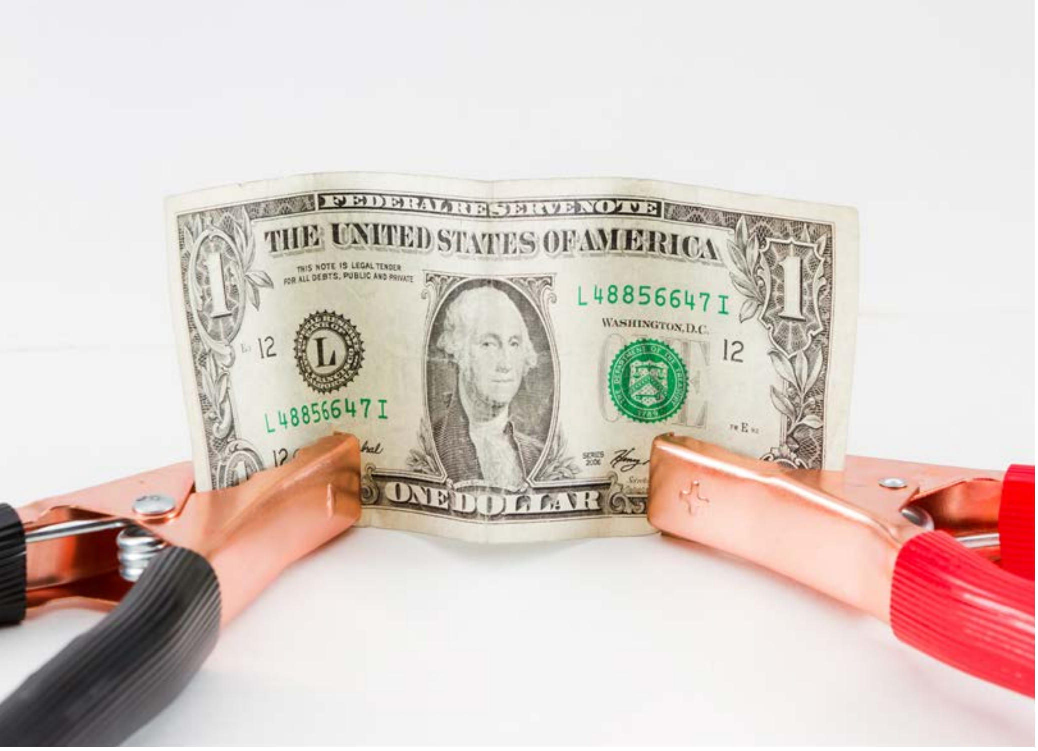
CIT CaptiveInsuranceTimes
ISSUE104
17.08.2016 WEDNESDAY
captiveinsurancetimes.com
The primary source of global captive insurance news and analysis



# Captives give $360m boost

Delaware's captive insurance programme has contributed almost $360 million to the state's GDP since it launched in 2009, according to an economic study by the University of Delaware.

The industry also directly and indirectly supports 2,537 jobs in Delaware, creates $109 million in additional income and generates $5.6 million in tax revenue.

The study was conducted on behalf of the Delaware Department of Insurance (DOI) by the university's Alfred Lerner College of Business & Economics' Center for Applied Business & Economic Research (CABER).

According to the report, for every $1,000 spent on the captive industry by the DOI, 1.5 jobs are created, $83,574 is generated in income and $4,301 is collected in taxes.

CABER studied 1,081 captive insurance companies doing business in Delaware, as well as data from businesses providing services to those companies.

Delaware insurance commissioner Karen Weldin Stewart said: "Thanks to my captive director, Steve Kinion, and my top-notch captive staff, we are consistently one of the top captive domiciles in the US and in the world. But until now, I don't think many people were aware of exactly what we contribute to Delaware's economy."

"The CABER report rewards my faith in captives as a revenue generator for our state."

## BIBA asks for captives to be considered in any Brexit talks

The impact on captive insurance companies writing for European operations from the UK, or vice-versa, needs to be considered during Brexit negotiations, according to a letter sent to senior government figures from the British Insurance Brokers' Association (BIBA).

The letter set out what, in the opinion of BIBA members, are the "most important considerations" as the country begins exiting the EU.

It explained that some brokers have created specific captive insurance arrangements for customers so that they can place risks they are unable to place competitively in the UK.

Continued on p2

## ILS market sees smallest issuance since 2011

The insurance linked-securities (ILS) market in Q2 2016 only saw $800 million in new issuances, the smallest amount since 2011, according to Swiss Re.

Swiss Re's report, however, revealed that the ILS market was off to a promising start in Q1, with new issuances of $2.07 billion, up by 20 percent from the same period last year.

The pace of issuance did continue until the second half of May and into early June, bringing the total for Q2 to $800 million.

The issuance for the first half of the year ended in $2.87 billion, the sixth largest figure since 1997.

The report found that although issuance was down, the number of transactions was in line with recent years, reflecting a decrease in deal size.

Continued on p2

## BIBA: Consider captives in Brexit talks

**Continued from page 1**

The letter stated: “These arrangements will be put at risk where access to the EU is restricted and we may also see job losses for staff in the business units that focus on helping customers with these arrangements.”

The letter also noted that to continue the smooth running of business between the EU and UK, “it is important that our regulatory regimes remain comparable”.

## ILS market sees smallest issuance since 2011

**Continued from page 1**

The report also showed that the average size of newly issued class was down over 35 percent from H1 2015 to approximately $130 million for 2016.

The first half of the year saw eight of 22 classes of bonds issued below $100 million compared to four classes of less than $100 million in all of 2015.

Of the 13 deals issued in H1 2016, two were new sponsors, First Coast and Laetere, and the remaining were repeat sponsors. In H1 2016, US wind and earth deals dominated the market, accounting for over 65 percent share.

The report suggested that these peak US perils were complemented by many diversifying perils including Canada earthquake, Europe windstorm, Japan typhoon and extreme morbidity.

According to the report, overall, the ILS market experienced a 7 percent decrease in the size of the market to $22.3 billion, as of 30 June 2016.

The report said: “It’s not unusual to experience a small dip in size at the midpoint (larger maturities in H1), as was the case last year as well.”

“Only $1.59 billion of the $3.02 billion H1 issuance was issued on behalf of sponsors renewing their portion of the $4.35 billion expiring, as the sponsors that didn’t renew viewed bonds to be a more expensive option at the start of the year when they were planning their renewals.”

“We believe that the current market conditions, largely influenced by the lack of issuance in Q2 and the large maturities which weren’t renewed, will lead existing sponsors to replenish and top up their programmes, and will entice new sponsors to enter the market.”

## Cost and control are top drivers

Control and cost savings are the primary drivers for companies with employee benefits in their captive, according to a Willis Towers Watson report.

The report found that 44 percent of companies with employee benefits in their captive said their main driver for this was to control and improve their claims data to help with ongoing cost management.

It also found that the number of companies that see the main driver as cost savings dropped from 67 percent in 2015 to 44 percent in 2016.

It suggested that the use of captive insurance companies for financing employee benefits continues to evolve as companies increasingly go beyond using their captive vehicle purely to save money on their annual employee benefits bill.

Mark Cook, director of Willis Towers Watson, said: “There has been a clear evolution in the rationale for companies to include employee benefits in their captives.”

“The initial motivation for using a captive is often the simple desire to save money on the ever-increasing cost of providing employee benefits. For some companies these ongoing


# Contents

Artex

# Ensuring Greater Understanding

Artex provides a full range of alternative risk management solutions, customized for our clients' individual challenges and opportunities. Powered by independent thought and an innovative approach, we empower our clients and partners to make educated risk management decisions with confidence.

- Insurance & Captive Management
- Program & Facility Management
- Insurance-Linked Securities & Structured Transaction Administration

Operating in over 25 domiciles and in more than 15 offices internationally, we have the proven capacity to supply any alternative risk need.

**For more information, please visit our new website at:** **artexrisk.com**

Artex

28914C

cost savings are all they require from their captive, but many are developing their use and finding additional benefits."

In the study, Willis Towers Watson found that 50 percent of participants use their captive to provide death and disability benefits, as well as healthcare or medical benefits.

It also showed that 47 percent of employee benefit captive users indicated that they are also considering a captive pension transaction in the future. Of that figure, 41 percent said they would consider it in the next three to five years and 6 percent in the next 12 months.

Cook added: "We continue to see a broadening use of employee benefit captives. Companies continue to explore further areas in which they can take on more of the risk and manage it internally, in order to save money and mitigate risk."

"Also, many companies now recognise captives' importance as a tool in benefit cost management, by identifying and addressing the key cost drivers. Successful employee benefit captives are able to stabilise and slow down the increase in benefits costs, in an environment where medical costs continue to increase."

## Cutts-Watson to assist BVI

Cutts-Watson Consulting has teamed up with the British Virgin Islands (BVI) captive insurance industry to review and "take advantage of newly presented opportunities to reinvigorate business", according to a new report.

The report, 'Building a thriving and sustainable Captive Industry in the British Virgin Islands', was intended to examine BVI's legislative, regulatory and business framework, and define a "new vision" for BVI's captive insurance industry.

Although the industry has seen successful developments, it has faltered slightly, according to report.

It suggested that this was a result of the territory not having modernised captive legislation, and because of increased competition from neighbouring financial services centres.

It identified a number of BVI's key strengths in the captive industry sector, including modern company law, special purpose captive legislation, the ability to re-domicile and corporate governance requirements.

The report also reaffirmed: "These core fundamentals facilitate the creation of corporate structures to house captive business and the implementation of a robust governance framework around them."

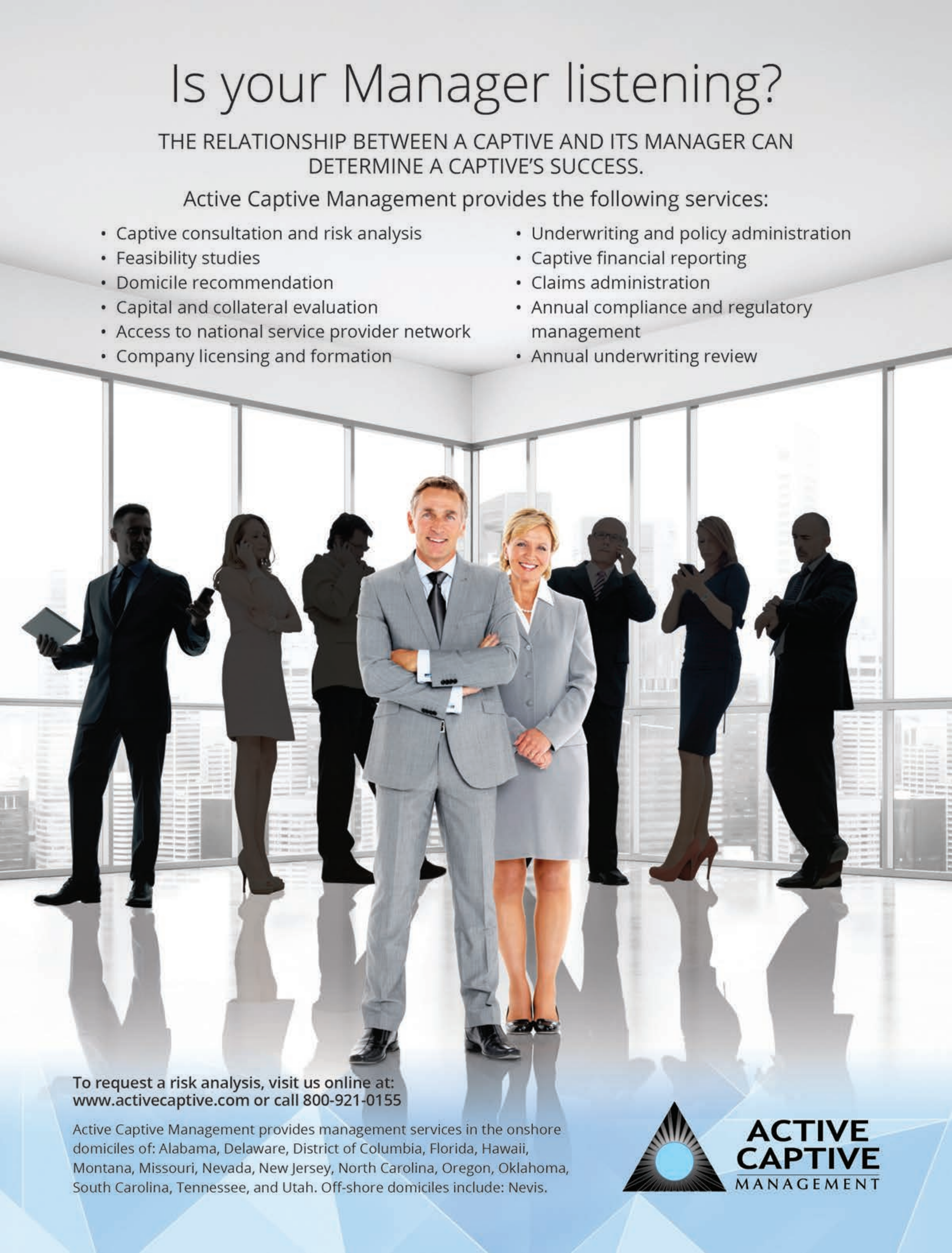
In addition, the report laid out an implementation plan for "delivering the vision and identifing new sources of business, obstacles inhibiting success and strategies to overcome the obstacles".

To produce the report, the Cutts-Watson team met with various captive managers during a visit to BVI. Other companies that the team met with on the visit included the BVI Association of Insurance Managers; the Insurance Division of the Financial Service Commission; BVI Finance, a selection of service providers; domestic insurance industry representatives; and members of the government's financial services initiatives implementation team.

The team also met with Guernsey's captive producers and captive managers that are not currently represented in BVI, and with competing captive domiciles and regulators.

## 'Excellent' ratings for Physicians Insurance Mutual Group

A.M. Best has assigned a financial strength rating of "A- (Excellent)" and an issuer credit


Is your Manager listening?
THE RELATIONSHIP BETWEEN A CAPTIVE AND ITS MANAGER CAN DETERMINE A CAPTIVE'S SUCCESS.
Active Captive Management provides the following services:
• Captive consultation and risk analysis
• Feasibility studies
• Domicile recommendation
• Capital and collateral evaluation
• Access to national service provider network
• Company licensing and formation
• Underwriting and policy administration
• Captive financial reporting
• Claims administration
• Annual compliance and regulatory management
• Annual underwriting review
To request a risk analysis, visit us online at: www.activecaptive.com or call 800-921-0155
Active Captive Management provides management services in the onshore domiciles of: Alabama, Delaware, District of Columbia, Florida, Hawaii, Montana, Missouri, Nevada, New Jersey, North Carolina, Oregon, Oklahoma, South Carolina, Tennessee, and Utah. Off-shore domiciles include: Nevis.
ACTIVE CAPTIVE
MANAGEMENT

rating of "a-" to MedChoice Risk Retention Group and Physicians Insurance A Mutual Company, the two companies that comprise Physicians Insurance Mutual Group.

According to A.M. Best, the affirmations of the companies are based on their strong risk-adjusted capilisation and profitable operating performance.

The ratings assigned to MedChoice Risk Retention Group take into consideration the challenges associated with it being a start-up insurer, offset by its strong alliance with Physicians Insurance A Mutual Company.

A.M. Best suggested that the group could earn a positive rating if it sustains a favourable earnings trend and strengthened capital.

## US captive market has stable outlook

The US captive market is to remain stable for the rest of 2016, according to A.M. Best.

The rating agency's annual report on the US captive market suggested that the stable outlook is based on continued modest economic improvements, GDP growth of approximately 2.5 to 3 percent, moderate loss cost inflation between 2 and 4 percent and an incremental rise in interest rates by the end of the year.

A.M. Best said it views "the captive market as stable from a ratings perspective and expects that the vast majority of captive insurers will have their ratings affirmed".

The ratings agency added that it expects "2016 to be another fruitful year of underwriting profitability for this niche segment".

The US captive insurer composite (CIC) continues to outpace the underwriting and operating results of the US commercial composite, according to the report.

The results show that the CIC five-year average stood at 89.3 percent, compared to the commercial composite of 101.2 percent. The CIC 10-year average totalled 88.9 percent compared to a commercial composite of 98 percent.

The report also revealed that the CIC composite's operating ratio of 71.8 percent still compared favourably to that of the commercial composite, which was 84.4 percent in 2015.

Net income for the CIC composite was strong in 2015, but approximately half of those profits were retained as dividends were paid to shareholders.

Despite this, capital and surplus has grown at a compound annual growth rate of 5.5 percent per year from $16.7 billion in 2010 to $21.9 billion in 2015. Currently, there are 140 rated insurance companies in the US captive market, including 41 risk retention groups, 60 single parent captives, and 39 group captives.

The report found that the market position of captive insurers continues to be described in "favourable terms such as profitable, stable, well-capitalised, and consistent".

## CapAlt opts for Websure's platform

Websure has entered into an agreement to supply its administration platform to Captive Alternatives, as of November 2016.

Captive Alternatives selected Websure to handle both the administration and reporting requirements of CapAlt, Madison Re and its protected captive clients.

David Kirkup, COO and CFO of CapAlt, said: "As part of our commitment to clients, we were looking at ways in which technology solutions could help us administer client business and support strategic decision making."

"It will allow us to streamline our approach to risk analysis and assessment through the timely provision of accurate management information."

"As we move into a tremendous growth curve, we are looking forward to the productivity efficiencies that we will gain as a result of the implementation and to successful partnership with Websure."

## Tennessee celebrates success

Since Tennessee governor Bill Haslam signed a law to rewrite captive legislation, the state's captive insurance market has seen a boost in growth and an increase in state revenue, according to Kevin Doherty, partner at Nelson Mullins.

Doherty, also president of the Tennessee Captive Insurance Association, revealed that the state has now more than exceeded its goals.

As of mid-June, Tennessee had licensed 133 captive companies and 321 cell companies.

Doherty said: "With this year's revisions to the 2011 legislation, Tennessee continues to enable corporations and groups to take financial control and manage risks by underwriting their own insurance."

## Zurich launches new cyber solution

Zurich Insurance has developed a new insurance solution for companies and their captives to protect against risks associated with data security breaches.

The new Security and Privacy Protection policy will help companies integrate cyber coverage into their captive insurance programmes, allowing them to gain better control of their cyber exposures.

Steve Bauman, senior vice president and head of captive services at Zurich North America, commented: "The risk of having sensitive data lost or stolen has grown exponentially over the last few years, largely due to the interconnectedness of everything we do."

"By integrating Zurich's Security and Privacy Protection programme into a captive, customers can better gain control of their cyber exposures by more effectively managing their retention and deductibles."

The Zurich programme will allow customers to benefit from the company's risk engineering team, which is experienced in cyber-related issues.

Erica Davis, senior vice president, head of specialty products errors and omissions for Zurich North America, added: "Cyber continues to be a top risk management concern for many of our customers. Businesses are exploring new avenues to address cyber risk, especially given the elastic conditions of the security and privacy insurance market."

## Exchange Re given the go-ahead in Malta

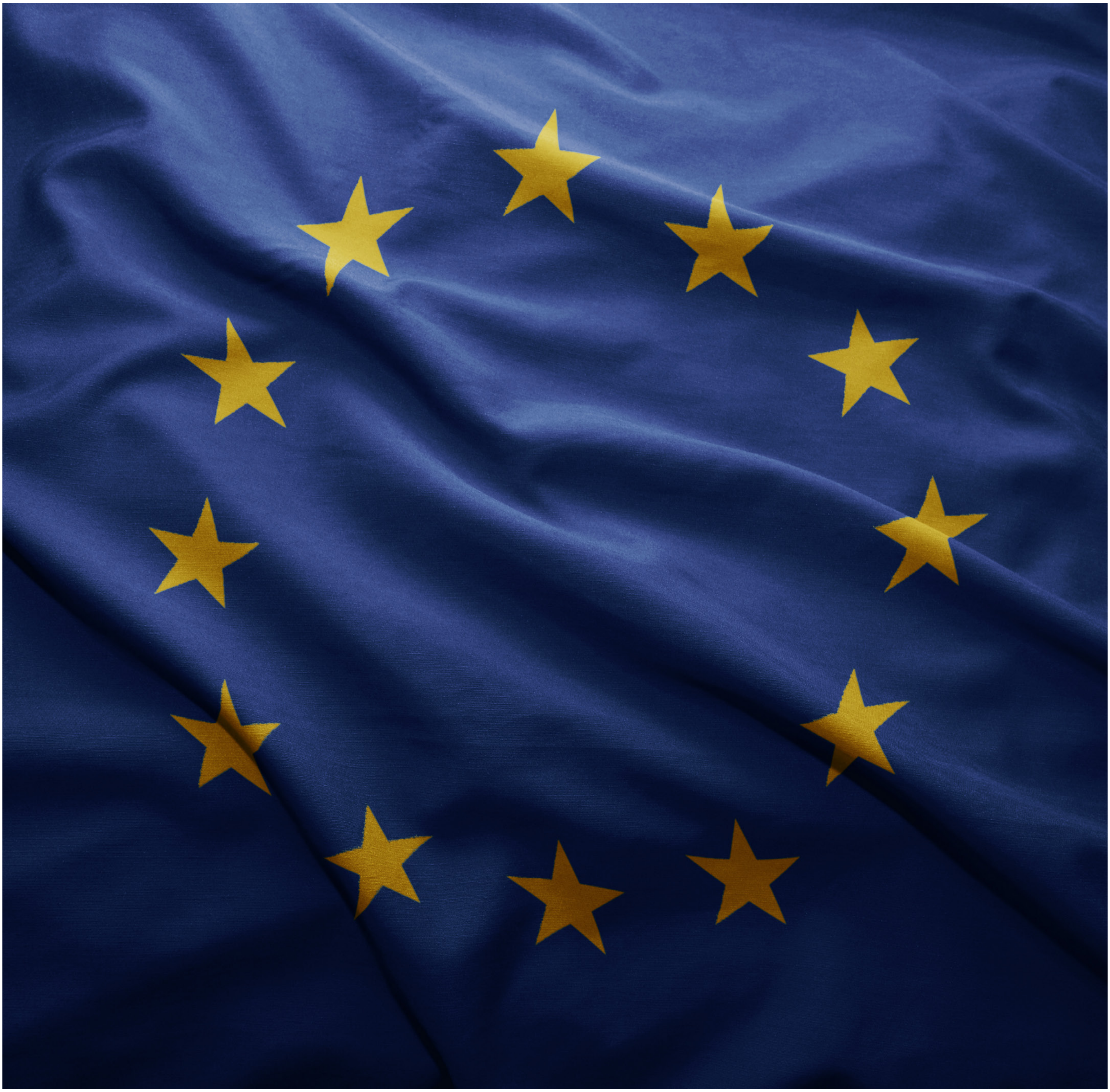
Exchange Re, the EU's first segregated cell company platform for cell-based insurance linked-securities (ILS) and collateralised reinsurance transactions, has received approval to begin business by the Malta Financial Services Authority (MFSA).

This approval falls in line with the MFSA's aim to become an EU hub for ILS transactions.

John Tortell, general manager of Exchange Re SCC Limited, said: "We aim to provide a full quality service to clients and look to other service providers to use this open platform for their own clients."

He added: "In keeping with the ever-developing ILS market Exchange Re and Malta offer a credible and interesting alternative in a Solvency II compliant domicile for both originators of risk and ILS investors."

**Have a story we should cover?**
**Let us know:**
**beckybutcher@blackknightmedialtd.com**



# Regulation differentiation

Regulators across the EU are taking diverging approaches to the level of capital they are expecting captives to hold post-Solvency II, says Simon Phillips of Barclays

### What impact has Solvency II had on captives?

Captives in EU jurisdictions and those that have achieved or sought equivalency have to comply with the new capital rules that Solvency II brings. We are aware of differences in interpretation and application of the rules by different jurisdictions, suggesting that careful analysis of each regulator's position in respect of Solvency II is required.

### What challenges are captives facing?

The additional requirements for compliance with Solvency II place an extra burden on the captives, or rather on the captive managers, and it seems likely that there may be pressure on the fees that captive managers wish to charge for their services. We have also observed in one particular jurisdiction where there are no sufficiently rated banks to keep the capital requirement at a reasonable level that those captives are seeking to hold their capital elsewhere in the EU with an adequately rated bank.

Many countries will be expected to subscribe to the base erosion and profit shifting (BEPS) framework that has been put together by the Organisation for Economic Cooperation and Development (OECD), which will involve enacting or adjusting local legislation. However, the framework is not reflective of the unique position that captives are in and further consultation is likely.

### Has there been any negative impact on captives since the implementation?

The additional burden on reporting is not consistent across the EU, with some regulators expecting captives to report the detail of a fully blown insurance company rather than reflecting the single parent, mostly single insured, nature of the insurance vehicle.

When looking at the impact of the increase in UK insurance premium tax on UK insurance transactions, it is expected that there will be reviews of the number and scale of transactions that some companies put through their captives.

### With Solvency II came increased capital requirements for insurers. Have captives struggled with this at all?

It is possibly too early to say whether captives are struggling with the increased capital requirements and certainly the impact on their profitability and operations will be observed as the new regulations rally take effect. Again, the attitude of the regulators to these new rules will be a key consideration for captives.

### What are the advantages for captives domiciling in the EU?

The advantages for captives domiciling in the EU are unchanged with the ability to issue compliant documentation across the entire market being the most prominent benefit. These should be weighed against the increased cost of Solvency II compliance.

### At Barclays, what feedback have you received from clients and their experiences?

The main observation we have is that the regulators in the different jurisdictions are taking different approaches to the level of capital they expect captives to hold. The captive managers are certainly heavily involved in pulling together the Solvency II reports and therefore have an interest in understanding and comparing compliance requirements across jurisdictions.

In addition, for Barclays, it is likely that there will be additional reporting requirements for assets held within investment portfolios that we manage for our captive clients.

### Are there any implications for captives following the project initiated by the OECD around BEPS? What should they be working on?

Many corporate structures are open to scrutiny as to their true purpose, with a particular focus on whether they are primarily being used to mitigate tax, even if this is within the letter of the law.

As we know captives do have a very important part to play in the management and transfer of insurance risk, and from a BEPS perspective, there a number of key points captives should consider:

- Substance: does the captive have appropriate resources to support the risk it is writing in the jurisdiction where it is based?
- Capitalisation and pricing: is the captive appropriately capitalised for the business it is writing and are the risks priced appropriately?
- Governance and control: are the decisions being taken by the appropriate people in the right jurisdiction and where are those risks being managed?
- Business purpose: what value does the captive bring and is it involved in writing appropriate risk for the owners and shareholders in line with their activities?
- Documentation: this point really brings together all the previous points in ensuring that everything the captive does is appropriately documented, in particular any decisions that are taken.

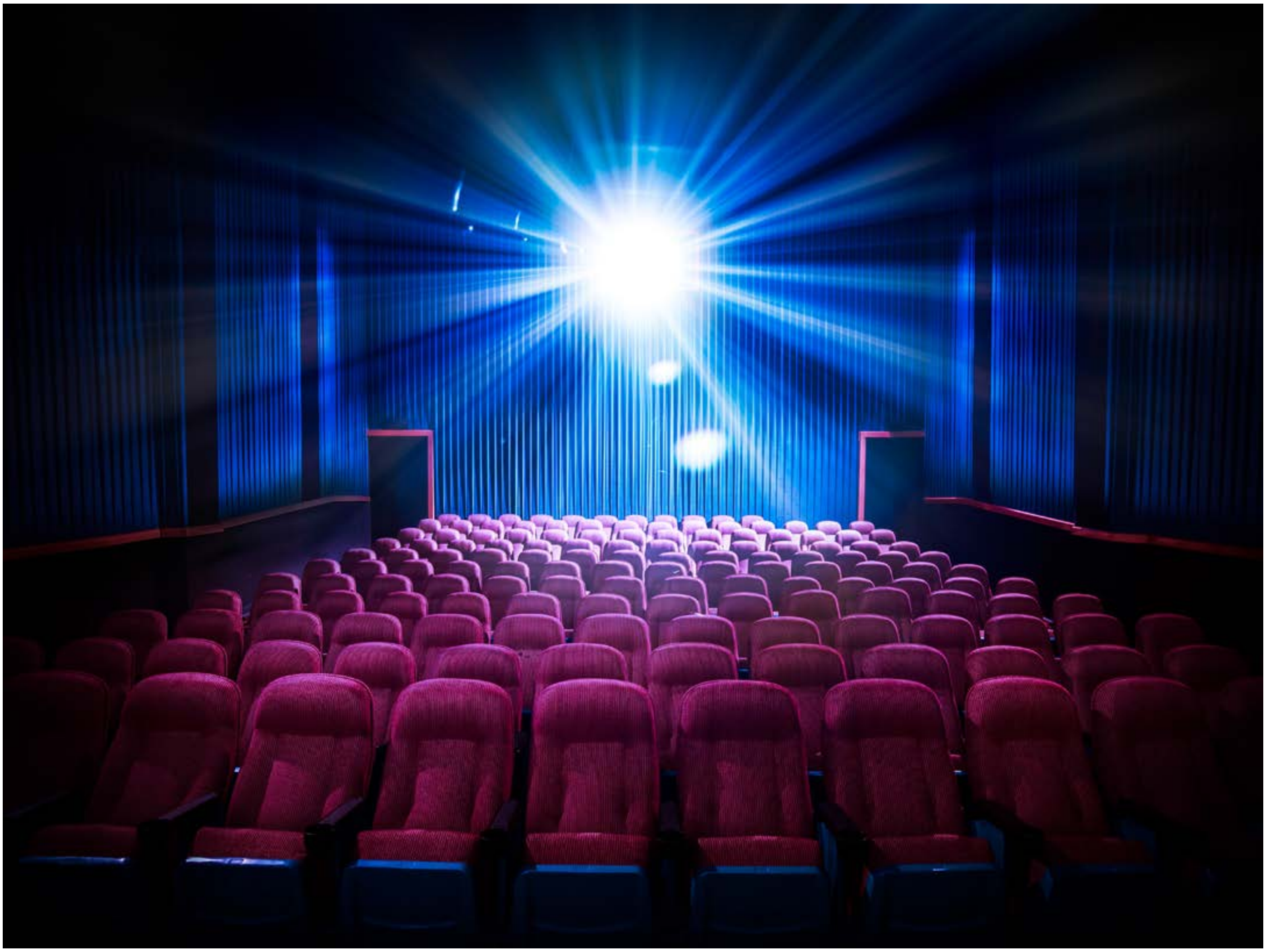
So, BEPS for captives is relevant, but should not hold any concerns for captives that have been formed for appropriate insurance or risk transfer reasons.

The important factor is making sure that the structure, business written and governance around the captive clearly demonstrate that the captive does have a clear commercial and economic purpose, which is supported by the right resources. CIT

> BEPS for captives is relevant, but should not hold any concerns for captives that have been formed for appropriate insurance or risk transfer reasons

**Simon Phillips, Director and head of captive insurance**

Barclays Corporate & International Banking



# It's showtime

## Burlington received the Hollywood treatment as the stars of captive insurance descended on the 35th VCIA conference, to talk cyber, US group captives, and more, and celebrate some lifetime achievements while they were at it

The Vermont Captive Insurance Association (VCIA) celebrated its 35th anniversary with a bang, embracing the 'lights, camera, captives' theme of its 2016 conference. Welcoming more than 1,000 attendees from 41 US states and 14 countries, it was always set to be an extravaganza. Richard Smith, president of the VCIA, said: "We want it to be the conference that everyone in the captive industry wants to come to."

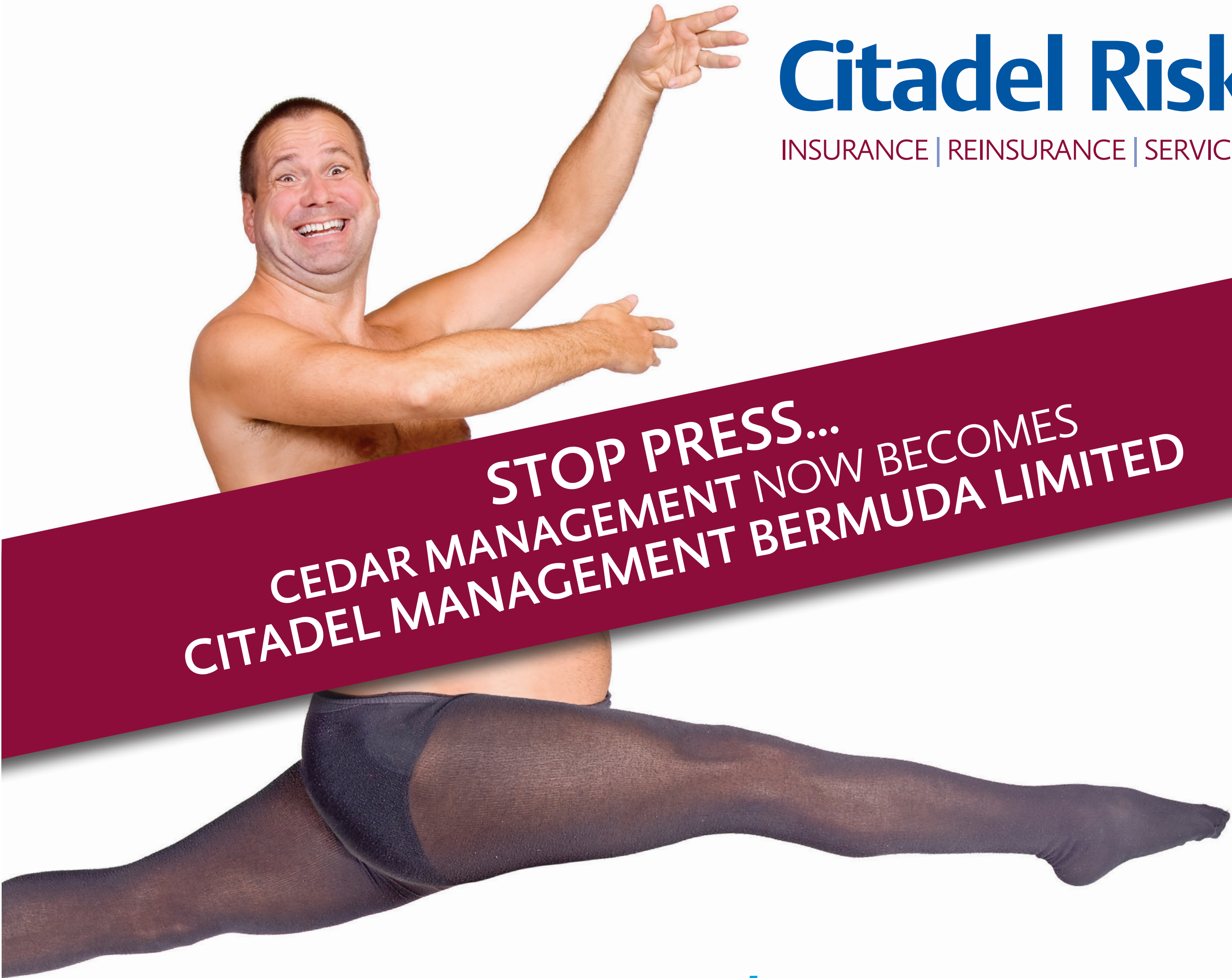
Dave Provost, deputy commissioner of the captive insurance division at the State of Vermont's Department of Financial Regulation, revealed that Vermont has registered 11 captives so far this year, and more waiting in the wings. Provost also revealed that four companies had registered interest in Vermont during the conference itself.

Although Vermont had 14 captives licensed this time last year, Dan Towle, director of financial services for the State of Vermont, noted that the state ended up with a total of 33 captives at year-end 2015, with much of the activity happening in Q4. Towle also revealed that the most popular industry sector for captives in Vermont is manufacturing, which stands at 15 percent, followed by healthcare at 14 percent, with a difference of three companies. He said: "Continued diversity is our trend here is Vermont."

The conference agenda provided attendees with advice on how captive boards and management teams should cooperate. Stephen Crim, a partner at C&S Specialty Underwriters, said that captive board members are there to support the business and should leave the management in charge, or replace them. Crim suggested that as a captive matures it is important to have professional managers on board, whether that is a captive manager or a programme manager. Crim said: "You have to let the management team run with that, and the board's role then becomes more of a supervisory role [of] oversight. Let the management team set the strategy and the board should be asking probing questions and challenging management all the time."

# Citadel Risk

INSURANCE | REINSURANCE | SERVICES




# WHEN BIG ISN'T ALWAYS BEAUTIFUL!

If you are looking for a reinsurer who can handle small deals and really 'partner' with you, come and talk to us.

- A rated Bermuda carrier
- Niche reinsurance
- Fronting
- Captive ~~support~~ management & consultancy
- Legacy and finality solutions

Financial Strength Rating A.M. BEST A- Excellent

www.citadelrisk.com

Contact Citadel:

Tony Weller
+44 (0)207 042 7968
tony.weller@citadelrisk.com

Mike Palmer
+44 (0)207 042 7969
mike.palmer@citadelrisk.com

Dennis Silvia
+1 (440) 264 9992
dennis.silvia@cedarconsulting.net

Tom McMahon
+1 (441) 295 7015
tom.mcmahon@citadelrisk.com

Another panellist, Judy Ertel, president of Dynamo Insurance Group, agreed that board members are there for support. In her experience, she said, board members support the strategy of solving problems for the business.

“I think as a captive manager team and risk insurance team, we do a good job of formulising the process by which the business comes to us to ask or request customisable kinds of coverages,” Ertel said.

She added: “The board’s role in all of that is we have to find an official process where the management team can demonstrate clearly and transparently that the business has the exposure, the data is there, the analysis has been done and the decisions have been made, so that the board has the ability at a high level to see the due diligence process has worked.”

Tyrone Garrett, director of HAI Group, noted that the situation is different at his organisation because, other than two independent directors on the board, everyone is an executive director of a housing authority, which means their input is important.

He suggested that the situation is unique for different types of business and, because at HAI Group there are directors at that level, “we have a strong influence on what we can use on a daily basis at our agencies”.

Ever a hot topic in captive circles, cyber was a popular talking point at the VCIA conference. A panel session poll revealed that 51 percent of attendees’ organisations have experienced a cyber attack within the last five years.

Session attendees were also asked if their organisation has any type of cyber coverage and if so, whether that coverage includes the company’s captive programme.

Of the attendees, 32 percent said they do not have any cyber coverage, 54 percent said they have cyber coverage included in their captive plan, and 14 percent said ‘some or all’ was covered through their captive plan.

Martin Ross, managing director of Aon Risk Solutions, explained to the audience that cyber has no boundaries, and criminals are not likely to select one company over another.

“Every company is vulnerable to a cyber breach.”

He claimed that the one of the biggest cyber threats is actually the employees at a company, rather than outsiders, and suggested that this type of threat could come from a disgruntled employee.

Companies should keep in mind its employees, Ross stressed, pointing out that some companies are not allowed to have mobile phones next to their computers as it could be seen as a threat to the company.

He also revealed that prime targets could include healthcare companies and banks, because their data is worth a lot of money.

The panel suggested that the top three risks to companies are: damage to reputation and brand; economic slowdown; and regulatory and legislative changes.

Speakers predicted that by 2018 these risks would change and, instead, the top risk to companies will be increasing competition.

Group captives, particularly in the US, also proved to be a star of the show. During a poll in the panel discussion, ‘Group captives take centre stage’, 74 percent of attendees said they would choose an onshore US domicile to set up their group captive, in comparison to 3 percent who said they would opt for for an offshore domicile.

Monica Everett, business development director at Artex Risk Solutions, suggested that this shift could be down to recent scrutiny from the Internal Revenue Service.

Everett explained that Grand Cayman and Bermuda used to be the most popular domiciles, but recently there has been a shift back to domiciling onshore in the US.

Len Crouse, partner of US operations at JLT Towner Insurance Management, suggested that people “feel better moving to onshore”, considering the increased scrutiny on captives from the federal government and the National Association of Insurance Commissioners.

The panel also noted the benefits of creating a group captive. Some included group captives providing more control, premium based on loss experience, improved purchase power, the opportunity for underwriting profit, and investment income benefit.

Finally, attendees were also warned with the message that a company should re-evaluate its captive risk appetite and exposure of its captive at least every five years.

A panel discussed the reasons why companies should review their captives and what they should look out for when conducting a review.

One panellist suggests that companies need to consider regulatory and risk changes, the ways in which the captive could better serve customers, and the changing economic landscape, all of which need to be regularly reviewed.

Companies should use this review as an opportunity to take emerging risks into consideration, including medical stop-loss, pensions and cyber, however, the panel warned that companies need to think twice before including reputational risk, as it is difficult to measure and is not covered by cyber.

A captive can also be used to provide tools to manage reputational risk, such as crisis management, as part of an insurance product, the audience heard.

The panel went on to inform delegates that reviews must also be used to recognise the unknown factors and in-built risks in organisational strategy, to create extreme worst-case scenarios with risk sensitivity, to examine risk shifting and distribution, and to review the need for diversification.

As well as celebrating the last 35 years of captive insurance, the VCIA hosted its own awards ceremony, seeing Stephanie Mapes, Michael Bemi and Dennis Silvia handed industry awards by VCIA president Smith.

Mapes, president of Paul Frank + Collins was given the industry service award, while Bemi, CEO of the National Catholic Risk Retention Group was presented the honorary member award. Finally, Cedar Consulting president Silvia scooped up the ‘captive crusader’ award.

Although a different kind of celebration, the session also recognised a bout of recent and upcoming retirements from the captive industry.

These include Dennis Harwick, president of the Captive Insurance Companies Association, and COO of USA Risk Group Andrew Sargeant. **CIT**

# Industry appointments

## Strategic Risk Solutions, the Utah capitve insurance division and more feature

**Strategic Risk Solutions (SRS) has hired Rex Jorgensen and Jonathan Stark to help manage growth in its western region captive management and consultancy teams.**

Jorgensen will join the firm's Scottsdale, Arizona office as director of SRS West. He joins from Ashton Tiffany, where he spent nine years as a senior risk management consultant.

In his new role, Jorgensen will be responsible for the management of several key client relationships, the expansion of services to existing western region clients and the development of new business among western US clients and business partners.

Stark will be based in the consulting team based in Concord, Massachusetts. He joins SRS as a consultant from the North Carolina Department of Insurance, where he was a senior financial captive analyst.

Brady Young, president of SRS, commented: "I am pleased to welcome Rex Jorgensen and Jonathan Stark to SRS."

He added: "Being able to add staff of their quality to SRS is important in maintaining the level of service to our existing clients. Rex Jorgensen and Jonathan Stark will also be central to the expansion of our services and clients in their respective areas."

**Travis Wegkamp has been appointed the new director for the Utah captive insurance division, replacing David Snowball, who is retiring after two years in the position.**

Wegkamp joined the Utah captive division in 2011 as an audit manager. He has been credited with helping to develop new and revised captive rules and regulations, and has performed financial analysis and examinations.

He also helped to create Utah's suite of online captive services, the first of its kind in the US.

Under Snowball's leadership, the number of captives in Utah increased to reach 445 captive companies and 71 captive cells. According to the state's insurance department, captives also experienced a prolonged period of growth and stability during that period.

Utah insurance commissioner Todd Kiser said: "I am extremely pleased and gratified that the Utah captive insurance division staff has the depth of experience to allow a promotion from within its ranks."

He added: "Travis Wegkamp has been an asset to this department for many years, and I am confident that his leadership will

maintain the positive trajectory that has been a hallmark of the state's captive industry."

Wegkamp commented: "In recent years we've focused heavily on being a leader in developing innovative technological advances to serve our clients and make doing business in Utah a quick and simple process."

He said: "Utah's captive insurance industry has seen some phenomenal growth in the past few years—that's a tradition I plan to continue."

**USA Risk Group's COO, Andrew Sargeant, will retire at the end of the year, with Cindy Lyford and Shawn Burger set to take over his responsibilities.**

Sargeant, who has been at USA Risk since 1995, serves as COO of the group as a whole and as head of the Vermont office.

Lyford will take over Sargeant's duties as head of the Vermont office. She has been with USA Risk Group for over 16 years, starting as an account manager and progressing to her current position, in which she is responsible for some of our more complex accounts, client oversight and financial statement review.

Burger, who joined USA Risk in March as senior vice president of sales and operations, will take over as COO.

He previously held positions at Spencer Capital, Cunningham Lindsey, Arrowhead General Insurance Agency and Zurich.

Sargeant has dedicated more than 35 years to captive management. Before joining USA Risk, he was vice president at Sedgwick Management Services in Vermont, having relocated from a similar role with Sedgwick in Bermuda.

Following his retirement, Sargeant will continue to be available as a resource and resident director, if requested, for Vermont-based clients.

"I'm proud to have worked with the USA Risk team for over 21 years," said Sargeant. "It has been a fun ride working with group of dedicated and talented professionals who are the leaders in the captive insurance industry."

"I'm not only looking forward to starting the next phase of my life, but will be cheering for the continued success of USA Risk."

**Beecher Carlson has promoted Pete Kranz to captive leader of sales, Chantal Oosthuizen to captive leader of offshore, and Matt Takamine to captive chief operating officer.**

Kranzwas previously head of the company's Vermont captive management office, overseeing the East Coast operations.

Oosthuizen managed captive operations in the firm's Bermuda offices, in addition to managing its licenses in the Cayman Islands.

Takamine will take on his new responsibilities as captive leader in addition to his current role leading the Honolulu office, in an effort to improve the efficiencies of the practice.

Jason Flaxbeard, executive managing director at Beecher Carlson, said: "Pete Kranz, Chantal Oosthuizen, and Matt Takamine are all client focused and consultative in their approach to captive management. They have also developed strong relationships in the industry. I am proud to work with each of them." **CIT**

**CIT** CaptiveInsuranceTimes

**Editor: Mark Dugdale**
markdugdale@captiveinsurancetimes.com
+44 (0)203 750 6022

**Deputy Editor: Stephanie Palmer**
stephaniepalmer@blackknightmedialtd.com
+44 (0)203 750 6019

**Reporter: Becky Butcher**
beckybutcher@blackknightmedialtd.com
+44 (0)203 750 6018

**Contributor: Drew Nicol**

**Business Development and Design: John Savage**
johnsavage@captiveinsurancetimes.com
+44 (0)203 750 6021

**Publisher: Justin Lawson**
justinlawson@captiveinsurancetimes.com
+44 (0)203 750 6028

**Designer: Steven Lafferty**
design@securitieslendingtimes.com
+44 (0)203 750 6021

**Recruitment Manager: Chris Lafferty**
chris@assetservicingtimes.com
+44 (0)203 750 6024

**Office Manager: Chelsea Bowles**
accounts@securitieslendingtimes.com
+44 (0)203 750 6020

Office fax: +44 (0)20 8711 5985

Published by Black Knight Media Ltd

Black Knight Media Ltd
Provident House
6-20 Burrell Row
Beckenham
BR3 1AT, UK

Company reg: 0719464



**Stay connected with Captive Insurance Times on Twitter, Facebook and LinkedIn**

**www.captiveinsurancetimes.com**