A BILL

ENTITLED

ANTHEA INSURANCE LIMITED ACT 2026

WHEREAS a petition has been presented to the Legislature by Appleby (Bermuda) Limited on behalf of Anthea Insurance Limited, an exempted company incorporated in Bermuda on 9 August 2024, praying that legislation may be enacted to provide it the flexibility in certain respects when structuring its long-term insurance policies;

AND WHEREAS it is deemed expedient to grant the prayer of the said petition;

BE IT THEREFORE enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Assembly of Bermuda, and by the authority of the same as follows:

1. This Act may be cited as the Anthea Insurance Limited Act 2026 and shall come into force on the date of assent. Short Title

2. (1) In this Act, unless the context otherwise requires: Interpretation

(a) the BMA means the Bermuda Monetary Authority;

(b) "the Companies Act" means the Companies Act 1981, as amended;

(c) "the Company" means Anthea Insurance Limited, an exempted insurance company incorporated on 9 August 2024 under the Companies Act and any successor body corporate (including any amalgamation directly or indirectly with any other company with a Bermuda company surviving) subsisting or which may subsist pursuant to the provisions of the laws of Bermuda;

(d) "Central Bank Digital Currency" or "CBDC" means a form of digital money or monetary value, denominated in the national unit of account, that is a direct liability of a Central Bank;

(e) "Central Bank" means a financial institution whose purpose is to support the economy of a country or group of countries;

(f) "Cryptocurrencies" means digital assets, which may be a medium of exchange, for which generation or ownership

records are supported through a distributed ledger technology that relies on cryptography, such as a blockchain;

(g) "Digital Asset(s)" means anything that exists in binary format and comes with the right to use it and includes a digital representation of value that—

(i) is used as a medium of exchange, unit of account, or store of value and

(ii) is not legal tender, whether or not denominated in legal tender;

(iii) is intended to represent assets such as debt or equity in the promoter;

(iv) is otherwise intended to represent any assets or rights associated with such assets; or

(v) is intended to provide access to an application or service or product by means of distributed ledger technology;

For the purposes of this act, "digital assets" also means all CBDCs, regardless of the technology used, and to other representations of monetary value, financial assets and instruments, or claims that are used to make payments or investments, or to transmit or exchange funds or the equivalent thereof, that are issued or represented in digital form through the use of distributed ledger technology. For example, digital assets include cryptocurrencies and stablecoins. Regardless of the label used, a digital asset may be considered as either, among other things, a security, a commodity, a derivative, or other financial product. Digital assets may be exchanged across digital asset trading platforms, including centralized and decentralized finance platforms, or through peer-to-peer technologies;

(h) "the Insurance Act" means the Insurance Act 1978, as amended;

(i) "the Life Insurance Act" means the Life Insurance Act 1978, as amended;

(j) "Long-Term Business" means long-term business within the meaning of Section 1 of the Insurance Act;

(k) "Minister" means the Minister in the Cabinet charged under the Constitution with responsibility for the conduct of the Government business to which the subject matter of this Act relates or, if no Minister has been so charged, the Minister whose responsibility under the Constitution is most closely related to the context in which the expression is used;

(l) "person" includes any individual, foundation, company, trustee, association or body of persons, whether corporate or unincorporated;

(m) "Policy(ies)" means any contract under which the Company is committed or to which the Company may commit itself from time to time in such form as it may deem expedient whereby:

(i) persons are protected against loss or liability to loss in respect of risks to which such persons may be exposed, including but not limited to death;

(ii) a sum of money is to be paid or money's worth or Digital Assets is to be rendered upon the happening of an event or a specified date, including but not limited to an event or contingency dependent upon human life or the health of an individual;

(iii) for a term dependent on human life; or

(iv) the Company administers a pension or other benefits plan;

(n) "Policyholder" means any person who purchases a Policy, any person under or pursuant to a Policy who is an owner of a Policy or with whom the Company is contractually bound or any person who is a beneficiary receiving benefits or payments under a Policy, and shall include such person's successors in title or assigns;

(o) "Policy Payment Liability" means the obligation of the Company to make a payment or payments under the terms of a Policy;

(p) "the Registrar" means the Registrar of Companies appointed under Section 3 of the Companies Act; and

(q) "Sponsored Entity" means a person registered as a sponsored entity pursuant to Section 9.

3. For the avoidance of doubt, this Act applies to any and all Policies including, without limitation, Policies issued prior to the commencement of this Act. Application of Act to Existing Policies

4. (1) Without restricting the meaning of insurable interest in the Life Insurance Act, where a Policy is expressed by its terms to be governed by the laws of Bermuda: Insurable Interest

(a) a person shall have an insurable interest in the life of:

(i) any person who has consented in writing to that person placing life insurance on his life;

(ii) a grandparent or great grandparent of that person;

(iii) a trustee of a trust, any settlor of that trust, any person in whom a settlor of that trust has an insurable interest and in any trustee of that trust; and

(iv) in the case of an entity, whether or not formed under the laws of Bermuda, any director, officer or employee or any director, officer or employee of any affiliate of such entity;

(b) an employer providing life, health, disability, retirement or similar benefits to its employees or the employees of its affiliates, or their dependants or beneficiaries has an insurable interest in the lives of such employees; and

(c) the trustee of a trust established by an employer substantially for the benefit of the employer, or for the benefit of some or all of the employees of the employer or employees of its affiliates in which such employer has an insurable interest, or the dependants or beneficiaries of such employees, has the same insurable interest in the life of such employees as does the employer.

(2) For the purpose of Subsection 4(1):

(a) the term "employee" shall include any and all directors, officers, partners, employees and retired employees and shall include any other former employees but only for the purpose of replacing existing life insurance policies that will be surrendered in exchange for new life insurance policies in an amount not exceeding the insurance being surrendered, except that the amount of new life insurance may exceed the insurance being surrendered to the extent that the application of the surrender value from the old insurance as a premium under the relevant new life insurance contract requires a larger amount of insurance to qualify as life insurance under the United States Internal Revenue Code, and not be treated as a modified endowment contract under such Code.

(b) the term "employer" shall include, but not be limited to, companies, corporations, limited liability companies, partnerships, business trusts and other business entities including associations of employers and their affiliates.

(c) one person is an affiliate of another person if one person directly or indirectly controls, is controlled by or is under direct or indirect common control with the other person. For the purposes of this Subsection, the term "control", when used with respect to any person, means the power to elect the board of directors of such person or direct the management or policies of such person, directly or indirectly whether through the ownership of voting securities, by contract or otherwise. The terms, "controls" and "controlled", have meanings correlative to the foregoing.

(d) The insurable interest of an employer or trustee under this Subsection shall be conveyed automatically to another employer or to a trustee of a trust established by such other employer substantially for its benefit which has acquired by purchase, merger, amalgamation or otherwise all or part of the first employer's business. An employer or the trustee of a trust established by such employer substantially for its own benefit or substantially for the benefit of its employees or their dependants may exchange any policy of insurance issued to itself or to another employer or the trustee of a trust established by such other employer substantially for its own benefit from which the exchanging employer has acquired by purchase, merger, amalgamation or otherwise

all or part of such other employer's business for a new policy of insurance issued to itself without establishing a new insurable interest at the time of such exchange.

(3) If at the time a Policy is to take effect, the Policyholder has an insurable interest in the person whose life is insured under that Policy, there shall be no limitation on the amount insured under the Policy.

5. The provisions of the Life Insurance Act limiting interest payable in certain circumstances described in such provisions to a rate of interest not exceeding the statutory rate as fixed in the Interest and Credit Act shall not apply, nor shall any statutory limitation on the rate of interest apply, to the Policy and the premium and other amounts due thereunder (and, for the avoidance of doubt, including without limitation any reinstatement of a Policy and the premium and other amounts due under such reinstatement). Interest and Credit Act Not to Apply in Part

6. (1) Where permitted under the terms of the Policy and in accordance with the terms thereof, or if at any time the remaining premium under a Policy can be fully commuted and satisfied, the Company may, at its discretion, be paid in cash, in Digital Assets or in kind or in any combination thereof. Payment of Premium

(2) References in the Insurance Act, the Life Insurance Act or any other statutory provision, or in the common law, whether express or implied, to payment of premium or amount of premium shall, to the extent that they may otherwise apply to the Company, be construed having regard to Subsection (1).

7. If the terms of a Policy so permit or at any time the remaining Policy Payment Liability under a Policy can be fully commuted and satisfied, the Company may, at its discretion, satisfy such obligation either in cash, in Digital Assets or in kind including, without limiting the generality of the foregoing, by converting the sum represented by such obligations into securities, shares or other instruments of whatever kind (or any combination thereof). Satisfaction of Policy Payment and Liability

8. (1) Notwithstanding that the terms of a Policy may provide that the Life Insurance Act shall apply to the Policy, the thirty-day time period for payment imposed by Section 34 of the Act shall not apply to the Long-Term Business carried on by the Company. Section 34 of the Life Insurance Act Time Period Not to Apply

(2) Each Policy issued by the Company shall specify a time period in which the Company shall make payment after the happening of an

event upon which Policy Payment Liability becomes payable, and the Company shall, after the happening of such an event, pay the Policy Payment Liability to the person entitled thereto in accordance with the terms of the Policy.

9. (1) Subject to Subsection (2), at any time or from time to time, the Company may apply to the Minister (who shall consult with the Bermuda Monetary Authority) for permission for a person to be registered as a Sponsored Entity pursuant to Subsection (3). Such person need not be formed or incorporated at the time of the application for such permission nor at the time of the Minister issuing such permission. However, the permission shall not be effective until the person exists under and in accordance with applicable statutory provisions of law. Upon the Minister issuing permission (but subject to the aforesaid), the said person shall be entitled to be registered pursuant to Subsection (3) and upon such registration may avail itself of the provisions of this Act. The Minister may issue the permission with such conditions as the Minister considers appropriate to be complied with prior to the registration of such person under Subsection (3). At any time prior to such registration, the Minister may amend or impose conditions to the permission provided that reasonable notice is given to the Company to allow the Company to make representations to the Minister in relation to the proposed amendment or condition. The Minister shall not be obliged to give reasons for refusing such permission or for any amendment or condition.

Sponsored Entities

(2) The Minister may not issue permission under Subsection (1) with respect to any persons unless:

(a) at the time of the issue of such permission, the Minister is either satisfied that, or places a condition to the effect that, prior to and upon registration under Subsection (3), the Company controls, or there is common control of the Company and such person of, directly or indirectly, not less than 10 per centum of the total votes that may be cast in order to elect or appoint the equivalent of the board of directors of such person; and

(b) that the person is or will be a body corporate, partnership or other entity incorporated or formed under the laws of Bermuda or continued into Bermuda or amalgamated with a Bermuda company so as to subsist under the laws of Bermuda.

(3) The Registrar shall, upon receipt of the permission of the Minister issued pursuant to Subsection (1), register the person as being entitled to avail itself of the provisions of this Act and such entitlement shall be effective upon such registration. Upon the date of such registration, the person shall be a Sponsored Entity.

(4) The Registrar shall maintain a public record of all registrations under this section, in such form and manner as the Registrar may in his discretion consider appropriate.

(5) The Registrar may deregister a Sponsored Entity upon receipt by the Registrar of written notice from the Company or the Sponsored Entity stating its desire to be deregistered, and upon such deregistration such person shall cease to be a Sponsored Entity, provided that the Sponsored Entity is not under any then existing obligation to maintain a segregated account in which accrued rights and obligations in respect of such segregated account are preserved notwithstanding the deregistration.

10. Nothing contained in this Act shall be construed to affect the rights of His Majesty, His heirs and successors or of any body politic of corporate or of any other person or persons except such as are mentioned in this Act, and those claiming by, from or under them.

Saving of Rights of Crown and Others