captive insurance times
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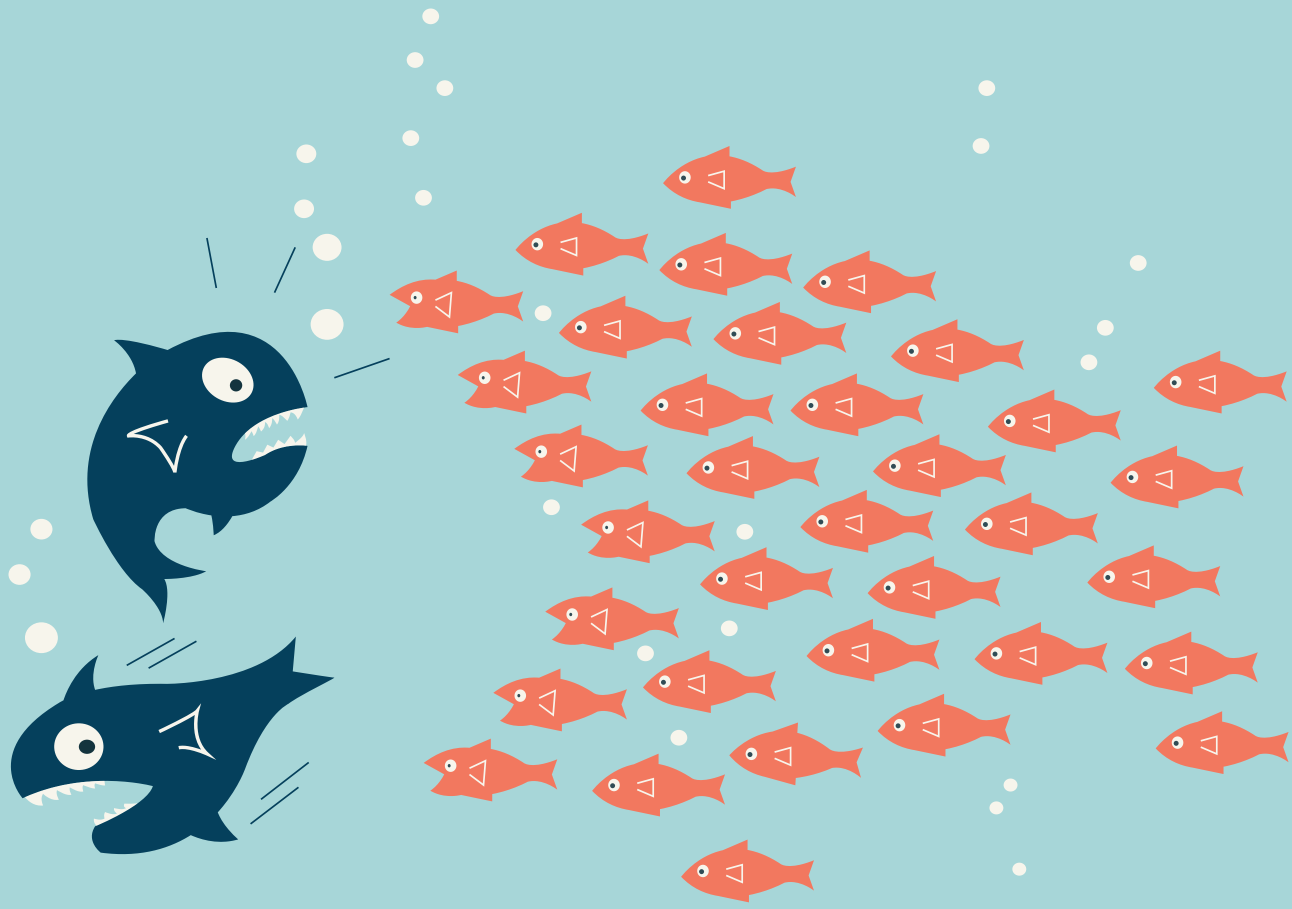


Small captives edging closer to dominating market

Small captives that generate less than $1.2 million in premiums annually now account for almost 44 percent of Marsh-managed captives, up from 24 percent in 2012, according to Marsh's 2017 Captive Landscape Report.

The 2017 Captive Landscape Report, which examined more than 1,100 captives around the world under Marsh management, revealed that extra-large captives, defined as those generating more than $20 million in premiums annually and mostly established by FTSE 100 or Fortune 500 companies, made up only 20 percent of the total in 2016, due to consolidation within certain industries, such as healthcare.

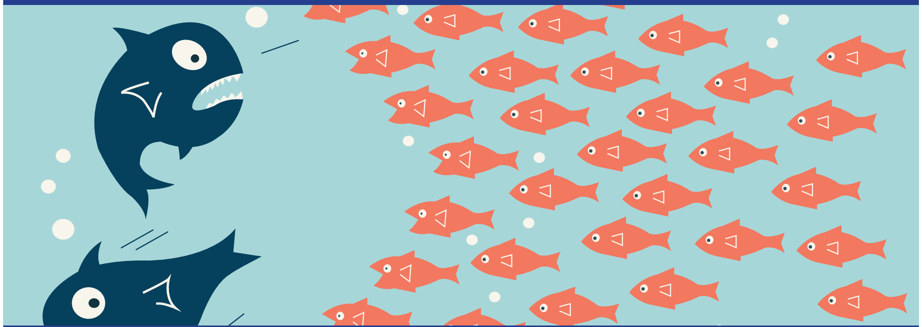
Other highlights from the report included the finding that the number of owners using captives for cyber liability programmes increased by nearly 20 percent in 2016, representing the fastest growing non-traditional risk in Marsh-managed captives.

The number of new captive formations in Latin America also increased by 11 percent in 2016—the largest growth among all geographies.

Nick Durant, president of Marsh Captive Solutions, said of the results: "As the risk environment continues to evolve and become more complex, organisations are increasingly using captives to help them meet corporate objectives, support business units, access alternative risk capital, and protect employees."

Turn to **p8** for a closer look at some of the results from Marsh's 2017 Captive Landscape Report.

Inside captive insurance times



US-EU covered agreement moves closer to implementation

The European Council has authorised the signing of the US-EU covered agreement on insurance and reinsurance, paving the way for its passage on one side of the Atlantic, at least.

The competitiveness council adopted the decision to sign the covered agreement at a meeting on 29 May.

It provides for provisional application of some of the agreement's provisions, pending the completion of the procedures necessary for its conclusion.

The European Council has also requested the consent of the European Parliament for conclusion of the agreement.

According to the European Council, the US-EU covered agreement, which includes provisions on reinsurance, group supervision and the exchange of information, will "provide legal certainty for EU and US insurers and reinsurers in the application of regulatory frameworks".

It will also "enable improved protection for policyholders and other consumers through cooperation between supervisors and the exchange of information".

The US-EU covered agreement, consensus on which was achieved in January between the EU and the US Treasury and the US Trade Representative (USTR), will eliminate collateral requirements, resulting in additional capital, increase reinsurance capacity, and streamline the dispute process, according to the Risk Management Society.

Crucially, EU supervisors will acknowledge and affirm the US insurance regulatory framework, promising to allow US insurers and reinsurers to compete in their markets without rules being imposed on them under Solvency II.

The US-EU covered agreement has not been without criticism, most notably from the National Association of Insurance Commissioners (NAIC), which was an observer to negotiations.

The NAIC has raised concerns about not being able to vote on the decision to go ahead with the US-EU covered agreement, and around transparency, and is concerned about the provision in the agreement for foreign jurisdictions to have regulatory authority over a US company.

Speaking at the Captive Insurance Companies Association International Conference in March, Skip Myers, partner of the insurance group at Morris, Manning & Martin, confirmed that the NAIC is looking at the agreement and is preparing amendments to submit to the US Treasury.

Other bodies, including the Reinsurance Association of America, believe the agreement brings some predictability to their members' participation in the European markets, and vice versa, according to Myers.

Jim McIntyre, founder of McIntyre & Lemon, added that, while the agreement might not have any direct effect on captive insurance, it could eliminate some barriers and stabilise pricing, which are both positive for captive insurers.

Insurers and reinsurers struggle with SFCR in Ireland

The first round of solvency and financial condition reports filed in Ireland under Solvency II show that Irish insurers and reinsurers struggled with the system of governance disclosure requirement, according to Deloitte.

Deloitte Ireland examined the solvency and financial condition reports—which must be made publically every year under Pillar III of Solvency II—of Irish life, non-life, health and composite companies and, within this, direct writers, reinsurers and captives of all sizes.

The Central Bank of Ireland "sent a clear message" to Irish insurers and reinsurers that the system of governance was a key disclosure requirement, but, in Deloitte's opinion, "companies struggled to present useful information in an accessible way".

"In many cases, this section was a compilation of information already included in other documents without much attention to the overall coherence and consistency of the information presented," Deloitte said.

"Generally, the information presented was at the minimum factual level with no real insight into the company-specific system of governance. Some companies did include diagrams to provide clarity around the company and its governance structure but this approach was not universal. The overall feel of this section was that it was very 'boilerplate'."

A number of specific requirements to be included within the system of governance section of the solvency and financial condition report were not always met, according to Deloitte.

"For example, a number of companies did not include the location of outsourced providers within their report and only a small minority of companies gave more information on their remuneration policy than just the general principles."

Deloitte anticipates the system of governance to be an area where companies will need to enhance as market practice emerges.

Honeywell captive's ratings affirmed

A.M. Best has affirmed the financial strength and long-term issuer credit ratings of the Vermont-based captive insurer of Fortune 100 technology and manufacturing company Honeywell International.

The rating agency affirmed the financial strength and long-term issuer credit ratings of Cedar Court Indemnity Company at "A- (Excellent)" and "a-", respectively.

The ratings reflect Cedar Court's strong risk-adjusted capitalisation, conservative operating strategy and the critical role it plays as a parent captive insurer of Honeywell, which, as a diversified organisation, serves customers worldwide across the aerospace market, control technologies for buildings, turbochargers and performance materials.

Partially offsetting these positive rating factors are Cedar Court's relatively large reserves and incurred but not reported reserves, as well as volatile underwriting performance in recent years.

Despite volatility, A.M. Best recognises the role Cedar Court plays, its mission, and the ability to accept risk and volatility in exchange for availability and pricing. Its captive orientation also considers the substantial financial resources of its parent, Honeywell.

Ratings upgrade for Builders Insurance

A.M. Best has upgraded the financial strength rating of Builders Insurance, a mutual captive company, and its wholly owned subsidiaries, American Builders Insurance Company and National Builders Insurance Company, to "A (Excellent)" from "A- (Excellent)".

The rating agency also upgraded the captive's long-term issuer credit ratings to "a" from "a-".

According to A.M. Best, the upgrade reflects the captive's strong risk-adjusted capitalisation, profitable operating performance, and favourable loss reserve development trends.

A.M. Best also recognised its established market presence providing workers' compensation and general liability coverage, primarily to the home-building industry in Georgia and other states from the Mid-Atlantic through the South, Midwest and West.

Additionally, the ratings reflect the group's prudent risk selection process, effective loss control practices and proactive claims management, which contribute to "historically strong business retention".

A.M. Best said: "The positive rating factors are partially offset by the company's relatively limited product line spread and concentration of business in the building industry, particularly in states where the home building downturn was most pronounced during the last recession."

Record global ILS growth in Q1

Q1 2017 has seen 14 global insurance-linked securities (ILS) transactions with $2.76 billion of risk capital issued, approximately $1.4 billion above the 10-year average, according to an ILS Q1 market report from Artemis.

The results, which have been published ahead of Guernsey's fourth annual ILS masterclass in Zurich on 6 July, found that the outstanding market size of $27.19 billion is almost $377 million higher than at year-end last year.

According to Guernsey Finance, the island is now the leading domicile for ILS, with insurance entities growing from 804 to 835 throughout 2016, a year-on-year increase it attributed to growth in the ILS market.

Commenting on Guernsey's ILS growth, Dominic Wheatley, chief executive of Guernsey Finance, said: "As international fragility and uncertainty increases, the ILS market blossoms and Guernsey, with its 50 years of international insurance experience, has always taken an industry thought leadership role in this asset class. At this year's ILS Insight event, we will again be challenging conventional ideas."

The event will feature two panel sessions, as well as a speech from the keynote speaker Christoph Buerer, managing partner of Twelve Capital.

The two panel sessions will cover topics including, how ILS managers and investors can participate in emerging risks and can London compete with ILS-ready domiciles.

Xceedance expands its services to Bermuda insurance market

Xceedance has expanded its consulting and managed services to support insurance and reinsurance organisations domiciled in Bermuda.

The company provides insurance organisations with a range of actuarial services, providing solutions and resources around areas such as pricing reserving and economic capital modelling.

Arun Balakrishnan, CEO of Xceedance, commented: "As a global consultancy and managed services provider, Xceedance

is keenly aware of our responsibilities as a business partner to the insurance and reinsurance industry worldwide."

"Extending our services in the Bermuda market is integral to our company's efforts to enhance the international scope and proximity of our managed services capabilities on behalf of clients on four continents."

Uday Virkud, a member of the Xceedance board of directors, added: "The insurance-focused consultancy and managed services partnership model can be of great value for Bermuda-based companies because of the potential to gain rapid and significant productivity."

Xceedance also has offices in the US, the UK, Poland and India.

Compre acquires first captive

Compre has agreed to acquire Equinox CA Europe, a captive insurer of global engineering and construction conglomerate SNC-Lavalin.

The captive, based in Ireland, insured the activities of SNC-Lavalin's business in France from 2008 until December last year, when the subsidiary was sold.

The deal marks the company's first captive purchase and its first transaction in Ireland.

Terms of the transaction are confidential and the completion is subject to regulatory approval from the Central Bank of Ireland.

Commenting on the acquisition Nick Steer, CEO of Compre, said: "I am delighted to announce this latest acquisition, our fourth this year, from a leading group in its field."

"This is our eleventh company acquisition, which highlights Compre's technical and creative ability to meet the spectrum of legacy owner needs and to address the issues some entities now face as Solvency II pressures come to the surface."

He added: "It is further proof of our excellent reputation in the legacy field and Compre is in a strong position and looking forward to further transactions this year and beyond."

Do you have a story we should cover?

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Agency rules will boost business in Vermont

Vermont's updated law allowing for the inclusion agency captives will make the state more attractive to captive formations, according to A.M. Best.

House Bill 85 was signed into law by Vermont governor Phil Scott on 1 May, and defines an agency captive as a reinsurance company controlled by an insurance agency or brokerage.

According to A.M Best, the change "highlights the push by the insurance industry in recent years to get closer to the insureds".

In a briefing note, A.M Best said: "Many agents have deep-rooted relationships with profitable books of business."

"The agency captive will allow them to continue to control that relationship through working with a primary carrier, while sharing in the risk by participating in the fortunes of the business written."

Under the new rules, agency captives will receive a share of premiums written, through a reinsurance agreement with a traditional insurer, and will be obligated to pay their share of any claims. They will be required to maintain capital and surplus of at least $500,000.

In addition to the agency captive provision, the legislation allows for broader accounting systems, and clarifies risk retention governance standards. It also expands the scope of dormant status to include all captive types.

A.M. Best said: "The dormancy status will allow captive owners to reactivate a captive if capacity shrinks; commercial prices harden; and, especially, if the business performs profitably, making it attractive enough to bear the risk."

At the time of signing the legislation, Scott said: "This bill will further advance Vermont's reputation as the 'gold standard' for domiciles and will provide greater flexibility and clarity going forward for our companies."

Richard Smith, president of the Vermont Captive Insurance Association, added at the time: "We're delighted to have [governor Scott's] continued support and that of the legislature in keeping pace with the changing needs of the industry. I have already been contacted by a number of entities interested in Vermont's new agency captive provision."

Mark Dugdale reports

What’s growth got to do with it

A bigger market means an improving financial performance, perhaps even higher returns. Marsh’s annual analysis of the captive insurance market, now in its tenth year, discovers that it also means change

Growth is the indicator by which most judge success. If it’s getting bigger, generally it’s becoming more profitable and reliable, even healthier. Marsh’s 2017 Captive Landscape Report, an annual analysis of the captive insurance market that is now in its tenth year, has reported year-on-year growth, with more than 7,000 captives currently in operation globally. Of course, growth also means bigger.

But, as Marsh’s review of data from more than 1,100 captives indicates, growth also means change. Previously, captives were a luxury enjoyed only by larger corporations capable of bringing their risk management and financing in-house. Now, smaller and middle-market companies are benefiting from their own captives, while the larger entities are creating more than one, often to cover non-traditional risks ignored by the commercial insurance market.

This is a story that has been told often in captive insurance, but Marsh’s data does one better and tracks it in action, suggesting that alternative risk financing is truly becoming mainstream.

Even in the face of catastrophic events such as the 9/11 attacks, Hurricane Katrina, the global recession, Hurricane Sandy and Brexit, captives have grown year over year, despite fluctuations in the average property insurance market rate, suggesting, to Marsh at least, that “captives are not only formed in hard insurance markets, as some might assume”.

"In particular, we have seen growing interest in captive formations that solve business unit needs or create a new revenue stream," according to Marsh's report.

This has led to a market traditionally dominated by extra-large captives opening up to new entrants, many of them on the middle and small end of the corporate spectrum.

Marsh found in 2016 that the market changed significantly, with extra-large captives—generating more than $20 million in premiums annually and mostly established by FTSE 100 or Fortune 500 companies—making up only 20 percent of the total.

Small captives now account for almost 44 percent of the market, up from 24 percent in 2012, according to Marsh, which has also seen an increase in midsized captives that have grown into larger captives.

Ellen Charnley, global sales leader for Marsh's global risk and specialties division, says these results are "a sign that the Fortune 500 segment isn't growing as fast as the small and midsized segments, particularly in the US".

"Many Fortune 500 companies already have captives, so there is less room for growth in what is arguably a more mature segment of the market," Charnley explains. "The growth we're seeing in that space is also different. It's not necessarily in new formations, but extending and expanding the use of captives beyond what's traditional."

"Midsized captives, meanwhile, are becoming more sophisticated in their risk management," she says. "The rising cost of employee benefits is also affecting all companies."

How should midsized captives approach expansion and growth? Charnley says: "Those captives that launch without a phased approach may struggle because they may not have total stakeholder alignment."

"A small or midsized captive tends to attract the attention of different business units within the parent organisation, which then wish to purchase insurance from it because they are unsatisfied with the volatility in the commercial market, for example."

"If the captive is 'promoted' within the organisation in a thoughtful way, it naturally grows into other areas, such as employee benefits."

The size of the surplus warchest is also another telling indicator of how captive insurance has changed. Marsh-managed captives, for example, currently have more than $110 billion in shareholder funds, which include net retained earnings and capital contributions.

Leading the way are financial institutions, with a staggering $40.05 billion in the bank, well ahead of the life sciences, communications, media and technology, and manufacturing sectors, whose $9.49 billion, $8.37 billion and $8.06 billion nesteggs can't even combine to overtake those on the front line of the global financial crisis of less than a decade ago.

Charnley says: "Financial institutions have led the way in captive insurance for as long as Marsh has produced the Captive Landscape Report. They have huge customer bases which provide third-party risk opportunities for captives, and they are knowledgeable of and experienced in risk financing, so captive insurance is a natural fit for them."

In reference to communications, media and technology companies lagging behind financial institutions, Charnley adds: "The increasingly large technology industry has similar kinds of customer risk, so it is likely to catch up with financial institutions to some extent, although I don't see that happening for a number of years."

Of the warchest, Marsh explained in its analysis: "Specifically, we are seeing an increase in parent companies using captive shareholder funds to underwrite an influx of new and non-traditional risks, including cyber, supply chain, employee benefits, and terrorism, as well as to develop analytics associated with these risks and fund other risk management initiatives."

"Risk management projects funded by captive shareholder funds in 2016 included initiatives to determine capital efficiency and optimal risk retention levels in the form of risk-finance optimisation; quantify cyber business-interruption exposures; accelerate the closure of legacy claims; and improve workforce and fleet safety/loss control policies."

As the world becomes more complex, so do the risks that corporations must protect themselves against. Marsh's case studies of employee benefits and cyber illustrate this best, because of the kind of 'risk' each line represents.

Corporations are under pressure to create efficiencies as they face "the triple threat" of medical insurance cost inflation, an aging workforce and a shift in responsibility for providing benefits, Marsh explained.

"The cumulative costs to insure employee benefit risks often exceed those of global property and casualty insurance, yet benefit financing and governance is far less sophisticated," Marsh explained.

"We expect continued growth in captives writing multinational employee benefits over the next three to five years as service support eventually follows a similar structure to global property and casualty programs, which are centrally controlled with consistent and transparent governance."

The rise of the cyber threat, meanwhile, is reflected in Marsh-managed captives, whose use cyber liability programmes increased nearly 20 percent in 2016. Since 2012, that use has exploded 210 percent.

"We expect to see a continued increase, driven in part by companies that are already strong captive users and by those that may have difficulty insuring their professional liability risks.

"The potential advantages to using a captive for cyber liability include accessing reinsurance for cat limits, filling gaps in standard cyber policy language, securing coverage for emerging and unique cyber risks, and consolidating cyber programs across operating companies."

Charnley says: "Cyber is arguably the number one concern for organisations today and we are assisting captive owners to explore how their captives can work with commercial insurance and reinsurance solutions to provide the optimal coverage to alleviate some of those concerns. I think we need to watch this space. It's still such a new area that companies are still investigating—their focus being on how to quantify and understand the risks. Those that achieve that will be able to be first out of the gate in offering effective cyber solutions through their captives."

Marsh's report goes into greater detail, explaining why captive formation is moving away from tax benefits, and breaking down which domiciles are taking advantage of growth. Visit www.marsh.com for a full copy of the report. **CIT**

Simmering nicely

The soft commercial market has slowed growth in risk retention groups, but they remain poised to operate more efficiently and take advantage of a hardening—if and when it happens. Michael Meehan of Milliman explains

How did RRGs perform in 2016?

From what I have been seeing, risk retention groups (RRGs) experienced modest premium growth of approximately 2 percent during 2016. This was certainly lower than the near 7 percent growth in 2015 and more than 10 percent growth in 2014. The growth the industry experienced in the middle part of this decade has clearly slowed. I think this is largely influenced by the soft commercial market, particularly as it relates to the liability coverages that would often be good candidates to be insured through RRGs.

The rate increases in these lines of business have been modest at best over the past several years, which may be part of the reason that few new RRGs have formed over that time period. However, I would say the industry remains strong as the number of RRGs in operation has remained pretty stable. To me, this suggests that RRGs that have already formed are not being influenced by changes in the commercial market and may view the RRG as their long term risk financing solution as opposed to a stop gap or bridge solution during a harder commercial market.

Has this picture changed in 2017?

It is still relatively early in the year, which makes it challenging to draw any sort of definitive conclusions with regards to performance in current year. However based on the limited Q1 information that I have seen, the results are very similar to what the RRG industry experienced during 2016, with loss and loss expense ratios of approximately 80 percent.

Do RRGs remain adequately capitalised?

RRGs, while considered a type of captive insurance company, are really sort of a hybrid between a captive and a more traditional mutual insurance company. As such, they are required to complete an annual statutory filing, often referred to as 'the yellow book', which provides the regulator with a substantial amount of financial information about the RRG. For example, as part of the required statutory filing, RRGs are required to calculate their risk-based capital, which is a financial metric developed and used by regulators to evaluate the minimum capital that is needed by a company to support its overall operations and risk.

In addition, RRGs are also required to calculate a series of financial metrics known as Insurance Regulatory Information System (IRIS) Ratios that regulators, as well as actuaries and auditors, will also review when evaluating the financial strength of RRGs. Therefore, in general, I would say that RRGs are typically capitalised pretty well as regulators have the means to identify pretty quickly those that are not. The regulator can then work with the RRG to develop an action plan to get them back to a stronger financial position.

In reviewing some RRG industry information, specifically aggregated premium, loss reserve, and surplus data, I would say that over the past five years or so, there has been a bit of reduction in the overall level of surplus for RRGs relative to their net written premiums, and reserve amounts. While the numbers do vary quite a bit by RRG, the combined numbers are still indicate that the industry as a whole is financially strong.

What can RRGs do in terms of risk management to bring down their costs?

RRGs could consider using predictive analytics to help them control their costs. As an industry, we have become much better with gathering and maintaining claims information.

This, coupled with the increased computing power available to us, presents companies with significant opportunities for potentially reducing their costs. For example, using predictive analytics, companies are mining their claims information to help identify triggers or common traits that can often be indicative of a potentially costly claim. This enables the company to dedicate its best resources to the more complex claims sooner, which can lead to lower claims costs. Advances in technology are providing companies with significant cost saving opportunities and that trend is likely to continue.

What are some of your predictions for the financial performance of RRGs for the rest of 2017?

I hesitate to make too many predictions because there are a number of factors that could have a significant impact on the industry. For example, a precedent setting legal decision could have a material impact on the cost of claims and thus, on the financial performance of RRGs. However, as I stated earlier, rate level changes in the commercial market have been modest over the past few years.

Through the first few months of 2017, we have been seeing these rate level changes starting to rise, albeit slightly, in the liability lines. If this trend continues, and the commercial market begins to harden, the potential is there for there to be some modest growth in the risk retention market, either through existing groups adding new members, or possibly through the creation of new RRGs. **CIT**

Michael Meehan
Consultant
Milliman


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Industry Events

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21 June 2017
Intercontinental Shanghai Pudong, Shanghai
www.parima.org/shanghai-2017/

Join and network with senior risk managers from multiple industries such as BMW, CP Group, Huawei, INPEX Corporation, Intercontinental Hotel Group, International SOS, Lazada Group, Myanmar Brewery, Qisda Corporation, PT ABM Investama, Reliance Industries, Rolls-Royce and many more.

The Africa Insurance and Reinsurance Conference

21-22 June 2017
Crowne Plaza Hotel, Nairobi
www.aidembs.com/insurance_conference/

The Africa Insurance & Reinsurance Conference, a regionally focused event now in its 7th edition has steadily become a gateway for the global and regional investors to engage local leaders as they seek ways to increase insurance penetration in the continent.

Comings and goings at Drinker Biddle & Reath, XL Catlin, Greenlight Capital Re and more

Aon Global Risk Consulting has appointed Marian Fenton as director of insurance for its captive and insurance management team.

Fenton will remain in Dublin to undertake her new role.

Previously, Fenton served at AIG as regional director for Europe and Bermuda. At AIG, where she served in the role from February 2012 to April 2017, Fenton provided advisory and management services for captive insurers and reinsurers, as well as protected cell company facilities.

The captive and insurance management team at Aon Global Risk Consulting manages approximately 1,100 insurance entities, including captives, protected and incorporated cell facilities, special purpose vehicles, and specialist insurance and reinsurance companies.

Former chief deputy commissioner and general counsel for the California Department of Insurance, John Finston, has joined Drinker Biddle & Reath as a partner in the firm's San Francisco office.

In his role as chief deputy commissioner and general counsel, Finston supervised the 10 law bureaus advising the commissioner on litigation by and against the department.

He advised the commissioner on major insurance mergers, company insolvencies, guaranty association related matters, and numerous other corporate and insurance regulatory matters, and lead the department's efforts to address regulatory changes necessary to facilitate insurance market changes associated with the developing insurance technology sector.

Finston was also a prominent leader within the National Association of Insurance Commissioners (NAIC), having chaired the NAIC reinsurance task force, the receivership task force and the qualified jurisdiction working group.

He was a leader in the modernisation of the Credit for Reinsurance Model Law and Regulation and was a key member of the team of state regulators that participated in the negotiation of the covered agreement between the EU and the US.

"John Finston is one of a select number of lawyers in California and in the country who combine deep knowledge of insurance regulatory issues with extensive transactional experience," said Andrew Kassner, chairman and CEO of Drinker Biddle.

"His understanding of the rapidly changing insurance regulatory landscape and his leadership within the NAIC, not just within the California Department of Insurance, will be a great asset to our clients, and our nationally recognised insurance practice."

Finston is the second partner to join the insurance regulatory and transactional team within Drinker Biddle's corporate and securities group in California this year, following the addition of his former colleague Dan Brown in March.

Theresa Fitzgerald, formerly of Dentons, has also joined the San Francisco office as counsel.

XL Catlin has appointed Aiden Joo as senior underwriter in its structured risk solutions business.

Joo has joined XL Catlin from Zurich Global Corporate, where he was an underwriter and deal architect, and developed a variety of insurance solutions, including integrated insurance programmes, risk financing and alternative risk transfer programmes for large corporate clients.

Reporting to Rob Turner, global head of structured risk solutions in London at XL Catlin, Joo was appointed in response to increasing demand for innovative risk management solutions.

Turner said: "Our clients are looking for new, innovative risk management solutions to address their changing business exposures. To meet this continued demand, we are excited to build out our capability in the US with Aiden Joo joining us in New York."

"His experience will prove very beneficial as we develop custom-made risk transfer solutions to assist our corporate and captive clients in achieving their strategic objectives."

Greenlight Capital Re has named Simon Burton as its new CEO and member of the board of directors, effective 1 July.

Burton will succeed Leonard Goldberg, who is stepping down from the role, but remaining a member of the company's board of directors.

Burton was previously CEO of SAC Re, where he saw the company through from its inception to its sale to the Hamilton Insurance Group.

Before this, worked at Lancashire Group, holding several roles including deputy CEO and CEO of the group's Bermuda subsidiary.

David Einhorn, chairman of the board of directors of Greenlight Re, said: "Following a comprehensive search process, we identified Simon as the clear choice to bring Greenlight Re to its next phase of growth."

Burton said: "Greenlight Re has tremendous talent and an excellent platform. I am looking forward to leading the company to profitably grow the business and help maximise shareholder value over the long term."

AlphaCat, the Bermuda-based investment adviser in insurance-linked securities (ILS) and other property catastrophe reinsurance investments, has appointed Bernard Van der Stichele as portfolio manager.

Van der Stichele brings 15 years of institutional investment experience, and joins from AQR Capital Management, where he served as vice president.

Before this, he was a senior investment analyst at the Ontario Teachers' Pension Plan, where he is credited with developing the group's first direct ILS investment strategy.

In his new role, Van der Stichele will report to AlphaCat CEO Lixin Zeng.

Zeng said: "We are delighted to welcome Bernard Van der Stichele to the AlphaCat team. With his impressive track-record and extensive knowledge of insurance-linked securities and reinsurance asset classes, we are confident that he will add tremendous value to AlphaCat."

AlphaCat is a wholly-owned subsidiary of Validus Holdings.

In addition to Van der Stichele's appointment, Chris Silvester, Validus Services's executive vice president and head of US property underwriting, is set to take on additional responsibilities, taking the lead on AlphaCat's business lead origination.

Silvester will continue to report to Jeff Clements, executive vice president and chief underwriting officer.

Clements said: "As a proven business development leader, we look forward to having Chris Silvester further strengthen our offerings." CIT

captive insurance times

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