captive insurance times
The primary source of global captive insurance news and analysis
Issue 157 19 September 2018

Jersey, sure

Modernisation can bring growth and success to New Jersey

Guernsey you in London
What to expect at this year's Guernsey Insurance Forum

Emerging Talent
Alex Gedge of JLT features

Guernsey captive developments in China continue

Guernsey is continuing to successfully develop its business connections with the Chinese market.

Speaking at an event organised by Guernsey Finance, Charles Scott, from Alternative Risk Management, and Wendy Weng, Guernsey Finance's Shanghai representative, suggested their work around captives in the region had been successful and there was a positive outlook moving forward.

Scott has made progress introducing captives to the Chinese market over the past few years having made some 15 trips to the region over a two-and-a-half year period.

He established a joint venture with Chinese captive group Beijing Airport Captive Management Consulting last year to promote captive structures and is now closing in on more deals.

Scott said he was excited by the opportunities China offered.

He commented: "Captives are virtually unheard of, virgin territory, and I know of no other domicile marketing captives to China corporates."

"I believe there is a huge opportunity and I would absolutely urge my colleagues in the industry to come over, do the hard yards, and you will see the rewards."

Weng visits Chinese first and second-tier cities every month and meets with local government, intermediaries, institutions, and professionals to promote Guernsey and its services. She highlighted the Chinese government's support of Guernsey's promotion of captive insurance in the country, which has also had an educational element.

Weng added that she was heartened by the increase in both the number of Guernsey firms moving into China or Asia and the number of visits made to the area by Guernsey practitioners, and urged local firms to "work as a team" to get the best value out of the market.

Guernsey has made strides in China in recent years, including signing a memorandam of understanding with Chinese authorities–an essential for making progress in business in the country–and several business wins for Guernsey firms in the country.

Additionally, two Chinese families have relocated to the island due to business connections with Guernsey Finance in the past 12 months.

Kate Clouston, deputy chief executive at Guernsey Finance, said the island was "uniquely positioned" to serve the Chinese market's needs.

She continued: "Through risk management tools in the insurance sector, long-term asset protection with the fiduciary sector, or using an international investment fund distribution platform."

Clouston concluded: "Guernsey and Chinese companies can grow internationally together."

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Moody's 'acted properly' with captive insurance company, despite allegations

Moody's "acted properly" with regards to the tax treatment of its captive insurance company, Moody's Assurance Company (MAC), and will demonstrate this at a "later stage", despite accusations from a former employee that it pursued "aggressive, risky, and/or abusive" behaviour.

The former employee had sued Moody's under the New York State False Claims Act, asserting that the company and its advisors defrauded New York State and New York City of millions of dollars of tax revenues.

Kirby McInerney, the law firm representing the employee, said that its "whistleblower client brought to light pervasive tax fraud by Moody's and its consultants".

The lawsuit was brought as a 'qui tam' suit, on behalf of the government to help them recover money lost by fraud. The whistleblower receives a percentage of the share of the government's recovery as an award.

Moody's attempted to dismiss the complaint, but a trial court found that Moody's relationship did not conform to traditional notions of insurance.

The company then appealed to the New York Appellate Division, which held that the lower court "correctly found that the complaint sufficiently alleges that Moody's 'tax treatment of MAC was aggressive, risky, and/or abusive due to its sham nature,' and that Moody's knowingly submitted false claims".

However, a Moody's spokesperson said that the company "acted properly in this matter".

The company said it intends to "demonstrate when the facts in this case are fully presented at a later stage".

"We note that Moody's Assurance Company is licensed by New York State's insurance regulator, which has never cited it for any deficiency."

World Insurance Associates brings rental protection programme to US

World Insurance Associates has been appointed as the exclusive insurance provider for the Pensio Rental Income Programme for the US, which will include a bond underwritten by a protected cell captive (PCC) insurer.

The Pensio Rental Income Programme provides lenders with certainty that a competed unit can be sold or can earn a certain income.

With the five-year Rental Income Contract Bond, it safeguards investment returns by covering tenant default.

The bond, which is provided by Pensio as principal to purchasers, is underwritten by a PCC, 100 percent reinsured by reinsurers rated "A" Excellent by A.M. Best and that specialise in reinsuring commercial, and contract surety.

Frank Costa, principal and COO at World Insurance Associates, said the firm, who offer personal and business insurance solutions across 46 states, recognised the chance to bring a rental insurance protection programme to the US as "a huge opportunity".

Costa explained: "While this programme is common in other highly developed European and Pan-Pacific markets, it is nearly non-existent in the US, where the estimated total annual rent paid is in excess of $665 billion."

Pensio US CEO Nina Fabbri commented: "We are excited to enter the US market and provide residential rental property owners, developers, lenders, and buyers with the coverage they need."

Capstan Insurance accepts novation of insurance liabilities of Sitex Cell

R&Q Investment Holdings's Capstan Insurance, a Guernsey-domiciled captive insurer, has signed an agreement to accept a novation of the insurance liabilities of the Sitex Cell in Windward Insurance PCC, from its owners, Orbis Protect.

The Sitex Cell insured the deductible amounts payable under liability policies, including employers' liability for the years 2004 to 2014.

The residual liabilities, which will be managed by R&Q, comprise primarily of employer's liability deductible exposures arising in the UK.

Ken Randall, chairman and CEO of R&Q, said: "We are delighted to announce this transaction with Windward Insurance PCC, which demonstrates R&Q's appetite and ability to provide flexible exit solutions to owners of discontinued insurance businesses."

"We have a strong pipeline of acquisitions and expect to announce a number of additional transactions before the end of the year."

Corporate restructuring announced for R&Q programme management

R&Q Investment Holdings will undergo a corporate restructuring to create a newly named division, Accredited, which will contain its US and European programme management business.

Accredited aims to provide high quality and fully licensed capacity for managing general agents and other counterparties in the US and Europe.

According to R&Q, Accredited's new name reflects the importance of its core business and provides a simplified, single brand that provides services to customers on both sides of the Atlantic.

Accredited will be run by Todd Campbell and Colin Johnson, CEOs of its US business and European division, respectively, both will report to Alan Quilter, co-founder of R&Q and group CFO.

In a statement, R&Q said that both platforms are enjoying "high demand" for their services at a time of "significant market turmoil" in the sector, continuing uncertainty over Brexit, and the emergence of "disruptive financial technology initiatives".

After the UK leaves the EU next year, Accredited will remain fully licensed to write every property and casualty class across all remaining 27 EU member states. Its UK branch will enable it to write business on behalf of UK agents.

Johnson commented: "R&Q is, of course, well known for legacy acquisitions and for providing first-class innovative exit solutions to owners of discontinued business."

"Since 2017, we have brought this same level of professional, client-focused attention to managing general agents in the US and in Europe who require a programme underwriting partner who can act as the conduit between them and their reinsurers."

Campbell added: "There is a growing demand for programme partnerships and Accredited is determined to be the market's go-to choice on both sides of the Atlantic."

New Vermont captive type will skirt BEAT burden

A new type of captive insurance company created by Vermont in response to US tax reform will provide an onshore reinsurance alternative for companies facing added tax burden due to the Base Erosion Anti-Abuse Tax (BEAT), according to an A.M. Best briefing.

The briefing shows that a new captive type, referred to as an affiliated reinsurance company (ARC), is being marketed as an alternative for US companies that have been reinsuring to an offshore affiliate to avoid US corporate taxes.

A.M. Best said that this would "likely further enhance Vermont's standing as a captive domicile industry".

Additionally, insurers would receive a $200,000 cap on state premium taxes, as well as the ability to avoid the 1 to 4 percent excise tax imposed on premiums paid to overseas insurers.

ARCs will be subject to most of the laws and regulations under the National Association of Insurance Commissioners, but will be licensed and regulated by the Vermont Captive Insurance Division.

Any net operating losses from offshore affiliates that make the section 953(d) election under the US tax code are usually unavailable to offset income of other members of the same consolidated group, the briefing said that this tax disadvantage would "presumably" not exist for the new captive type.

While no ARCs have been licensed yet, the briefing explained that a number of companies have "expressed interest" and the legislation seems to give "broad discretion to the state's insurance regulator to permit flexibility in capital requirements and investments".

A.M. Best said it would "view an affiliated reinsurance company similarly to other affiliated reinsurers".

"For its analysis of risk-adjusted capitalisation, A.M. Best would expect any rated insurers using an ARC to provide US statutory financials consistent with the reporting requirements of the ceding affiliate."

A.M. Best affirms Ocean Re ratings

A.M. Best has affirmed the financial strength rating of "A- (Excellent)" and the long-term issuer credit rating of "a-" of Ocean International Reinsurance Company (Ocean Re), based in Barbados.

According to A.M. Best, the ratings reflect Ocean Re's strong balance sheet, adequate operating performance, neutral business profile, and appropriate enterprise risk management.

The rating affirmations reflect the company's strong risk-adjusted capital, geographic diversification, sound business strategy, and good operating performance. However, A.M. Best explained that partially offsetting these positive rating factors is the susceptibility of its captive business to regulatory changes.

Ocean Re offers a diverse product mix throughout Latin America and other strategically identified markets in other areas of the world.

The company also offers facultative programmes that are fully funded to the projected ultimate losses of the company's clients.

A.M. Best said: "Its business development strategy clearly identifies an increase in the proportion of traditional reinsurance in its portfolio, as compared with its captive portfolio. However, regulatory changes remain a factor when evaluating the continuity of its fully funded programmes, as legislative adjustments could potentially limit its premium growth."

R&Q issues new loss portfolio transfer reinsurance for auto liability

Randall & Quilter (R&Q) Investment Holdings has issued a loss portfolio transfer reinsurance covering commercial auto liability risks.

The coverage was underwritten by R&Q's wholly owned A- admitted carrier, Accredited Surety and Casualty Company for a US-based risk retention group (RRG). The reinsurance offers a $146 million ground-up limit allowing the RRG to cover unpaid liabilities, estimated to be in excess of $100 million.

Dan Linden, head of merger and acquisition operations at R&Q, commented: "This transaction is a further example of our team's commitment to developing legacy liability solutions to assist counterparties in achieving their strategic goals."

Ken Randall, chairman and CEO of R&Q, added: "This loss portfolio transfer adds to our continued development of legacy solutions for risk retention groups within the US and is our third risk retention group transaction within the past year."

"This transaction confirms our penetration into the larger value legacy space which we hope to build on going forward. We are excited to expand our capabilities using Accredited Surety and Casualty to provide legacy solutions for RRG's, self-insurers, and corporates within the US."

FERMA urges OECD to take advantage of existing captive insurance regulation

The Federation of European Risk Management Associations (FERMA) has urged the Organisation for Economic Co-operation and Development (OECD) to take advantage of existing account and insurance regulations for captives, so its planned guidelines do not create disproportionate uncertainty and administration for multinational entities.

After a detailed review, FERMA submitted its response to the captive insurance aspects of the OECD public discussion draft document, 'Base erosion and profit shifting (BEPS) Actions 8-10 Financial Transactions', which deals with the relationship between transfer pricing and value creation.

FERMA specifically suggested that the OECD refers to the International Financial Reporting Standard 17 and International Association of Insurance Supervisors (IAIS) definition of "genuine insurance transaction" and "insurance risks" as part of the guidelines.

FERMA also said that current insurance regulations are "extremely stringent" about the control of various functions of a captive such as direction, underwriting, actuarial, and accounting expertise and argued that further indicators are not needed.

In this paper and its previous submission to OECD in June last year, FERMA has argued that for European multinationals, captive insurance is used as a risk management tool to reduce the company's total cost of risk and improve its loss experience through a better understanding of claims. FERMA has explained that the OECD discussion draft offers a better understanding of captives as small insurance enterprises, specifically, by suggesting that they are regulated entities and by recognising there are various types of captive, with an improved understanding of reinsurance captives.

It also urges the OECD to continue its communication with European multinationals and their risk managers to further develop understanding about captive insurance and reinsurance companies; promote consistency in the way BEPS principles are applied to captives by national authorities and finally to encourage practicality; and proportionality in future OECD guidance on captives in the context of the efficiency of multinationals risk management strategy.

Commenting on the discussion paper, Laurent Nihoul, FERMA board member with responsibility for captives, explained: "FERMA wishes for OECD to produce final guidance that is clear and robust enough to provide multinationals with some legal certainty in terms of their captives."

"A further layer of regulations to be applied by national authorities could create a risk of confusion, uncertainty and ultimately more administration for multinationals and tax authorities without providing the desired outcome for tax authorities."

UK insurance-linked securites framework is 'excellent example' of collaboration, says Potter

The UK insurance linked-securities (ILS) framework is "an excellent example of how an industry body such as the London Market Group can work collaboratively with government to bring innovative and long-lasting benefits to the UK reinsurance economy", according to Des Potter, managing director of GC Securities, Guy Carpenter.

The new ILS regulations, approved by a government cross-party committee in November last year, allow for insurance and reinsurance firms to transfer risk to the capital markets meaning businesses and consumers can manage their risk more effectively.

Since the launch, two insurance special purpose vehicles (ISPV) have been authorised and over $350 million of securities have been issued to support the transfer of risk to these vehicles.

Potter explained that the two transactions are a "positive start", but asked, "what lessons can the industry learn to enable London to build on this and achieve its ambition to become a global hub of innovation for the ILS market?"

He said: "The key to London's success will be innovation that matches the right risk, with the right capital, at the right price, in the most efficient form of risk transfer."

"The experience of the reinsurance market after the catastrophe losses last year demonstrated that for many, the ILS market is currently the 'right' source of capital for property catastrophe risks. The ILS market has been a catalyst for the current evolution in the reinsurance market—London must be at the forefront of this change to maintain its global presence."

The UK legislation is a bespoke tax regime that allows the qualifying risk transformation vehicles to be exempt from corporation tax and the securities issued to be exempt from both withholding tax and stamp duty provides an internationally competitive framework for the ILS market.

However, Potter explained that "we must recognise that the new regime marks a steep learning curve from a regulatory standpoint and the Prudential Regulatory Authority (PRA) have been diligent in their assessment of applications".

Potter commented: "They are deploying significant resources to assess each application and it is also understandable the challenge involved to confirm all aspects of the Solvency II regulations for ISPVs are fully satisfied, as with each authorisation they are setting market precedents."

"It is also important to understand the regulatory environment of each cedant, to enable them to obtain full capital credit for risks transferred to UK ISPVs."

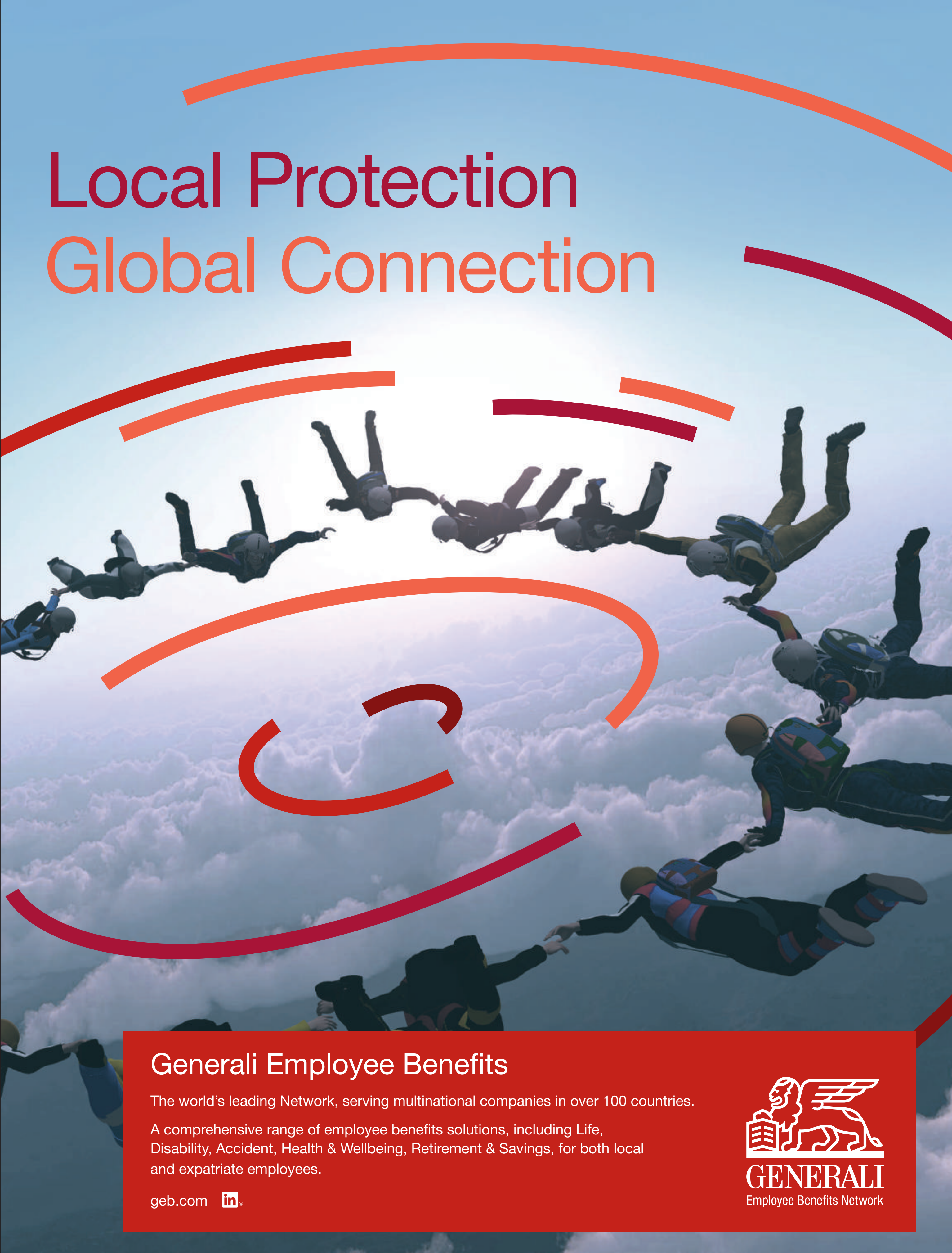
He added: "The industry must work proactively with the PRA to help their understanding and mitigate any concerns they may have."

"Particularly with the three mandatory conditions regarding the contractual arrangements to transfer risk to an ISPV, namely that it is at all times fully funded, that the transfer of risk is effective in all circumstances and that the claims of investors are at all times subordinated to the reinsurance obligations of the ISPV."

According to Potter, the pipeline of new applications, where Guy Carpenter is engaged, is robust and includes the first full scope multi-arrangement ISPV, registered as a protected cell company as well as applications that will bring new sponsors and insured perils to the ILS market.

He concluded: "A lot of effort has been invested to develop the UK ILS framework, and this provides a landmark opportunity to strengthen London's influence on the global reinsurance market."

"The PRA will continue to apply the necessary level of diligence to each application and potential investors and risk transfer counterparties would expect London to operate to a high standard. The key is to ensure it is a standard that is commercially competitive and drives growth in business and employment opportunities for the UK economy."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Jersey, sure

Under the direction of new insurance commissioner, Marlene Caride, New Jersey is trusting that modernisation can bring growth and success to its captive insurance market

Ned Holmes reports

New Jersey is still a domicile very much in its infancy, having only enacted its captive legislation in May 2011 but, following the arrival of the state's new Department of Banking and Insurance (DOBI) commissioner Marlene Caride, the state is hoping to modernise and grow its captive market.

The state's captive legislation was signed into law by Governor Chris Christie in February 2011 and became effective in May of that year.

New Jersey licensed its first captive, Prudential New Jersey Captive Insurance Company, a pure captive of Prudential Insurance Company of America, two months later. A further milestone came the following year, with the approval of QualCare Captive Insurance Company, the state's first sponsored cell captive.

New Jersey's most recent formation was approved on 1 February 2018 as large US-retail company Burlington Stores launched its captive insurer Florence Insurance Company (FIC). The formation was hailed as a success by Caride.

The Commissioner said: "When New Jersey companies who employ thousands of workers in the state set up their captives in New Jersey, we believe that is a positive transaction for everyone."

Slow and steady wins the race

The licensing of FIC brought the total number of captive formations or re-domestications in the state to 25 since the inception of the captive law in 2011, with $321 million in gross written premium at year-end 2017, and Sheila Small, founding member and president of the Captive Insurance Group of New Jersey (CIGNJ), a not for profit trade association that supports the captive industry in New Jersey, suggests that this "slow and steady" growth is a strategic by DOBI.

She says: "They want to make sure they don't grow leaps and bounds and then have solvency issues later. They want to make sure the captives they licence are captives that will be there for the long run."

"Due to the change of administration they have been a little bit slow in modernising their captive legislation, however, with DOBI's new assistant insurance commissioner of the Office of Captive Insurance, Bill White, I think we are going to see things change pretty rapidly."

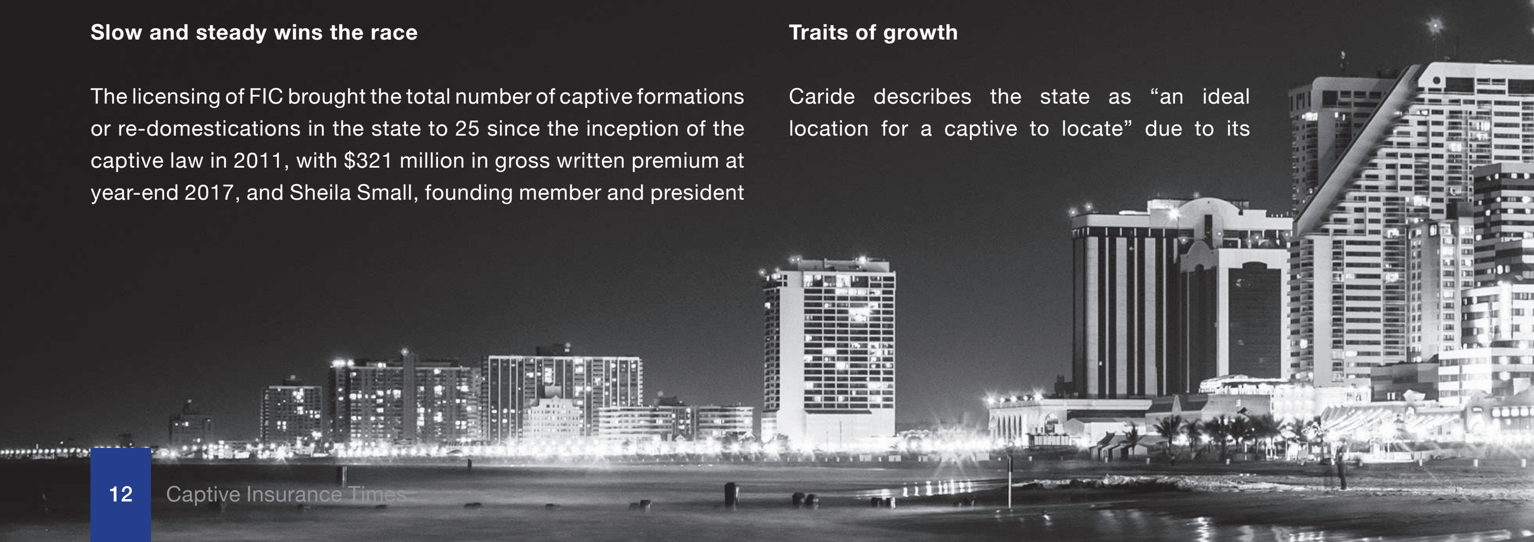
However, that is not to say that the state will forget about its 'slow and steady' mantra.

Small explains: "It is still going to be slow but steady, because their position is to not grow too fast. They want to make sure that the captives that they licence are captives for good reason and will be a key strategic element of the company that looks to set up the captive and their risk management profile."

There is an expectation in New Jersey that this modernisation will directly lead to a growth in the captive market because the state has characteristics which potential captive owners may find attractive.

Traits of growth

Caride describes the state as "an ideal location for a captive to locate" due to its



"location, diverse industry, and business mix" as well as its "ability to attract and grow markets".Small adds: "New Jersey has an excellent location, between New York and Pennsylvania. Pennsylvania does not have a captive legislation and New York does have legislation for captives but it is a little more difficult."

"For captives there is also the concern of having annual board meetings, but getting to New Jersey is very easy. Newark is a major airport and the New York and Philadelphia airports are not too far away."

"We have quite a few colleges in the area which should make it much easier for captive managers in the state to find suitable talent."

She continues: "We also have an incredible infrastructure of captive managers accountants, investment managers, and legal people."

Peter Gerken, senior vice president of Steel City Re, a corporate reputation measurement, risk management, and risk transfer firm domiciled in New Jersey highlighted the experience with the state's regulators as another advantage.

He says: "New Jersey is a captive-friendly state where the compliance value of Steel City Re services are appreciated and accepted by regulators. New Jersey's principal focus on the acceptability of reputation risk in captives, means the state has an opportunity to really stand out amongst domiciles as more captives and their parents seek to finance/insure reputation risk."

Small also recognises the "good relationship" between the captive industry and DOBI.

"Very often we have DOBI come and speak at our meetings. For example Commissioner Caride introduced herself at the most recent meeting. She talked about what her plans are and told attendees that she will give her full support to the captive initiative."

New commissioner

The new commissioner has been very clear in her stance on captives and on her belief that the New Jersey market is well positioned to grow.

Caride says: "New Jersey's current market share of the domestic captive business is small, but we intend to build on the foundation that presently exists."

"We understand that there is a tremendous potential for growth and we anticipate being a more active player in this market. The department is focused on how best New Jersey can grow the market and build upon the businesses that have already chosen to locate in our state."

"The department is committed to developing this market. We are working to ensure we have the resources available to grow our captives market."

One of the commissioner's first moves to ensure such resources are available was the appointment of White as assistant insurance commissioner of the Office of Captive Insurance. An insurance industry veteran with more than 35 years in executive positions, White was a trustee of the CIGNJ giving him experience both with the department and the industry.

Small highlights the appointment of White as a "clear sign" that the Commissioner Caride was a supporter of New Jersey's captive insurance industry.

She suggests that there was a time frame of a few years between the former assistant commissioner of the Office of Captive Insurance, John Talley, moving to Missouri, and White's arrival in the role, where New Jersey's market was standing still.

She adds: "The fact that the new commissioner immediately hired White is clearly a sign that she will be good for the New Jersey captive industry. It is a clear indication that she is not sitting back and seeing what is going on, she has said let's move ahead and take action immediately."

"I think the new assistant commissioner is going to spread his wings wider than some of the previous ones have because our domicile is more mature now. I think he is going to be able to reach out to companies that have either have captives domiciled elsewhere or companies looking to set up new captives."

Moving forward

Caride has instructed White to evaluate the captives unit and to advise me as to how they can modernise and make the process more efficient while not losing sight of our regulatory functions. She said: "That process is ongoing, and I look forward to discussing the results in the future."The department is currently looking at how we can modernise and make the process for creating a captive in New Jersey more efficient while not losing sight of our regulatory functions. We think we are in a great position to grow the captives market in our state."

Small believes that having "more feet on the ground" in the "captive group" will be "very helpful and very important".

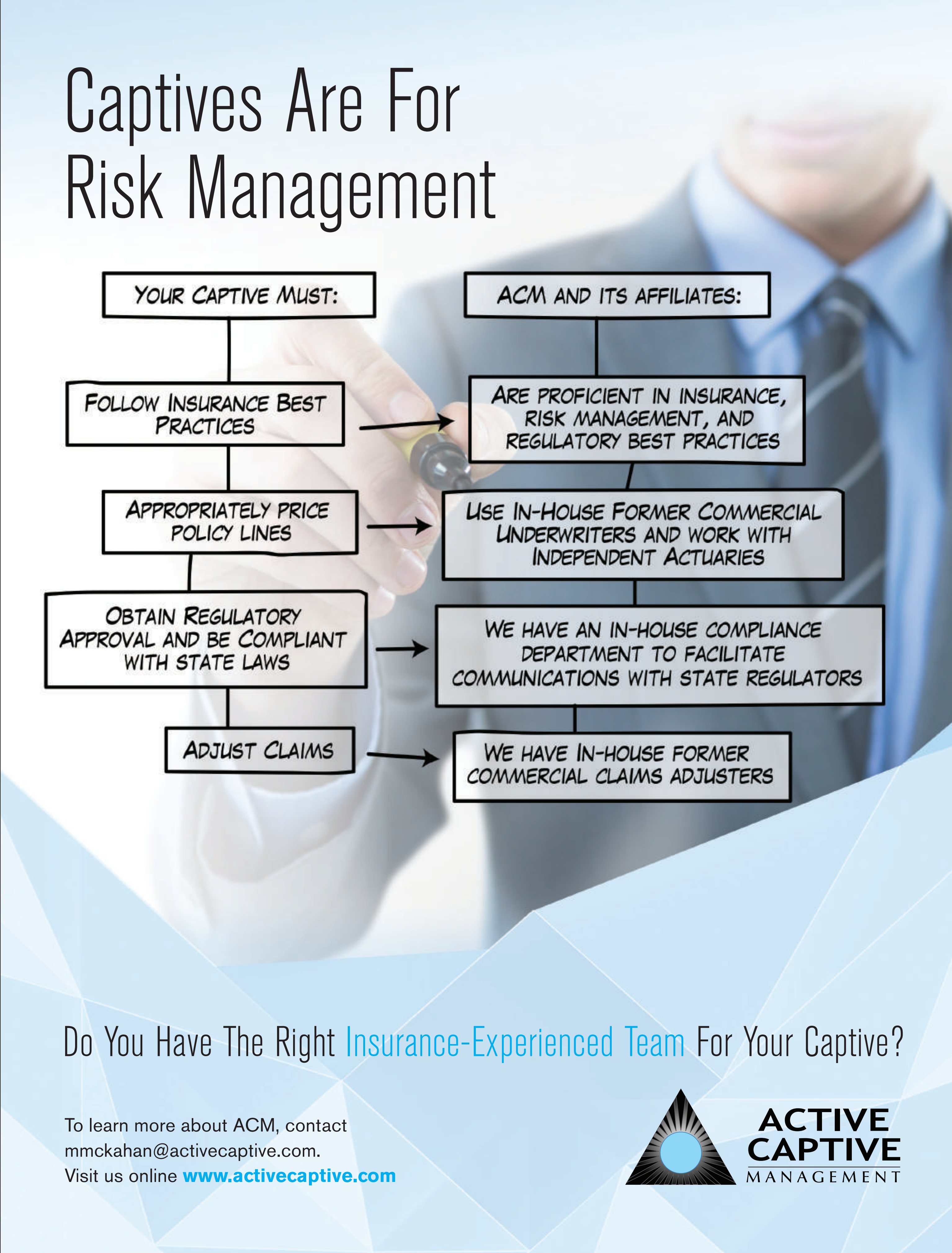
She explained: "The fact is that New Jersey has room to grow and the state needs to do things to help themselves grow and I am hoping that this new administration and new management team on the ground will take those next steps enabling the captive industry of New Jersey to grow."

Another key to the growth of the captive domicile will, according to Small, be a more formal outreach to the industries in New Jersey.

She adds: "I think that is going to make a huge difference when that happens. I know that White is in the process of putting together a plan that will essentially do that.

I think you're going to see more of an outreach to companies in the state.

There are a lot of companies in New Jersey, pharmaceutical companies, manufacturing companies service companies, and financial related service providers. I think there is a huge opportunity awaiting New Jersey to grow, but grow slow and steady." **CIT**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Emerging Talent

Showcasing the new generation of captive professionals

Alex Gedge, business development & captives executive, JLT

Personal bio

I am originally from Birmingham and have a large family with lots of cousins. I enjoy all sports: last year I camped out for Wimbledon tickets, I also play hockey and squash, and I'm working on my golf swing.

I am on the associate board of the Insurance Industry Charitable Foundation offering grants for projects focussed on social mobility.

Professional profile

Currently I work at JLT in London to support JLT Insurance Management in their captive consulting and business development. I work with corporates engaging in a full spectrum of captive services, from feasibility studies and captive set ups, through to strategic reviews to increase effectiveness and helping captives to align their risk management and financing strategies with their parent company, through to captive disposal.

Before joining JLT in September, I worked in the Captive Consulting team for Willis Towers Watson, and at Ecclesiastical Insurance Group.

I am ACII qualified (working towards fellowship now), with an additional qualification in Captive Insurance Management. I studied Economics and Politics at University of Southampton.

How did you end up in the captive industry?

Sheer good luck; I knew I wanted to work in insurance so went for a job at Willis which turned out to be a captive role–I had to google what a 'captive' was beforehand–and it sounded like a good fit.

There's variety which keeps it interesting; it's the right mixture of analytics, strategy, and dealing with different people and industries.

What is your impression of the industry?

Mostly the leadership of senior deputy commissioner Debbie Walker and all my coworkers with significant insurance and regulatory experience.

They have helped me form the perfect blend between being a partner with the industry and my duty as a regulator.

What is your impression of the industry?

It's a great industry to be in. As each client and captive is so different we get to work with a wide variety of people and do wide-ranging work.

What are your aspirations for your career in the captive industry?

Work with more captives, set more up, see and be involved in more developments, be it insurance-linked securities, technology, or external regulation.

What advice do you have for someone considering a role in the industry?

The best thing you can do is meet as many people as possible, and ask a lot of questions. Most people are incredibly friendly and happy to help.

> "I am delighted to offer our clients and prospects strategic captive advice using the expertise of Alex Gedge. She helps us increase our focus on offering captive management to our clients through expanding our consulting initiative through in-house expertise"

Steve Arrowsmith, CEO, JLT Insurance Management

Alex Gedge

Guernsey you in London

Dominic Wheatley of Guernsey Finance reveals what attendees can expect from this year's Guernsey Insurance Forum

Ned Holmes reports

How has 2018 been for the Guernsey captive market and Guernsey finance?

The captive industry is quite a regionalised industry, and our dominant regions of business—Europe and the UK—are relatively mature markets. By and large, we haven't seen a huge amount of new traditional captive business, but there has been some new business, as there always is.

We are very happy that over half of the new business that has come up within our traditional market over the past year has come into Guernsey. It will be nice to see more economic stability and to return to that market, which should enable people to commit more to the type of long-term financing structures that captives are. We appreciate that with Brexit and other sources of uncertainty, it is difficult for corporates to make those types of long-term plans.

Southeast Asian economies are growing fast, with distinctively more stability in some senses than the traditional markets that we have. We have seen a significant number of captives (three) come to us from China alone. There are some really good signs there of the emergence of a major new market, and our position is well established in that market.

Is there anything in particular that you are working on at the moment in the captive space?

A couple of things—obviously there's Brexit, there are some interesting technical challenges there. The other area, of course, is the issue of substance and the investigation by the EU. Our captive industry has been substance-based for a very long time because the UK tax authorities have always demanded that the business done in Guernsey was done at arm's length and that the necessary governance would be on the island to conduct that business.

The reason I myself came to Guernsey as an experienced London underwriter at the time was to provide substance on the underwriting side, to this day, we have a very high number of qualified insurance personnel here, probably more than most of our competitive jurisdictions, frankly. Those two issues—substance and Brexit—will be the key themes at our conference in October. Our keynote speaker is Karl Hennessy, CEO of Carrier Solutions at Aon. It will be good to hear from someone with his profile and standing in the international space on the challenges around Brexit, and to hear the discussions among practitioners on the solutions being generated.

Is there anything attendees can expect from the conference that will be different from previous events?

We never look to run the same conference twice—our conferences are based around insurance rather than specifically captives. This year has got a very significant captive theme, and it's likely to be a very different type of conference than last year, so hopefully, we'll attract a slightly different audience, which is absolutely fine because we have a significantly varied industry. We are not just a captive jurisdiction, we have a reinsurance sector and do a lot of insurance-linked securities, as well as niche line insurance and a developing of our MGA presence. Guernsey is not just a captive centre, although captives are still a major part of our book of business, and we still view captives as a fantastic product.

Can you expand on the topics at this year's conference?

Captives are still a central part of our book, and we recognise that captive owners and captive service providers are facing some very interesting issues at the moment. We feel it's a really good time for these discussions, and with a bit of luck, October will see more clarity. I think it's quite a good time to be having a discussion around Brexit and what it might mean to corporate risk managers, and therefore what captives can do to help with that.

In terms of substance, it's really an opportunity to reassure our captive clients here that Guernsey is a substantial jurisdiction with real substance across a range of financial service industries, particularly inssurance, which has been very much a substance-based industry for well over 20 years. They really should be very reassured that we will provide a very strong base for their captives and will firmly be on the whitelist of the EU tax code review.

What are you personally looking forward to about the conference?

I'm most looking forward to re-engaging with some of the colleagues I haven't seen for years. I've got a lot of good friends in the London insurance industry, it's a fantastic sector. I worked in it for decades, so I'm really looking forward to catching up with some of my old contacts and updating my understanding of the sector, the issues clients are facing, and how the industry is responding to them. **CIT**

> **This year has got a very significant captive theme, and it's likely to be a very different type of conference than last year**

Dominic Wheatley, chief executive, Guernsey Finance

Captive industry dates for your diary

Hawaii Captive Insurance Council Annual Forum

Hawaii

October

15-18

Hawaiicaptives.com

Connecticut Captive Insurance Association 2018 Collaborative

Hartford, Connecticut

October

16-17

conncaptives.org

The European Insurance Forum

Dublin, Ireland

October

24

europeaninsuranceforum.com

Captive Insurance Council of DC Annual Conference

Washington, DC

October

24-25

dccaptives.org

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Comings & goings at Willis, ICCIE and more

Denys Kazama has been appointed as a senior account executive at Willis Towers Watson.

Based in the firm's Honolulu office, Kazama will be responsible for delivering client-focused, value-added services for clients with captives domiciled in Hawaii.

Previously, Kazama has served as office head at Marsh Management Services Hawaii.

Kazama, who has 14 years of captive industry experience, began her captive management career as an account manager and then moved on to be office head in Hawaii.

Robus Group has appointed Andy Matthews as managing director of its Gibraltar office.

In his new role, Matthews will draw on his experience in managing both client relationships and business development.

He previously worked as managing director of Horizon Insurance Company and was a director at Aon Risk Solutions between 2001 and 2014.

Matthews commented: "I've known of Robus since the beginning and I enjoyed a great relationship with founder Chris Le Conte."

"I have always viewed Robus as highly entrepreneurial and they are thought leaders in the sector, so I'm glad to have the opportunity to become part of the management team."

"I'm an accountant by profession but have indirectly worked in insurance for 20 years, so I'm hoping to flex these different skills and grow the business even further."

Richard Le Tocq, CEO of Robus Group, added: "Andy Matthews is an extremely motivated professional with extensive and diverse management skills. He is well positioned to bring his newly-evolved role to life."

Jay Florence has joined River Oak Risk as vice president, effective 1 August.

Previously, Florence served as the deputy commissioner for the Georgia Department of Insurance.

Florence has also served in several roles at the department including legal counsel to the Division of Insurance and Financial Oversight, legislative liaison, and assistant commissioner.

Commenting on the appointment, Doug MacGinnitie, CEO of River Oak Risk, said: "We are incredibly excited for Jay Florence to join River Oak Risk. Florence brings a unique perspective to our business having been a senior regulator at the Georgia Department of Insurance. He adds further depth and expertise to our industry-leading team and will be a great resource for our clients."

Texas Captive Insurance Association (TCIA) board member Josh Magden has been appointed as COO at the American Sentinel Insurance Company.

Magden will be responsible for harmonising the corporation's activity with its partnerships.

Based in Austin, Texas, Magden will continue his role at TCIA.

Prior to serving as a board member at the Texas Captive Insurance Association, Magden was vice president of Sage Advisory Services.

He also served at George K. Baum and Company as first vice president.

The International Centre of Captive Insurance Education (ICCIE) has added five new members to its board of directors.

Kathleen Bibbings, Jim Bulkowski, Jason Palmer, Carl Terzer, and Dan Towle all began their terms on the ICCIE board in August.

Bibbings, currently vice president of AIG, has more than 30 years of insurance industry experience and was appointed as the Bermuda Insurance Management Association in June.

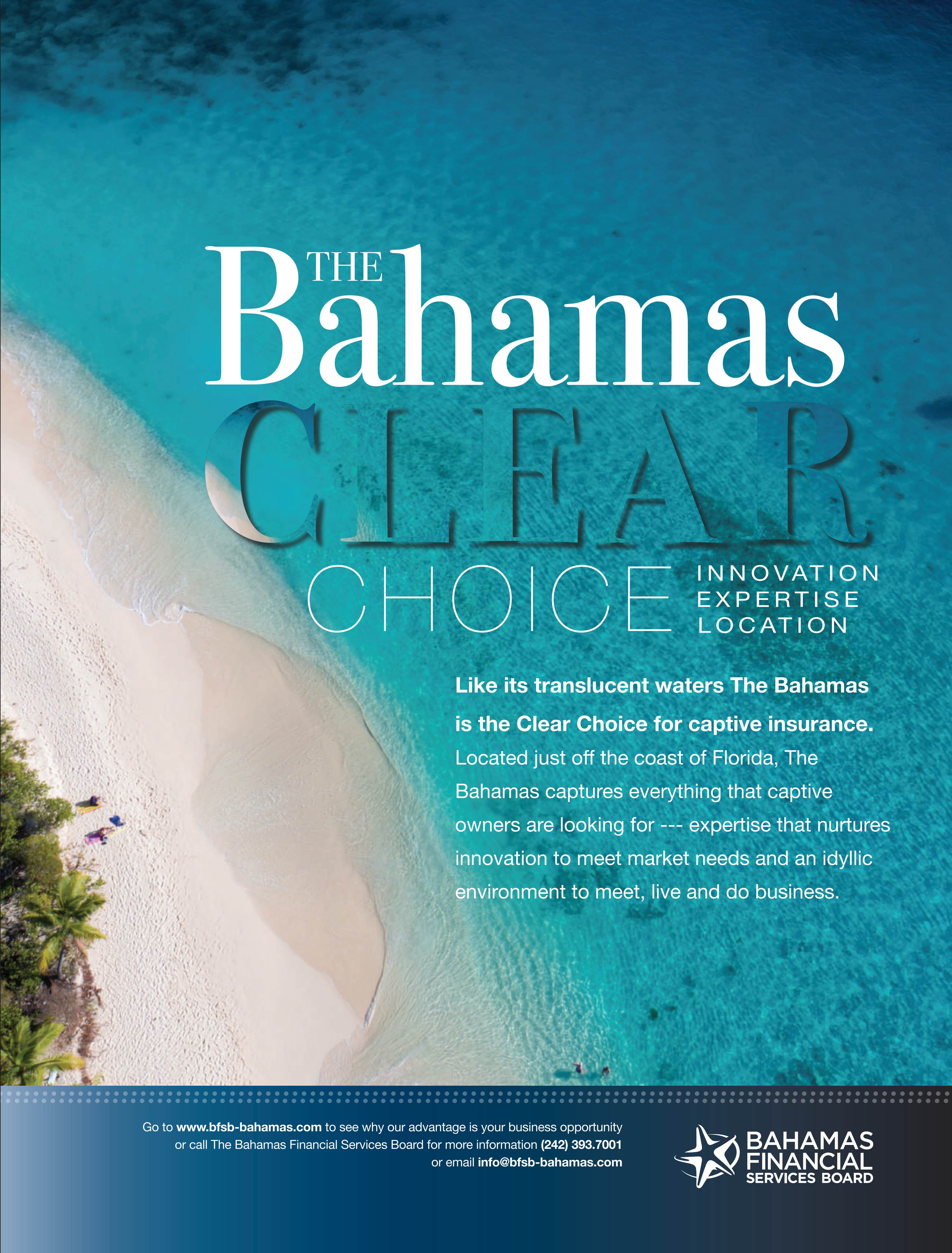
Bulkowski works in an expanded role as senior manager at Ernst & Young and has over 20 years of experience in the industry.

Palmer has spent 22 years with Willis Tower Watson and specialises in onshore captive operations.

Currently, the principal at CapVisor Associates, Terzer has been an investment instructor at ICCIE for nearly nine years.

Towle is president of the Captive Insurance Companies Association, which launched a partnership with ICCIE to aid ACI graduate development earlier this year.

A statement from the centre said: "ICCIE is incredibly fortunate to have the talents of exceptional individuals guiding the organisation as members of the ICCIE board of directors." **CIT**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