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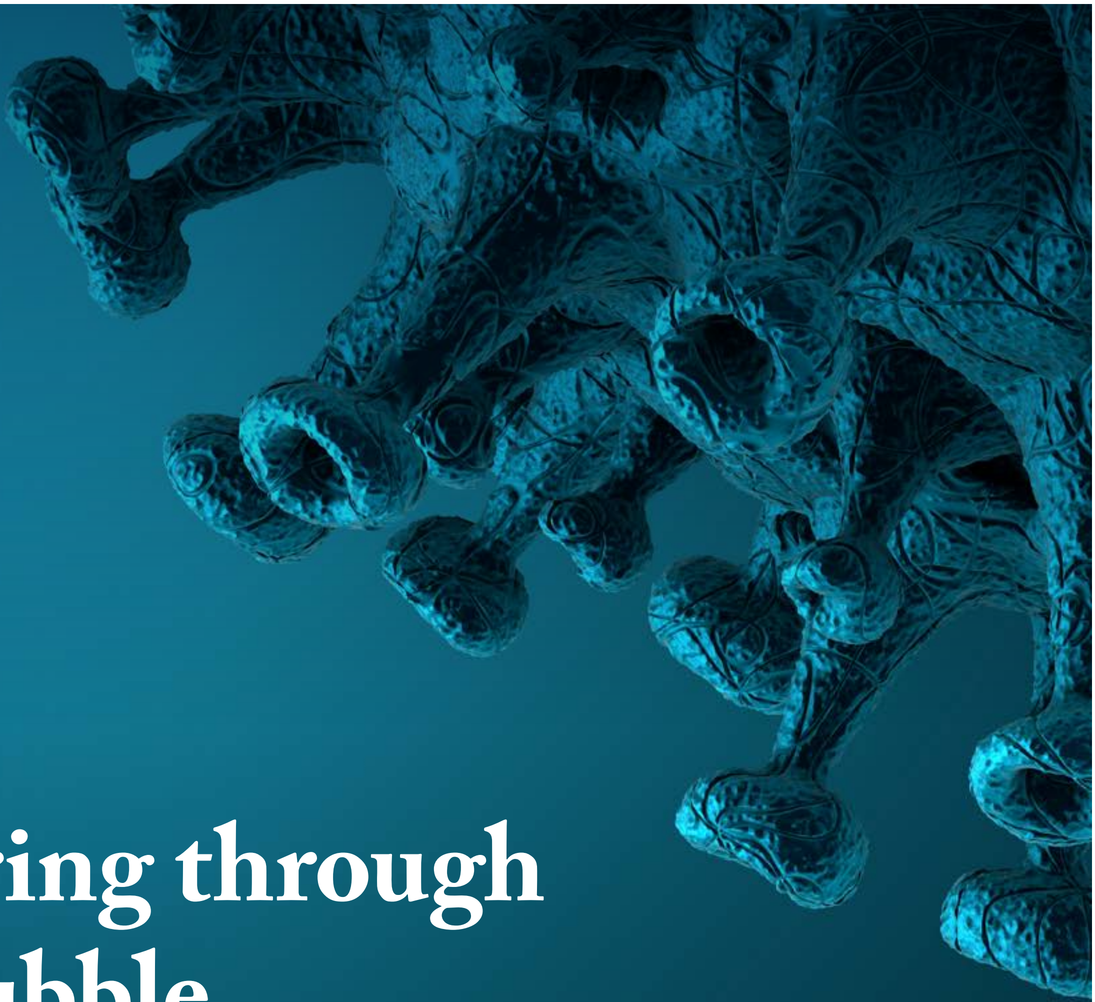

Clearing through the rubble

Martin Eveleigh of Atlas Insurance Management highlights the lessons learnt from the COVID-19 pandemic

Labuan Focus

Stuart Herbert of Marsh Management Singapore discusses current trends in the Labuan captive insurance market and what is on the horizon

Emerging Talent

Jason Luckett
Actuarial analyst
SIGMA Actuarial Consulting Group

Industry Appointments

Michael Corbett, senior vice president at Pinnacle Financial Partners, has re-joined the Tennessee Captive Insurance Association board


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In this issue

Reinsurance Collateral Trusts

The limitations and costs associated with traditional collateral options such as Letters of Credit have dramatically fueled the growth of alternative risk transfer strategies amongst insurers, reinsurers, captives and corporations. Fluid regulatory, financial and risk management environments demand lower-cost collateral solutions – solutions that afford maximum flexibility with minimal effort to set-up and maintain.

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US Supreme Court agrees to hear CIC Services' case against IRS

The US Supreme Court has agreed to hear CIC Services' case against the Internal Revenue Services (IRS) regarding IRS Notice 2016-66.

CIC Services explained that the issue at hand is whether or not the IRS can continue to systematically enforce illegal regulations against taxpayers merely because those regulations are enforced by an illegal 'penalty tax'.

Sean King, general counsel for CIC Services, argued: "Under the Anti-Injunction Act, courts are not permitted to restrain the IRS's attempts to assess or collect taxes against taxpayers."

He stated: "The IRS interprets this to mean that it is free to issue even obviously illegal regulations and that by simply subjecting those taxpayers who fail to comply with that illegal rule to an also illegal 'penalty tax', courts are magically prohibited from enjoining enforcement of the illegal rule because doing so would have the effect of prohibiting the IRS from collecting the illegal penalty 'tax' from those who fail to comply."

Adding that this would violate the Anti-Injunction Act, according to King.

CIC Services said that exempting an illegal regulation from judicial review simply because it's enforced by an equally illegal penalty tax is both 'tyrannical and unconstitutional'.

"The plain language of the Anti-Injunction Act does not lend itself to the IRS's interpretation. And reading it the IRS's way creates an unnecessary constitutional problem. For that reason and others, we are confident of victory", King noted.

Randy Sadler, who leads CIC Services' marketing and client empowerment, added: "Administrative state overreach is a threat to all Americans and constitutional principles in general. So this case has significance far beyond just the immediate issue at hand."

Also commenting on the decision, Benjamin Whitehouse, attorney at Butler Snow, said: "Many in the captive insurance industry will welcome this opportunity to have the Supreme Court scrutinise the current approach by the IRS to indiscriminately use its most coercive enforcement weapons against all micro-captives, regardless of their underlying merits."

"The case itself hinges on the application of the Anti-Injunction Act, which prohibits injunctions against the IRS by taxpayers for attempting to collect taxes. CIC Services argues that they aren't trying to stop the IRS from any collection efforts, instead objecting to what they see as overreaching and expensive compliance mandates that were imposed without any formal rulemaking."

He argued: "This case has also drawn a lot of interest from those outside the captive industry who are gravely concerned about the expanding power of the federal bureaucracy to unilaterally make policy decisions that have severe consequences for small businesses without notice or the ability of any member of the public to provide any sort of meaningful comment."

Ryan Work, vice president, Self-Insurance Institute of America (SIIA), stated: "The Supreme Court's hearing of the CIC Services case is a positive step forward for the industry, meaning there will be a full review in the most important court in the land on the expansion and overburdensome regulatory actions of the IRS. Taxpayers deserve the ability to not only have IRS notices and activities reviewed and overseen fairly, but to be able

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A.M. Best affirms Pfizer's captive ratings

A.M. Best has affirmed the financial strength rating of A (Excellent) and the long-term issuer credit rating of "a+" of Blue Whale Re, based in Burlington, Vermont. The outlook of these credit ratings remains stable.

A.M. Best suggested that these ratings reflect Blue Whale's balance sheet strength, which is categorised as very strong, as well as its strong operating performance, neutral business profile and appropriate enterprise risk management (ERM).

The ratings also reflect Blue Whale's strategic position as the captive insurer for Pfizer.

A.M. Best stated that as Blue Whale insures/re-insures Pfizer's global property exposures, it plays an important role in Pfizer's overall ERM and assumes a critical role in protecting the Pfizer enterprise's assets.

The rating company noted that Blue Whale's capitalisation is very strong, albeit reliant on its parent.

It operates at conservative underwriting leverage levels; however, it provides coverages with extremely large limits, and its gross exposures per loss occurrence are elevated.

"Although Blue Whale benefits from reinsurance protection, it is heavily dependent on reinsurance, with very substantial net retention.

Its reinsurance is provided by a large panel of reinsurers that provide significant capacity", A.M. Best said.

Additionally, A.M. Best said it recognises the quality of the reinsurers, and the substantial financial resources and support available to the captive as part of the Pfizer group.

"Due to the nature of the relationship between Blue Whale and Pfizer, changes in Pfizer's credit risk can impact Blue Whale's ratings, as it is dependent on Pfizer's ability to support its credit risk profile, competitiveness and risk management," the rating company explained.

According to A.M. Best, the third-party credit ratings and Pfizer's market-based credit risk measures indicate general strength, despite short-term uncertainty as Pfizer refocuses its strategy toward newer pharmaceuticals, divests its over-the-counter pharmaceutical business and contributes its mature pharmaceuticals going off patent to a joint venture.

However, it was noted that the captive continues to be an integral component of Pfizer's risk management platform.

Blue Whale's operating results and reserve levels reverted to historical levels in 2019, following the final resolution of claims related to Hurricane Maria. The company said it anticipates lower property insurance requirements through 2020 as the parent evaluates its Caribbean production and warehouse insurance requirements.

A.M. Best concluded: "Based on the parent's refocused corporate strategy described above, as well as Blue Whale's current reinsurance programme, Blue Whale appears well-positioned to address Pfizer's insurance needs." ■

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to appeal regulatory burdens through pre-enforcement challenges."

CIC Services' first lawsuit against the IRS and US Treasury was in December 2016 in a bid to block Notice 2016-66. CIC Services, who lost a court case against the IRS in 2017, went on to appeal the decision at the US Sixth Circuit Court of Appeals but it was later denied. Additionally, in August 2019, the Sixth Circuit denied CIC Services' petition for en banc review by a 9 to 7 vote.

Despite being denied, the seven dissenting judges wrote an opinion in CIC Services' favour.

Work highlighted that "with a largely split-decision from the lower court, having the Supreme Court agree to consider this case in its next term is good news, and has broad implications for a number of American industries that face a similar burden of being found guilty by the IRS before being able to prove innocence".

King concluded: "We would not be here without the support of our various lawyers, the Antonin Scalia Supreme Court Legal Clinic of the George Mason Law School, various captive insurance regulators and industry associations, and many more. We also wish to thank all those who submitted 'friend of the court briefs supporting our cause including the United States Chamber of Commerce, the CATO Institute, Professor Kristin E. Hickman of the University of Minnesota School Of Law, the Captive Insurance Associations of Kentucky, Missouri, North Carolina, Oklahoma and Tennessee, and the Tax Clinic at the Legal Services Center of Harvard Law School."

"On behalf of CIC Services and our clients, we thank you and are humbled by your support." ■

RIMS calls on US officials for pandemic risk insurance programme

The Risk Management Society (RIMS) has circulated a letter to the US Department of the Treasury, Congress and the office of US president Donald Trump, requesting the creation of a pandemic risk insurance programme to accelerate economic recovery due to the fallout of the COVID-19 pandemic.

According to RIMS' letter, a pandemic risk insurance programme would provide greater access to capital from lenders and establish a viable insurance market with sufficient, affordable capacity.

It would also create certainty for businesses and organisations of all sizes across the US and ensure that businesses can meet future pandemic events with greater resilience.

RIMS is calling on the risk management community to support its initiative by contacting local Congress members using a brief form that can be found here.

Prior to the letter, the society administered a survey to US risk professionals to ascertain their perspective on a federal pandemic insurance backstop.

The survey found that over 67 percent of risk professionals anticipated direct business interruption losses due to COVID-19, with 77 percent expecting the losses to be over $1 million and included in that group was 36 percent estimating losses to be more than $25 million.

Almost all, 91 percent, are supportive of a Terrorism Risk Insurance Act (TRIA) type federal loss-sharing programme for insurance claims relating to losses resulting from a pandemic or epidemic.

Finally, 65 percent of risk professionals said they would be willing to pay up to 5 percent more in premium.

RIMS president Laura Langone commented: "From our homes and our local communities to the boardrooms of some of the world's largest corporations, COVID-19 has highlighted the need for strong risk management strategies to address interruptions resulting from a global pandemic."

"Congress has done exceptional work by quickly introducing the CARES Act but there is still much work to be done. We look forward to the opportunity of collaborating with them to develop a sound pandemic programme that installs confidence in businesses and reinvigorates the economy," she added.

AXA XL launches virtual risk assessment initiative

AXA XL Risk Consulting has launched a new risk assessment service, remote risk dialogue, to continue evaluating loss prevention across business lines amid COVID-19 restrictions.

Using data obtained from phone calls, web tools and existing reports, Remote Risk Dialogue aims to allow AXA XL's risk engineers to perform remote analysis not seen in traditional loss prevention programmes and provide risk managers, underwriters and brokers with an up-to-date view of a client's risks.

Speaking about the new service, Corinne Vitrac, chief executive of AXA XL risk consulting, said: "With restrictions on delivering surveys and carrying out client visits globally, we've had to think of new ways of supporting our clients to manage their risks."

"Remote risk dialogue allows us to continue to interpret clients' data and assess any potential new risks. For example, in response to COVID-19, some clothing manufacturers have started to manufacture masks, alcoholic beverage producers are making hand sanitiser while some domestic appliance manufacturers are making medical devices. These changes to operations and output bring about new risks. Identifying, managing and mitigating these risks is key and we are proud to be standing alongside our clients to support them in adapting and innovating in these challenging times," she added.

AXA XL Risk Consulting will also be hosting webinars for risk managers to discuss the risks their companies are facing and how to mitigate them. A phone help desk has also been set up for risk managers to discuss loss prevention best practices.

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Captive associations address IRS letter

The Arizona Captive Insurance Association (AzCIA), the Vermont Captive Insurance Association (VCIA) and the Utah Captive Insurance Association (UCIA) have all issued separate letters to their respective state's congressional delegation in response to the Internal Revenue Service's (IRS) letter sent to micro-captive insurance company owners.

All three associations highlighted the difficult time many businesses are facing due to the COVID-19 pandemic, which is why many were shocked to receive the IRS letter during these difficult and uncertain times.

In the letter from AzCIA, association president Rae Brown stated that the letter was sent to businesses four days (20 March) into the national COVID-19 emergency declaration to approximately 150,000 business owners "when many of our businesses are inaccessible or operating at diminished capacity because of the current crisis".

Brown said: "Even worse, the IRS Letter requires us to access and report information about our captive insurance programmes by 4 May 2020 or face an increased risk of immediate audit or examination."

"With stay-at-home orders in place for many states, including Arizona, until 15 May or later, these businesses cannot even access many of these records or comply with the requirement in that short a timeframe."

The IRS has now pushed the original deadline date of 4 May 2020 back until 4 June 2020.

With the current unprecedented crisis, combined with the timing and the burden being placed on its members' businesses, UCIA has "desperately" requested Congress to "petition the IRS commissioner, and demand that the IRS leave these businesses alone, or at the very least, suspend this unnecessary and overly-aggressive audit and examination activity until at least a year after the national COVID-19 emergency declaration is withdrawn".

UCIA's letter stated: "While we understand the IRS's concern over certain captives making an election under Section 831(b), the fact remains that the vast majority of businesses which use captives are doing so correctly. The fact that many businesses are currently filing claims and getting immediate relief from their captives is a testament to the validity of these captive insurance companies."

In the letter from VCIA, Rich Smith, president of the association, said the IRS has rightfully gone after such micro-captives, he explained that "hundreds of small insurers that are engaged in legitimate insurance services; thus, the industry should not be indicted with a broad brush as the IRS letter does".

Smith argued that the IRS should issue regulations or guidance to clarify issues surrounding section 831(b).

US Congress recognises the importance of supporting small insurance companies and enacted Section 831(b) of the Internal Revenue Code to encourage and support such small insurers, the letter noted.

Smith also stated that Congress recently reaffirmed its support of these insurance companies by raising the allowable premium volume to make an 831(b) election from $1.2 million to $2.2 million and indexing that amount going forward.

The associations called on their respective congress to demand the IRS suspend the "unnecessary audit and examination activity" until at least a year after the national COVID-19 emergency declaration is withdrawn.

Brown said: "Such an action would continue to allow our captive insurance programmes to mitigate the risks that Congress and the tax code allows us to appropriately address. And, such an action is consistent with the extension and suspension of various tax filing deadlines and audit activity for individuals, head of household, and joint tax-filers, along with corporations and self-employed individuals."

Smith added: "We also request that the IRS, when it resumes its examination of "micro-captives", take a more appropriate approach focusing on those organisations that show evidence of malfeasance, and not to condemn an entire industry."

Clearing through the rubble

Martin Eveleigh of Atlas Insurance Management highlights the lessons learnt from current events and what plans need to be drawn up to ensure business continuity in the years to come

As businesses owners and management grapple with the immediate operational and financial implications of the COVID-19 pandemic, they also have an eye on the future. What lessons will be learned from current events and what plans need to be drawn up to ensure business continuity in the years to come?

The insurability or otherwise of losses attributable to the pandemic is not only of immediate concern as insureds seek to recover from their insurers but also something that will be a key consideration as strategic decisions are made. The possibilities for loss are innumerable. Most obvious perhaps is a loss of income caused by business interruption and one can also imagine claims being made by shareholders against directors and officers, by employees against employers and by patients and their families against healthcare providers. The list goes on.

Commercially bought first-party property insurance policies generally include coverage for loss of profits resulting from property damage, whether to the insured's own property or to various other categories of property such as that of a customer or supplier. There are very few insurers who have specifically offered coverage for losses due to communicable disease. Where that is not included, property damage is the trigger for coverage under the policy. So, the question arises whether the presence of the virus at a property constitutes property damage and, if so, what is the quantum of loss caused by that damage. There have been past decisions by the courts, ruling that contamination of a building rendering it unsafe until decontaminated constitutes physical damage even without any structural alteration. It seems inevitable that insurers will be saying one thing and insureds another. The litigation has already begun.

In the captive world, members of group captives will most likely find that their coverage is restricted as it would be in the commercial market. For single-parent captive owners, however, the picture may be very different. Many captives specifically cover risks such as loss of key customer, loss of key supplier and loss of key employee and these policies are likely to provide broad coverage without the types of exclusions seen in commercial policies. Others may deliberately provide cover for the difference in conditions, plugging gaps in coverage arising from the exclusionary language in commercial policies. Many businesses may find their captive to be a real lifeline in times of peril.

Even if some of these risks are covered by insurance today, the insurance industry will most likely seek to exclude them in future. Why is this? Society Insurance Inc., which has denied coverage for business interruption claims and is being sued by several insured bars and restaurants, said: "Insurance has always identified and excluded coverage for loss events that are so large, or are so unpredictable that they outstrip the capacity of the industry to fund losses or even price the exposure accurately. Exclusions for acts of war, nuclear incidents and floods are part of insurance policies for these reasons." This thinking is consistent with a basic principle of insurance that the premium of the many is pooled to pay the losses of the few. When the few become the many, the pool of premiums will be inadequate to meet the losses and so it is necessary to exclude from coverage those events that are foreseen to have that effect.

With that in mind, it is already clear that exclusionary language is being tightened up with specific communicable disease exclusions being imposed by reinsurers. Insurers are following

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suit. We are going to see greater restrictions on coverage at a time when the cost of insurance is increasing significantly. Businesses will need to pay very close attention at their next policy renewals and give deep consideration to how they intend to manage and finance risk in the future.

Could captive insurance be the answer? John Mina, CEO of Risk Strategies, a national specialty insurance brokerage said: "The devastating effects of COVID-19 and the future uncertainty around the financial impact to businesses are hard to fathom at this point. As a consequence, the traditional insurance market will not likely provide any meaningful pandemic insurance for quite some time. Captive insurance companies are well suited to support businesses with customised coverage for hard to insure exposures like pandemics." Indeed, captive insurance companies are formed precisely to fund risks that are not transferred to the commercial insurance market, whether by choice or by necessity.

Captive insurance generally allows businesses to create a funding mechanism for their own retained risks. This is in contrast with the commercial world where risks and results are shared amongst many insureds. However, in the captive world, there can also be some sharing of risk through reinsurance pools and in group captive arrangements. Business owners and management considering the new or expanded use of a captive solution should think carefully about which risks can or should be shared and with whom they want to share them. It may, for example, be reasonable for a group captive to offer some strictly limited communicable disease coverage. After all, not every communicable disease loss event requires an epidemic and with a known and restricted pool of participants, the exposure may prove manageable. The prospective participant (and indeed the programme manager) should look carefully at comparing the likely loss of income impact of a pandemic on his own business and those of his fellow group members. A heterogeneous group captive with a significant number of hospitality business insureds could be an uncomfortable place for businesses that continue to operate while many other members file claims to be paid by the group as a whole. These challenges may be hard to overcome.

It seems more likely that pandemic insurance, and other risks uninsurable for the reasons discussed above, will be provided by single-parent captives with little pooling of these exposures and probably no reinsurance support unless at a very significant premium. While the captive, therefore, may not give access to third-party funding of these types of loss, what it can do is provide an excellent means to fund for the eventuality over multiple years.

By contrast, middle-market businesses choosing to insure some portion of their risk in a captive due to the steeply increasing cost of commercial coverage will more than likely seek to share part of that risk through a risk pooling mechanism or by joining a group captive. Doing so in a well-run programme helps to protect against spikes in claims activity and lowers volatility overall.

Before the outbreak of the COVID-19 pandemic, captive insurance practitioners were already seeing a heightened interest in captive solutions, which was driven by rate and deductible increases or in anticipation of those. Businesses with those challenges will now be faced with the added problem of being without cover for what has been proven to be a catastrophic exposure for many. It has never been right to approach risk management solely from the point of view of cost. Appropriate coverage has always been equally important. Current market conditions mean that both cost and coverage now share the spotlight.

As managements work to ensure business continuity, budgetary stability and control of their overall cost of risk, expect to see a marked uptick in the use of a captive as a key tool in addressing a company's enterprise risk management. ■

"As managements work to ensure business continuity, budgetary stability and control of their overall cost of risk, expect to see a marked uptick in the use of a captive as a key tool in addressing a company's enterprise risk management"

Martin Eveleigh
Chairman
Atlas Insurance Management

A positive outlook

Stuart Herbert of Marsh Management Singapore discusses current trends in the Labuan captive insurance market and what is on the horizon

What was 2019 like for the captive insurance sector in Labuan?

Last year proved to be an interesting year for Labuan captives; there were several formations but this was unfortunately offset by a few closures as well. We are seeing growth for Labuan coming from Malaysia and also Japan with the last six captives being a 50/50 split from these locations.

Notwithstanding the growth, which took place late in 2018 and early 2019, the uncertainty around the concessionary tax treatment for captives and the substance requirements took the focus away from further growth and so we saw the latter half of the year being more stagnant as owners dealt with these various issues. It is good to note that there was no massive exit of captives, and hopefully, the changes will improve the economic position of Labuan to enable it to further support growth in the sector.

What trends is Labuan seeing in the captive sector?

As mentioned, business is still primarily coming from Malaysian businesses, but we are seeing a trend for Japanese-sponsored captives continue as well. These are still writing a range of insurance lines and this is similar to many other captive domiciles around the world. There have been some developments of master rent-a-captive insurers. It continues to look like Labuan is gearing up to capitalise on the harder insurance market with local options for rent-a-captives, which is lacking generally within the region.

With gross written premiums increasing in Labuan, how do you see this trend continuing?

This growth in premium is linked to more difficult commercial insurance markets around the region and world. This leads to captives being utilised by their parents more, both for taking

> “There will be further growth in actual captive numbers in Labuan due to the harder insurance market, but with the difficulties in the world regarding COVID-19, lockdowns, and business stresses it may well not be something that is extensively actioned on during 2020”

on additional risk within existing insurance lines and for the captives underwriting new risks for the parent. It is also a reflection of the arm’s length nature of how captives charge premiums, in that it can often follow similar cycles to the commercial underwriters to ensure that they comply with the transfer pricing rules that exist around the world.

With the world dealing with increased premiums before COVID-19 and then having the potential impact of COVID-19 on the insurance market – which is still an unknown element at this point - I believe the trend of increasing gross premium will continue during 2020.

Notwithstanding the global transfer pricing protocols, captives do have the ability to assist in efficient risk financing and so having more risk and premium within them is often a tool that parent companies can use to help lower their cost of risk. We would anticipate that Labuan-based captives would be similar to the global situation and so believe that premiums will continue to increase as many captives are utilised to access reinsurance markets. As market rates increase, the gross premium of the captive would have to be reflective of this increased cost.

What are the country’s biggest challenges in terms of the captive market?

Currently, the biggest challenges for the captive market is to make sure the captives are fit for purpose, provide value to the owner, lower the cost of risk, and improve the risk management aspect of the organisation. This is compounded by the fact that there are global moves to make sure of the arm’s length nature of transactions and fair tax treatment, changing international accounting standards for insurance companies that do not particularly exempt captives.

These are issues that are global in nature and therefore Labuan will see the impact of these over the next few years, although there is still a good understanding and acceptance of captives as a suitable risk management tool and so we continue to see and have growth conversations with our clients and prospects around how to optimise the captive for them.

Do you think Labuan’s captive sector will continue to grow in 2020?

I believe that the use of the existing captives based in Labuan will increase and thus we should see further premium growth. Logically, there will be further growth in actual captive numbers in Labuan due to the harder insurance market, but with the difficulties in the world regarding COVID-19, lockdowns, and business stresses it may well not be something that is extensively actioned on during 2020.

It could be towards the end of the year, but actually, I think it more likely that the growth in captive numbers will probably come in 2021.

I would not anticipate any significant reduction in captive numbers, although regionally we are seeing a decision by owners who have captives in run-off to accelerate the closure to extract funds and remove costs from the business.

We are also seeing global captives helping to repatriate funds back to their owners, via dividends, during these difficult times although for many captives here they do have intercompany loan arrangements so this is less pressing than we’ve seen in other locations.

We do see potential captive sponsors spending more time and effort to better understand their risk profile and appetite to determine suitable structures.

This is now often done with more analytical reviews and development of risk finance optimisation projects to allow the prospect to better understand the risk from an underwriter’s point of view and allow for improved risk decisions. ■

Jason Luckett

Actuarial analyst
SIGMA Actuarial Consulting Group

Personal bio: I was born and raised in Nashville, Tennessee. I'm passionate about spending time outdoors.

Tennessee has an abundance of state parks in which I enjoy hiking, spelunking, and rock climbing. I also enjoy watching and playing sports (soccer is my favourite), as well as gaming and reading.

Professional profile: I graduated from Middle Tennessee State University (MTSU) with a bachelor's degree in mathematics with a concentration in actuarial science. During my final semester at MTSU I began an internship with SIGMA and shortly after graduating, I joined the team full time. My current role is as an actuarial analyst.

My primary areas of expertise involve the calculation of current and/or future liabilities for property and casualty coverages for self-insurers, large deductible programmes, and captives across a range of industries. I am currently pursuing an associateship with the Casualty Actuarial Society and am halfway through the required testing.

How did you end up in the captive industry?

I was first introduced to SIGMA while I was studying mathematics and insurance at MTSU. One of my first projects at SIGMA was a reserve analysis used to support year-end financial reporting for a Tennessee domiciled captive. As my career at SIGMA continued I began completing similar analyses for other captives.

I now work with several different captives in multiple domiciles such as Tennessee, Montana, and Vermont.

What has been your highlight in the captive industry so far?

My highlight in the captive industry to this point in my career would be the work I completed on an actuarial loss projection used as input into the captive feasibility analysis used in the formation of a Montana-domiciled captive. I take pride in having been a part of the formation of this captive from the ground up and hope to continue analysis and support of it for many years to come.

What/who have been your influences in the captive industry?

My colleagues have provided the biggest influence for me so far. Everyone at SIGMA has encouraged and challenged me with opportunities to become involved in new projects throughout my time here.

My co-workers have always been patient in answering my questions and have entrusted me with more responsibilities as I have gained experience working with captives.

What is your impression of the industry?

I believe that the captive industry will continue to grow and evolve throughout my career. As additional companies look to form captives to supplement and/or replace their commercial insurance, a lot of opportunities will be available for those working in the captive industry. Actuarial analytics will continue to be an important resource for those in the captive industry.

As an actuarial professional, I think it is crucial to stay up to date with the latest developments in the captive industry.

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

I am currently completing the testing necessary to obtain an associateship with the Casualty Actuarial Society. In addition to obtaining an associateship, it will also be important that I have a thorough understanding of captive laws and regulations and that I obtain approval to complete actuarial work in the different domiciles that my clients work in. This will give me the ability to issue actuarial loss projections, reserve analyses, and statements of actuarial opinions for captive insurance companies. Each of these types of analytics is important resources for captive insurance companies.

It is paramount to me to form strong relationships with the domiciles and regulators that my clients are currently doing business with. However, in order to provide my clients with a comprehensive understanding of their options, I aspire to gain approval to work with as many domiciles as I can throughout my career. I know of 78 domiciles worldwide.

Currently, I have clients involved in several within the US. I would like for those numbers to grow throughout my career, and I would also like to gain some experience with domiciles outside of the US.

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

For anyone considering a role within the captive industry, I would suggest that they take an opportunity if it presents itself. The industry is growing and evolving and there are going to be a lot of opportunities available for actuarial or other risk management professionals within the industry.

If you can stay up to date with the latest developments in the industry and seize any opportunities to be involved as they present themselves you will have a chance to be a part of something significant. ■

"Jason Luckett has provided consummate professional advice for my captive clients.

His expertise and recommendations have been 'spot on' and have allowed (our now) common clients the actuarial analysis needed to fulfil our risk financing objectives.

Equally important is service. He has been most responsive to various inquiries and provides the prompt service with all professionals promise.

I highly recommend Jason to those involved in the captive insurance industry. His team player mentality will enhance efforts to provide solutions to risk financing."

Lucky Lippa, president at Lippa Insurance Services

Willis Towers Watson (WTW) has appointed Cyrille de Montgolfier as the new leader of its French business, Gras Savoye Willis Towers Watson (GSWTW), based in Paris.

He brings over three decades of insurance industry experience to the role and will be responsible for setting the strategic vision of GSWTW, developing innovative solutions to client needs, and driving revenues across multiple lines of business.

Since early 2019, de Montgolfier has been running an insurance mergers and acquisitions boutique, Nemrod Finance, along with two co-partners. During his career, he has he served as CEO of La Parisienne Assurance, a leading private insurance company in France. He also spent 16 years at AXA, where he held a number of leadership positions, including senior vice president of European and public affairs; CEO of central and eastern Europe; and head of human resources and internal communication for AXA France.

Anne Pullum, head of Western Europe, WTW, said: "Cyrille [de Montgolfier] is a highly respected leader who brings a wealth of industry knowledge and commercial skills to this critical role. He has a strong track record in engaging teams in strategies that deliver high performance and growth."

Commenting on his new role, de Montgolfier added: "I am delighted to join the GSWTW team, whose professionalism, commitment and leadership I have long admired. The world is in a very difficult place at the moment and many clients are facing incredibly tough times, but I am convinced that, with our experience, market insights and solutions, we will be able to help them overcome many of those challenges."

Michael Corbett, senior vice president at Pinnacle Financial Partners, has re-joined the Tennessee Captive Insurance Association (TCIA) board.

One of the TCIA's founding board members, Corbett had left the TCIA board in 2011 when he became director of the captive section at the Tennessee Department of Commerce and Insurance (TDCI).

After more than eight years as Tennessee's chief captive regulator, Corbett left his role at TDCI to join Pinnacle.

Kevin Doherty, TCIA president, said: "We are thrilled to welcome Michael [Corbett] back to the TCIA Board. As a founding board member and our principal captive regulator for more than eight years, he is deeply invested in the captive industry in Tennessee."

"In addition to his extensive private sector experience, he now brings to the board his wisdom and insights as a regulator. This will help us immeasurably as we continue to work with the department to keep Tennessee squarely in the ranks of the leading domestic domiciles," he added.

Butler Snow attorney Benjamin Whitehouse has been appointed as chair of the American Bar Association (ABA) Business Law Section's Captive Insurance Committee.

Whitehouse's three-year term will start in September at the end of the 2020 Business Law Section annual meeting. The committee's mission is "to further the education of those who work with captive insurance companies and related alternative risk transfer structures and transactions".

The ABA's Business Law Section is a global network of approximately 50,000 business law professionals interested in expanding professional knowledge, engaging with professional communities and advancing experiences.

Whitehouse is a member of Butler Snow's business department and practices within the regulatory and government relations practice group. He focuses his practice on general insurance and captive insurance matters. Previously, Whitehouse served as a supervising attorney and assistant general counsel of the Tennessee Department of Commerce & Insurance as well as assistant attorney general for the state.

AF Group has hired Ian Podmore as director of captive operations at AF Specialty, based in Charlotte, North Carolina.

In his new role, Podmore will focus on business growth and profitability for new markets and business opportunity development through the use of insurance captives. He has more than 30 years of insurance experience in the US, Bermuda and the UK. Previously, Podmore was head of captive underwriting and captive consultant at Willis Towers Watson (WTW). He also held the role of senior vice president at Atlas Insurance Management and was senior vice president and chief underwriter for both Bank of America and AmTrust Specialty Programme Group.

Commenting on Podmore's appointment, Eric Halter, managing director of AF Specialty, said: "We are excited to have Ian join our organisation. His expertise, innovation and leadership will be a huge asset as we continue to expand our product offerings and presence in the captive space."

Ohio National Financial Services has promoted Bill Price to senior vice president and general counsel.

Price joined Ohio National in 2002 as vice president and counsel and most recently was senior vice president and assistant general counsel. In his previous role, he focused on capital management, reinsurance, the company's international subsidiaries and captive insurance companies. Price takes on the new role from Dennis Schoff, who is set to retire on 30 June. Elsewhere the firm also promoted Scott Shepherd to senior vice president and chief corporate actuary, and Pamela Webb to senior vice president and chief human resources officer for implementing the next phase of the organisation's strategic succession plan.

Gary Huffman, chairman and CEO, said: "At Ohio National, we are fortunate to have outstanding depth and breadth of talent across our organisation. These promotions build on our success as a company. Each of these individuals has the vision, drive and steadiness to continue to move our company and associates forward."


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