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ILS could be a 'game changer'

UK government adviser Michael Wade opened City & Financial Global's recent conference on insurance-linked securities (ILS) in London by calling the introduction of a bespoke regime for the popular financial instruments a potential "game changer" for the country.

The UK government released its second consultation on the implementation of an ILS regime in November, suggesting that its framework could be in place by next year.

Simon Kirby, economic secretary at the Treasury and the keynote speaker at the conference, told attendees that London "has an edge" compared to its competitors in this market.

Kirby said: "We know how important this industry is, we want to support you, and we're taking through these measures on ILS to help you stay ahead of the game. And my door at the Treasury will always be open to your ideas and what else we can do to make this market vibrant, dynamic, and successful."

"One thing we can be certain of is our insurance sector will keep its edge and position as one of the world's very best."

Christopher Beazley, CEO of the London Market Group (LMG), explained the next steps: "With the clock now ticking on the proposed implementation of a UK onshore ILS framework in the spring of 2017, it is a timely opportunity to discuss the benefits and potential issues relating to the government's proposals, to help educate the market so we are ready to hit the ground running next spring."

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ILS could be a 'game changer'

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LMG highlighted the need to reinvigorate the London market's reputation for innovation in a report in 2014.

Beazley said: "One of the reasons for this loss of creative impetus was that the business environment created by the UK's government and the regulators was not providing the appropriate environment for innovation."

After the report was published, LMG set up a special taskforce headed by Malcolm Newman, CEO of the SCOR Paris-London hub and chair of the International Underwriting Association. The taskforce is made up of industry experts who have worked closely with the Treasury and other government agencies to "identify required changes to the UK's regulations, company law and tax needed to enable London to participate in the burgeoning ILS market".

The LMG taskforce will play an active role in the implementation process and "once the consultation period is complete we anticipate that the framework will be implemented in Q1 2017".

Beazley reminded attendees that the taskforce's mission is not to take business away from other ILS jurisdictions, but "to allow the industry more choice and find out where the growth opportunities in this market are, such as terrorism and flood risk".

With the "reputation for innovation" in London, the city should be "the place where new solutions for client demands are created and nurtured".

Beazley said: "The government's proposed ILS framework, when implemented, will help to offer a level playing field with other markets already offering ILS vehicles, and by enabling the London market to compete in this new, dynamic market, we can start to develop innovative solutions that help to drive London's growth agenda and demonstrate our ability to innovate for our clients."

"This is particularly important with Brexit looming—it demonstrates that London is proactively attracting capital as we anticipate a continuation of the recent growth seen in the global ILS market."

The conference also hosted a tax panel, with Nick Gardner, partner at Ashurst, discussing tax treatment around the implementation of an ILS framework in the UK.

In terms of taxation, the government has proposed implementing a bespoke tax regime for ILS transactions.

This will involve introducing a new corporation tax exemption for the insurance risk transformation of insurance special purpose vehicles (IPSVs) and an interest withholding tax exemption for investors.

The government said its aim is to "create a regime that is internationally competitive and in line with the UK's move towards a territorial tax system".

ISPVs are commonly located in offshore jurisdictions such as Bermuda and the Cayman Islands, which are low tax environments. Gardner explained that the government's focus on tax is to create a level playing field for ISPVs established in the UK. Without this, the tax cost of moving onshore alone would be prohibitive.

Gardner noted that the government has also sought to ensure that the regime is consistent with the UK's broader approach to taxing funds and investment vehicles. He added that tax exemptions are considered by the government as running the risk of "opening up abuse and avoidance". As a result, the UK has included certain anti-avoidance rules in its proposal.

Des Potter, head of GC Securities EMEA, summarised: "If London doesn't become

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competitive in this market, then what I will predict is another jurisdiction will, and it's likely to be somewhere in Asia, be it Singapore or Beijing."

Potter added: "And I think that will be a massive missed opportunity for London."

Aon to manage Butler University captive

Aon will manage the new Butler University College of Business student-run captive insurance company, due to launch on 1 May 2017, it has announced.

The Butler captive will insure certain programmes, including the live mascot, Butler Blue III, and any physical damage to university vehicles.

The aim of the captive is to give students hands-on experience and prepare them for an industry that is anticipated to need thousands of new employees over the next seven years.

According to Zach Finn, clinical professor and director of the Davey Risk Management and Insurance Programme, the opening of the captive insurance company is more than two years ahead of schedule.

Finn suggested that this is down to the hiring of Kevin Thompson to teach in the programme and a $250,000 gift from MJ Insurance and its CEO, Michael Bill.

The money will cover the minimum amount of capital that's needed to fund the captive, and the college of business will be soliciting gifts to fund operating costs.

DIMA to merge with Insurance Ireland

The Dublin International Insurance and Management Association (DIMA) will merge with Insurance Ireland in 2017.

The merger will bring together the domestic and international insurance and reinsurance sectors in Ireland, with the merged organisation representing more than 140 insurers, reinsurers and captives.

Kevin Thompson, CEO of Insurance Ireland, stated: "There is a compelling rationale for the merger of Insurance Ireland and DIMA to realise benefits for our combined memberships and the economy."

"The merged organisation's agenda will be reflective of the scale of the industry in Ireland and the opportunity it presents for future growth."

Eddy Van Cutsem, interim CEO of DIMA, added: "It is important that we respond to our members' requirements as they adapt their businesses to a changing world. In this new merged association we offer strength and depth across all dimensions of re/insurance."

"Ireland has developed into one of the few truly international reinsurance and insurance centres by becoming a home to both generalists and specialists: this diversity of business gives Ireland its unique flavour as an international centre for risk business."

Captive Alternatives launches new accounting service

Captive Alternatives (CapAlt) has launched a new captive accounting services business unit, CapSure Accounting.

The new unit, which will provide captive accounting services to managers, is timely, CapAlt has said, given the "burden" imposed by the Internal Revenue Service's (IRS) Notice 2016-66.

David Kirkup, CFO and COO of CapAlt, said: "IRS Notice 2016-66, enacted just eight weeks prior to the end of the year, has added an immense reporting burden to captive owners during their busy season."

"In response, CapAlt has created CapSure Accounting which will provide scalable, high-quality captive accounting services to captive managers in the 831(b) space."

CapSure Accounting has been set up to provide Notice 2016-66 disclosure reporting services to new accounting clients enrolled by the end of 2016.

Clients will also have access to an enterprise resource planning accounting system, automated bank statement retrieval and a white label accounting package with custom schedules such as surplus calculations, premium flow illustrations and funds held analysis.

In addition, CapAlt has launched a new programme that allows membership associations to provide a fee-based merchant services programmes to members, eliminating merchant services commissions.

The new programme means membership associations can provide their members with a no-commission programme.

TransFirst, a payment processor that directly services accounts without expensive intermediaries, will support the new programme.

Kirkup commented: "We are enabling membership associations to provide a valuable new benefit to their members. Membership associations will be able to make additional revenue while significantly cutting the cost for members who accept customer credit cards."

"We have been able to save 50 to 70 percent of the costs of members' fees each year. We are targeting medical and dental associations as well a business and affiliate groups that want to offer valuable add-on services to their members," Kirkup added.

'Excellent' ratings for Telefonica captive

A.M. Best has assigned a financial strength rating of "A- (Excellent)" and a long-term issuer credit rating of "a-" to Nova Casiopea Re (NCRe), the captive reinsurer of Telefonica, a Spanish broadband and telecommunications provider.

NCRe, located in Luxembourg, will start underwriting in 2017 and will derive its business solely from Telefonica's operations.

The captive is expected to underwrite approximately €54 million of gross written premium during 2017. It will replace Telefonica's other captive reinsurer, Casiopea Re.

The ratings reflect NCRe's "excellent" projected capitalisation and a risk management framework "commensurate" to its risk profile.

The captive's risk-adjusted capitalisation is projected to be "excellent", reflecting "moderate" underwriting leverage and a "relatively" low-risk investment profile.

Captive Resources looks set to relocate global headquarters

Captive Resources is set to move from its current global headquarters in Schaumburg, Illinois, to Itasca, which is also in the state.

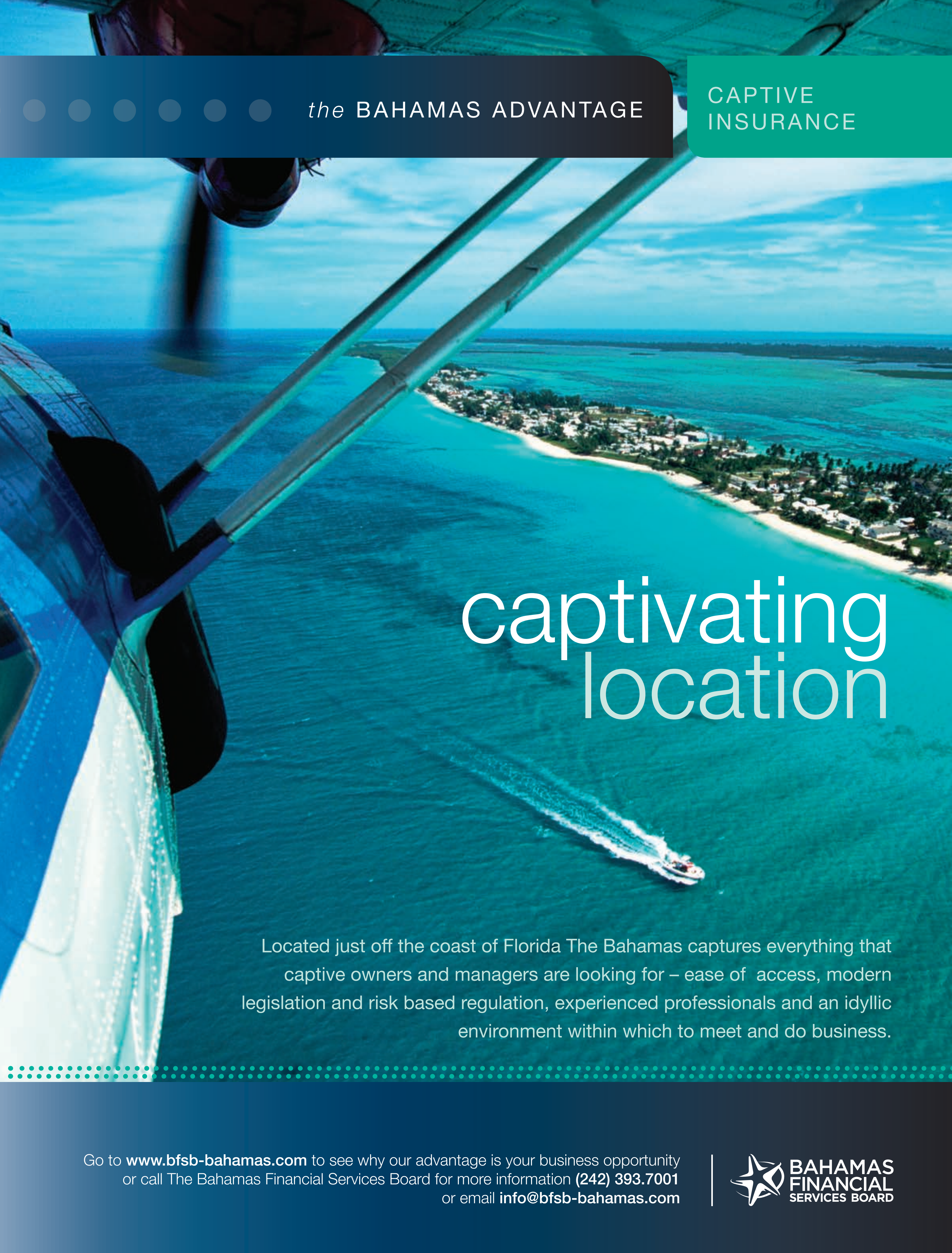
The new building is located at 1100 N Arlington Heights Road.

Captive Resources provides advisory services to member-owned group captive insurance companies and other alternative risk facilities in the US.

George Rusu, chairman and CEO of Captive Resources, said: "[This] presented an opportunity for Captive Resources to increase efficiencies with a consolidation, control growth, and also own a property at a very attractive operating cost relative to leasing."

Ratings affirmed for Nissan captive

A.M. Best has affirmed the financial strength ratings of "A- (Excellent)" and the long-term issuer credit rating of "a-"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of Nissan Global Reinsurance (NGRe), the captive insurer of Nissan Motor Company, located in Bermuda.

According to A.M. Best, the ratings reflect NGRe's "strong" risk-adjusted capitalisation, improved underwriting performance over the past four years and its "conservative" underwriting strategy.

NGRe's role as a captive is to provide Nissan Motor Company with a various insurance coverages in the US and overseas.

Coverages include global property, global marine transport, global product and general liability, workers' compensation, and a global platform for extended service contract and extended warranty business.

Moody's upgrades Stein's outlook

Moody's Investors Service has revised the rating outlook of Stein Insurance Company, the core captive insurance subsidiary BHP Billiton, from negative to stable.

According to Moody's, the revised outlook was driven by the recent change in rating outlook of BHP Billiton, a mining group, from negative to stable, on 25 November.

Moody's also affirmed Stein's "A3" insurance financial strength rating.

The ratings reflect Stein's "low risk balance sheet, underlined by the credit quality of its assets, lack of financial leverage and high levels of capital", Moody's said.

Ironshore acquired for $3 billion

Liberty Mutual Insurance has agreed to acquire specialty lines company Ironshore for an estimated $3 billion.

The acquisition of 100 percent of Ironshore from Fosun International Limited is expected to close in the first half of 2017, depending on regulatory approvals and customary closing conditions.

The purchase price will be 1.45 times the actual tangible book value of Ironshore, as of year-end 2016. It is expected to amount to around $3 billion, although this is subject to closing price adjustment.

Ironshore will continue to operate with the same brand and management team, including CEO Kevin Kelley, but as part of the Liberty Mutual organisation. Founded in 2006, Ironshore saw gross premiums written of $2.2 billion in 2015.

David Long, chairman and CEO of Liberty Mutual Insurance, said: "Ironshore has a track record of profitably underwriting global and diverse specialty risks insurance and is an ideal complement to Liberty Mutual, providing additional scale, expertise, innovation and market relationships to our $5 billion global specialty business."

Kelley said: "The combination of Ironshore and Liberty Mutual is a win-win proposition and value creating for both companies."

He added: "Ironshore will become part of another 'A' rated company with a global reach, a strong balance sheet, wide client base and a much greater capacity to drive profitable growth."

ASRRG ratings downgraded

A.M. Best has downgraded the American Safety Risk Retention Group (ASRRG), but also revised its outlook upwards to 'stable'.

ASRRG's financial strength rating was dropped to "B+ Good" from "B++ Good", while its long-term issuer credit rating went from "bbb" to "bbb-".

The downgrades are a result of a weak operating performance, declining surplus levels, limited business profile and management's difficulty in successfully executing a business plan for its core business, according to A.M. Best.

The US ratings agency added that these factors were partially offsetting favourable risk-adjusted capitalisation, as well as a commitment by ASRRG's management to provide insurance solutions to its members and policyholders who remain loyal to the programme, which is shown in its high retention levels.

A.M. Best affirms Schlumberger and CNOOC captives

A.M. Best has affirmed the financial strength rating of "A (Excellent)" and the long-term issuer credit rating of "a" of Schlumberger Limited's captive insurance companies.

The captives Castle Harbour Insurance Limited, Harrington Sound Insurance Limited and Colliers Bay Insurance Limited, are all domiciled in Bermuda.

According to A.M. Best, partially offsetting these positive rating factors are the captives' relatively large limits in its general liability and property lines of business.

A.M. Best has also affirmed the financial strength rating of "A- (Excellent)" and the long-term issuer credit rating of "a-" of ICM Assurance Ltd, the single-parent captive of CNOOC International Limited.

The parent company uses ICM Assurance as a core element of its overall risk management safety and risk mitigation programmes.

MagMutual acquires Tift Area Captive

MagMutual has acquired Tift Area Captive Insurance Company.

The captive was previously owned by a group of Georgia-based physicians.

The transaction will allow physician policyholders to benefit from unrivalled claims defence, patient safety resources, and dividends and owners circle benefits.

Neil Morrell, president of MagMutual, commented: "We are very excited to welcome this group of Georgia-based physicians into the MagMutual family."

"In our view, Tift Area Captive and MagMutual's missions are similar, we are both deeply committed to supporting our policyholders and empowering them to continue focusing on providing care."

The transaction received final regulatory approval from the Tennessee Department of Commerce and Insurance in November.

JLT acquires StoneHill Reinsurance

JLT Re has purchased StoneHill Reinsurance Partners, a reinsurance intermediary focusing on medical professional liability, for an undisclosed sum.

StoneHill, based in Minneapolis, was established in 2012 as an independent casualty reinsurance broker.

Dan Koshiol and Chip Ott, the current leaders of the StoneHill team, will join JLT Re immediately.

Ed Hochberg, CEO of JLT Re North America, said: "This acquisition will strengthen JLT Re's position as a market leader in the medical professional liability space by bringing together two complementary businesses that have longstanding professional relationships and expertise."

Koshiol said: "We are delighted to join JLT Re and believe it is the right home for both our employees and our clients. We look forward to enhancing our current client offerings with the resources of the JLT Re platform."

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You Brexit, you buy it

Solvency II has seen captive owners explore alternative forms of capital, as the threat of the UK's EU exit looms. Derek Bridgeman of Marsh explains

Almost a year on from the implementation of Solvency II, what impact has the directive had on the captive insurance industry?

Despite the lack of success in securing a separate carve-out for captives, the EU captive industry has, for the most part, embraced Solvency II with positivity and optimism. With regards to the impact on the global captive market, fears that there would be a fall-off in onshore EU captives post-Solvency II have been unfounded. Although new captive formations in Europe have been slow through 2016, we have recently seen an increase in demand for capital and structure optimisation analysis offerings. With successful implementation complete, owners view capital and balance sheet optimisation as being the next natural steps to facilitate effective governance within the new regime.

Overall, captives are not treating the regulations, in particular the corporate governance requirements, as merely a tick-the-box exercise. We are seeing a broader integration of captives into the risk management and enterprise risk techniques of their parent groups. With the pursuit of capital efficiency we are seeing an increase in diversification of captive risks beyond the traditional areas of property and casualty, into non-traditional areas such as employee benefits, supply chain, and cyber risk.

Many captive owners are also now exploring alternative forms of capital (tier two/three capital) in order to strengthen their capital base. To date, options including the use of letters of credit, parental guarantees, subordinated debt and unpaid share capital have received regulatory approval.

In our own business, we are seeing a greater call for the services of captive managers and advisers as captives address evolving aspects of the solvency capital requirement (SCR) optimisation and focus further on a fully integrated service solution across all three Solvency II pillars. The owners and managers that have fared best through implementation are those that have invested in integrated IT platforms to ensure maximum automation with respect to SCR calculation and reporting. This again will be crucial as we move through the first annual reporting cycle.

What challenges are captives facing with Solvency II?

Generally, the implementation of Solvency II has been successful to date. However, what was an efficient captive structure under the previous regime may not be so under Solvency II. As such, there were examples where some structural changes, particularly in property programmes, were required in order to meet the new solvency capital requirements. Structures that incorporated reinsurance/investment with counterparties in non-Solvency II equivalent domiciles resulted in counterparty issues for captive owners, which needed to be worked through ahead of implementation. Going forward, the challenge surrounding Pillar I will be to achieve a high level of capital efficiency while still meeting the captive's overall objective.

The day one and quarterly reporting to date has resulted in high compliance rates across the main domiciles. Caution should be exercised, however, the level of resources required in order to meet the annual quantitative and qualitative reporting requirements will be significantly higher than that of the quarterly requirements. The sourcing of granular investment data, particularly with respect to the assets subject to the full 'look-through' requirements is an area that will require additional resources for annual reporting. Regulators are encouraging boards to begin planning for the annual reporting processes as soon as possible and many regulators have/plan to provide dry-run test platforms in advance, together with technical assistance.

The external audit of annual quantitative and qualitative reports, such as the solvency and financial condition report (SFCR), will present challenges for companies located in countries where applicable. The fact that not all countries are implementing the requirement creates issues and is an example of how different interpretations and applications of proportionality are threatening the harmonisation objective of the European Insurance and Occupational Pensions Authority (EIOPA). Within the legislation there is provision for the non-disclosure of information within the SFCR, which, subject to regulatory approval, may provide a competitive advantage to a competitor if disclosed. However, what constitutes a 'competitive advantage' by regulators within different domiciles may vary, leading to the potential for less harmonisation across domiciles.

Have there been any negative impacts on captives since implementation?

Some key changes for captives under the new regime have been the call for higher capital requirements, enhanced governance and internal control procedures, together with additional supervisory and public disclosure. All of these have inevitably led to additional expense to captive owners.

In addition, the prospect of zero return-typical captive investment strategies has resulted in pressures on risk managers from parent owners to re-evaluate the use of capital in captives. In contrast to the previous regime, however, Solvency II presents an opportunity to deploy strategies that can create a more efficient capital base. Requests to captive managers to quantify the effect of alternative mix/spread of investments to maximise return and the diversification benefit, and explore the use of alternative reinsurance arrangements to limit catastrophe exposure and counterparty risk charges, are becoming more common.

Do you think captives should be given a tailor-made regime for Solvency II, rather than the one-size-fits-all approach?

The continued interest in captives taking on new and emerging risks post-Solvency II suggests that captives fit within the Solvency II regime, so a separate regime is not needed in my opinion. However, the application of proportionality is crucial to ensure the parent groups' captive objective is still achievable in the future. It is important to note that while the legislation does define 'captives,' they are not mentioned again with the exception that the concept of proportionality is meant to be applied 'somewhere' within the supervisory regimes across the EU. Some within the industry believe EIOPA should have been more prescriptive in the directive to set defined levels for 'appropriate' given an entity's size, complexity, and so on. The industry now needs to come to an agreement as to the best way to apply the concept of proportionality with individual supervisors across the EU.

How regulators enforce the Pillar III requirements, including external audit, will be closely watched by all in the industry. Although there are numerous provisions on proportionality in the Solvency II delegated acts, the feeling in the captive industry is that further work could be done to ensure that all requirements are proportionate to risk. Proportionality could be compromised in domiciles where regulators effectively 'gold plate' key functions and insist on additional reconciliations and disclosures.

In the pursuit of a more harmonised regime, there have been calls by the industry for national regulators to publish guidance on how proportionality is being implemented within their jurisdictions so as to enable EIOPA to perform a detailed comparison and propose changes to increase harmonisation in the future.

What is the likely impact of an EU exit on the applicability on Solvency II in the UK?

The impact on Solvency II depends on the type of post-Brexit EU/UK deal reached. Should the UK take up the option to look to obtain third-country status, then it will essentially be deemed to have a Solvency II equivalent regime in place. In terms of Solvency II, this would mean that the directive and regulations would continue to apply to UK insurers and the UK would have to apply for equivalence. A downside for the UK is that it would have less influence on Solvency II going forward. However, UK regulators would be able to relax some of the requirements of Solvency II, particularly around asset look-through, which are viewed by many as providing less value for captives.

The indication at the moment is that insurers are calling on regulators to refine Solvency II to better suit the UK market, rather than replace it entirely when the UK leaves the EU.

In a recent webinar, it revealed that 25 percent of attendees were yet to start a contingency plan for Brexit. Is this a concern and why?

The absence of a contingency plan would not be a major concern at present, however, companies should be monitoring the situation closely and at least considering potential impacts. Article 50 has yet to be triggered and many of the effects of Brexit on captive owners will become more apparent in the coming months. We are working with companies to assist them to review their captive risk profiles and insurance programmes so as to be aware of, and plan for, any potential impact.

When boards and captive owners are contingency planning for Brexit, what should be top of the agenda? And why?

Brexit could have a direct impact on captives' passporting rights. This should be top of the agenda when captive owners are contingency planning.

If the captive is an EU onshore captive, then it may need to obtain a licence to continue to write UK risks, in the absence of a trade deal. Whether the UK can finalise its exit from the EU with these trade deals in place will be closely monitored and only then will the true impact on such captives will be known.

EU captives who access the UK commercial reinsurance market will need to follow developments closely. It is likely that the UK will look to achieve equivalence similar to Bermuda, Australia, Japan, and Switzerland. This equivalence status would be necessary to ensure appetite for EU companies to access the UK reinsurance markets. In addition, credit ratings for reinsurers and insurers should also be closely monitored for potential downgrades and knock-on effects of the captive's SCR under Solvency II. CIT

Derek Bridgeman
Solvency II lead
Marsh Captive Management

A Missourian statement

Missouri's captive programme is approaching a decade in operation. John Talley explains how the state has made it to this milestone

Next year will mark the 10th year of operation for the Missouri Department of Insurance's captive programme. In that time, the state has established itself as the leading captive domicile in the Midwest. Our department licenses 53 captive insurance companies, most of which are pure captives, and as of 2015, our captive industry had grown to $22.5 billion in assets and $3.7 billion in written premium. We have seen captive growth in the financial, transportation, construction, and service industries, both in Missouri and in surrounding states, and this year, we are seeing increased interest in captive formation from mid-size commercial and agribusiness entities.

Missouri's captive laws offer several structural options for businesses and are specifically designed to minimise streamline regulation and oversight, and the flexibility within our laws allows our team to customise our regulatory approach to match each organisation's structure and needs. The cell legislation enacted in 2013 is helping Missouri attract smaller companies interested in this group captive structure.

Our approach to licensing a captive is to get to know the owners, their needs, and to find out how those needs fit within our laws. Our main objective is to establish open communication and ensure the captive has everything it needs to get off to a strong start. We conduct a thorough review of the application materials and use outside experts to aid the department and the captive owner in understanding the captive's potential for success. Our team then continues to monitor the ongoing success of the company.

In our years of operation, we have found that once potential owners meet our team they quickly become confident that we are competent, knowledgeable, responsive, friendly and professional in our approach to captive regulation, and appreciate the freedom granted by Missouri's well-designed captive laws.

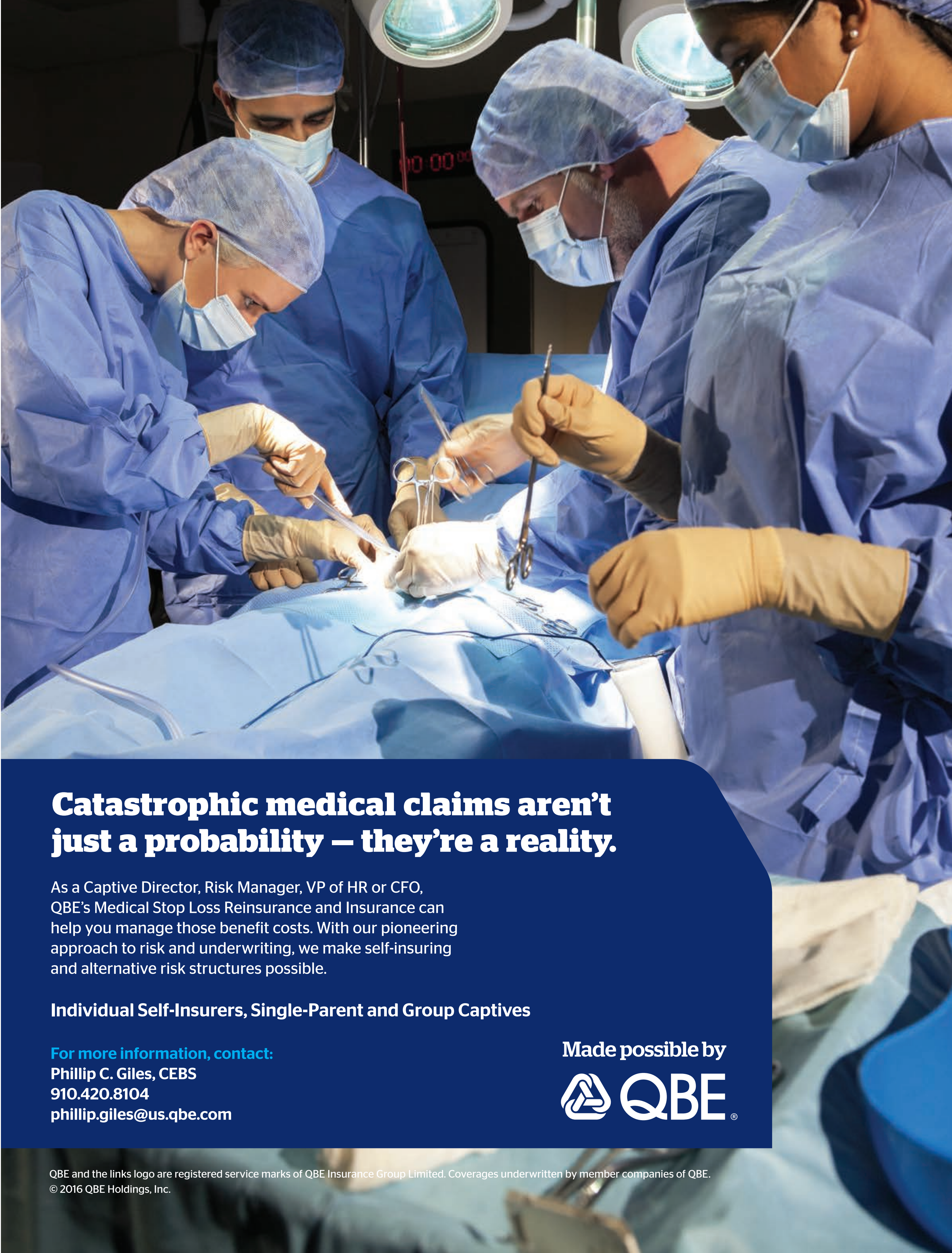
The Missouri captive programme is specifically designed for and dedicated to the promotion and regulation of captive insurance. We have the experience and flexibility necessary to provide the expertise required of in nearly any situation. The captive programme has the backing of a department responsible for regulating more than 2,000 insurance companies, ranging from domestic companies with members of some of the world's largest insurers to some of the country's smallest farm mutual companies. Missouri's expertise and experience in reinsurance has resulted in members of the largest, worldwide reinsurance groups becoming domiciled in the state. This makes Missouri a natural domicile for reinsurance captives.

Missouri also has the advantage of being centrally located in the US, making it easily accessible from anywhere in the country. Kansas City and St Louis possess international airports with daily non-stop flights between cities across the continent, and our offices in St Louis, Jefferson City, and Kansas City can be easily reached by Missouri's network of interstate and US highways. **CIT**

John Talley

Captive programme manager

Missouri Department of Insurance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Holding the financial centre ground

Since Mauritius introduced captive legislation at the beginning of 2016, interest in the jurisdiction has increased, as Harvesh Seegolam explains to Becky Butcher

Since the enactment of the Mauritius Captive Insurance Act, how much activity has the domicile seen?

With the recent enactment of the Captive Insurance Act 2015, which looks at regulating the captive insurance industry under its own sector, Mauritius has laid down a foundation that is now significantly more attractive to companies looking to establish a captive and benefit from managing their own risks through self-insured vehicles.

Since the new legislation was passed, we have seen growing interest in our jurisdiction from leading captive managers and captive companies. We already have three major captive managers licenced by the regulator.

The act is designed to cater for all types of captives, but currently provides for pure captives. This will take place in Q1 2017.

Why has Mauritius been an attractive domicile for the African/Asian regions?

Mauritius has successfully established itself as a leading international financial centre. The country is already home to a number of global players, including multinational companies, global investment funds, international banks, legal firms and audit firms. On the back of this success, the introduction of the new Captive Insurance Act was a natural progression to extending the domicile's offerings.

As an international financial centre of choice, we offer many benefits to the investment community.

These include security and stability as a proven financial centre that adheres to global best practices; risk mitigation possibilities through our network of investment promotion and protection agreements; no exchange control; a pool of innovative financial products and structures; and long-standing bilateral relations with Africa, offering us preferential market access through our memberships in the South African Development Community, the Common Market for Eastern and Southern Africa and other regional economic blocks.

Are you seeing business from elsewhere?

We are observing increasing diversification in the use of our international financial centre. The government of Mauritius has recently launched the Asia Africa Corridor in which the movement of capital and investments is an important limb. Many Asian companies are now using our jurisdiction as an access centre for Africa. With respect to captives, we have noted interests from Europe- and Africa-based operators.

Are there any plans in place to expand and develop this further?

The Financial Services Promotion Agency is mandated to develop and promote Mauritius as an international financial centre. Working in line with the vision of the government and in association with all stakeholders, we are looking at developing new segments of activities. These include wealth management, corporate finance, investment banking, capital markets and other professional services. CIT

Harvesh Seegolam
Chief executive
Mauritius Financial
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ACTIVE CAPTIVE MANAGEMENT

Comings and goings at the NAIC, Iowa Insurance Department, Vanliner and more

The National Association of Insurance Commissioners (NAIC) has appointed the former Pennsylvania insurance commissioner Michael Consedine as its new CEO, effective early 2017.

Consedine will head the Washington DC office with responsibility over state and federal government affairs, and international activities.

As CEO, Cosedine will work closely with NAIC members, representing their interests as an advocate and spokesperson for the association.

John Huff, NAIC president and Missouri insurance director, said: "Michael Consedine brings valuable experience and energy to this role during a time of transition with a new administration and Congress."

Consedine was elected to serve as an officer of the NAIC from 2013 to 2015.

Andy Beal, current acting NAIC CEO, will continue his role as COO and chief legal officer, overseeing the Kansas City and New York offices.

Nick Gerhart, insurance commissioner for Iowa, is to step down from his role, effective 23 December.

Doug Ommen, deputy commissioner, will serve as interim insurance commissioner until a permanent replacement is found.

Gerhart said: "I'm honoured to have had the chance to serve Iowans by leading the Iowa Insurance Division."

"However both myself and my family feel that as my term is ending, now is the right time to move forward to other opportunities and focus on our family as it continues to grow."

Gehart was appointed in 2013 by governor Terry Branstad.

He has served on the National Association of Insurance Commissioners executive committee as well as various other committees.

He also led Iowa on healthcare matters during the implementation of the Affordable Care Act.

Vanliner Insurance Company, an insurance provider in the moving and storage industry, has appointed Matthew Grimm as president.

Previously, Grimm served as vice president of passenger transportation at National Interstate Insurance Company.

Vanliner Insurance, which provides insurance products and services, is a subsidiary of National Interstate Insurance Company, a property and casualty insurer in the transportation industry with a focus on alternative risk transfer and captive insurance programmes.

Tokio Solution Management, the third party capital markets facilitation arm of Tokio Millennium Re (TMR), has simplified its organisational structure, leading to the departure of co-CEO Susan Lane.

Tsuyoshi Harigai has become the sole CEO. Butch Agnew will remain as vice president for insurance-linked securities (ILS) portfolio management, while Dave Courcy will stay on as vice president of structuring and finance.

According to Tokio Solution, the co-CEO role is "no longer required".

Lane and Harigai have been co-CEOs of Tokio Solution since January 2016, when they jointly took over the CEO position from Kathleen Faries who moved to the position of head of Bermuda for TMR.

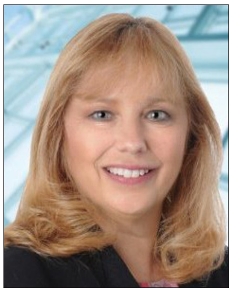
Before this, Lane was senior vice president and head of business development at Tokio Solution.

Harigai joined the Tokio Marine Group in 1995, and has extensive experience in the insurance and reinsurance industry.

He has also been head of operations for TMR's Bermuda Branch since 2013, a position he held in conjunction with the co-CEO role.

The strategic structure review follows the creation of TMR's capital solutions unit in 2015, as well as other operational changes.

The new structure will help the company focus on account management and technical portfolio support for third-party capital partners.



Pinnacle Actuarial Resources has appointed Linda Brobeck as senior consulting actuary in the company's San Francisco office.

Brobeck has experience in ratemaking, predictive modelling, and regulatory support for personal and commercial lines with a focus on California.

Joe Herbers, managing principal of Pinnacle, stated: "Pinnacle is experiencing significant growth in the San Francisco Bay area. Given the growing demand for our services, we are extremely pleased and proud to welcome Linda Brobeck to the firm."

Jeremy Pinchin is stepping down from his Bermuda leadership roles at Hiscox.

Pinchin, who is CEO of Hiscox Re and ILS and Hiscox Bermuda, will return to London next year.

Michael Krefta will take over the Bermuda-based roles on 1 August 2017.

In London, Pinchin will continue in his role as Hiscox Group claims director and as a member of the executive committee. He will also join the board of Hiscox Special Risks.

Krefta currently serves as chief underwriting officer of Hiscox Re. In his new leadership role, he will be based in Bermuda and report to group CEO Bronek Masojada. He will also join the executive committee.

Masojada commented: "Jeremy Pinchin has had a huge influence on the evolution of our Bermudian operation. It is under his leadership that Hiscox Re was not only created but has since successfully navigated a turbulent reinsurance market."

"He also initiated the creation of Kiskadee Investment Managers, our ILS fund manager, and evolved our approach to product innovation, with repeated success."

"In returning to London, I am confident our group claims function will continue to benefit hugely from his leadership."

Masojada said: "Throughout the recent transformation of our reinsurance business, Michael Krefta has expertly guided the underwriting integrity that is so attractive to our third party supporters, while instituting a more commercial approach in our underwriting."

"I look forward to working closely with Krefta as he leads the business through its next phase of growth, particularly as our ILS business grows in significance with now more than $1 billion in assets under management," Masojada added.

The Bermuda Business Development Agency has appointed Andrea Jackson and Stephen Weinstein to its board of directors.

Jackson serves as senior vice president and trust relationship manager at Lombard Odier Trust Bermuda, and has been involved with the BDA since 2013.

Weinstein works as senior vice president and group general counsel of RenaissanceRe Holdings, and has been a resident in Bermuda for 15 years. CIT

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