multi-trigger covers, or bespoke reinsurance arrangements tailored to emerging risks.



Dynamic dashboards and analytics tools allow reinsurers to monitor key performance indicators such as loss ratios, exposure, premium trends, and compliance metrics across their portfolio. This level of transparency not only supports operational oversight but also equips board members and audit committees with the information needed for governance and strategic planning.

These areas represent significant positive shifts in business models. Clients repeatedly cite them as the value added by VIPR Solutions, as noted by VIPR's CEO Paul Templar "the VIPR system reduces policy processing times significantly and cuts data-entry, enabling carriers and reinsurers to be faster, more accurate, and more cost-effective."

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It is a similar story in delegated underwriting which relies on third party data in a similar fashion. Delegated authority platforms that eliminate manual data handling improve team productivity significantly and reduce compliance errors. VIPR's majority market share in the Lloyd's market, processing over \$12 billion GWP annually, demonstrates its ability to achieve positive outcomes for its clients. As a recent example, a global carrier operating in both Lloyd's and U.S. markets consolidated 100+ delegated authority relationships into a single platform, reducing its exception processing time by 65%⁵.

VIPR offers reinsurers a comprehensive and integrated data management solution that supports multiple facets of oversight. At its core, VIPR enables reinsurers to streamline underwriting management by ensuring that data received from cedants and third parties is ingested, validated, and structured in a way that aligns with underwriting guidelines and treaty terms. This not only improves the accuracy of risk capture but also enhances visibility into premium flows, claims development, and overall program performance, which are critical for informed underwriting decisions and renewal strategies.

⁵VIPR Solutions

CONCLUSION:

VIPR a bespoke value-add solution

Manual processing of third-party data continues to represent one of the most significant and persistent operational risks in the reinsurance sector - particularly in Bermuda, where the scale, complexity, and international nature of the market amplify both the challenge and its consequences. The reliance on spreadsheets, email submissions, and legacy systems introduces inefficiencies that are not only costly but also increasingly untenable in a regulatory environment that demands transparency, auditability, and speed. As portfolios grow in volume and diversity, the risk of data inconsistency, delayed reporting, and flawed analytics becomes more acute, threatening underwriting discipline and strategic responsiveness.

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PAUL TEMPLAR
CEO, VIPR Solutions

Business leaders must act decisively to address these vulnerabilities and unlock the value embedded in clean, timely, and validated data. The ability to ingest, reconcile, and interpret third-party data with precision is no longer a back-office concern - it is a strategic imperative that directly impacts capital efficiency, regulatory compliance, and competitive positioning.

The tailored solutions offered by VIPR provide reinsurers with a powerful toolkit to automate, validate, and analyse incoming data streams with confidence and control. By transforming what was once a legacy liability into a source of competitive advantage, VIPR enables firms to shift from reactive data management to proactive strategic execution.

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