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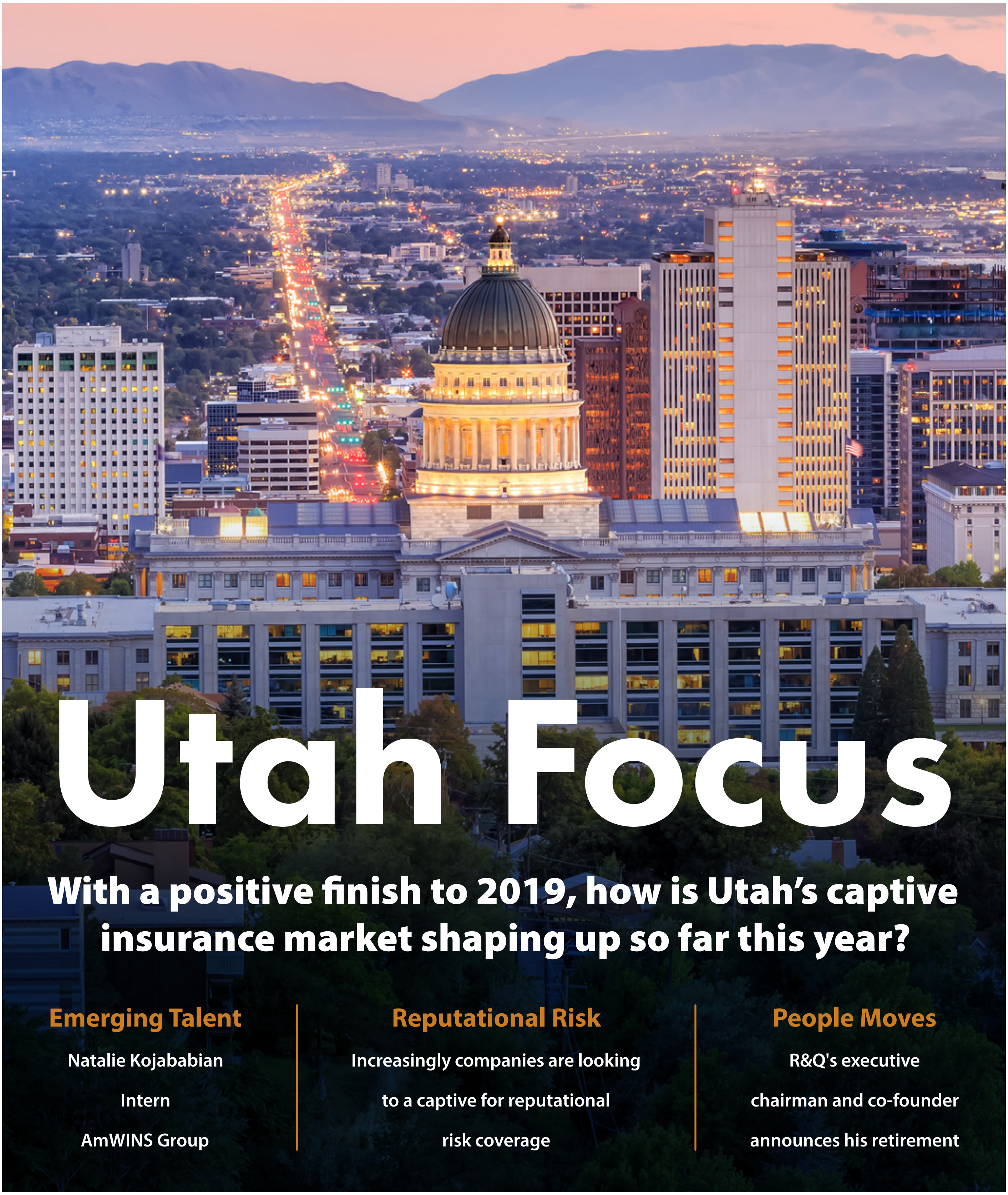

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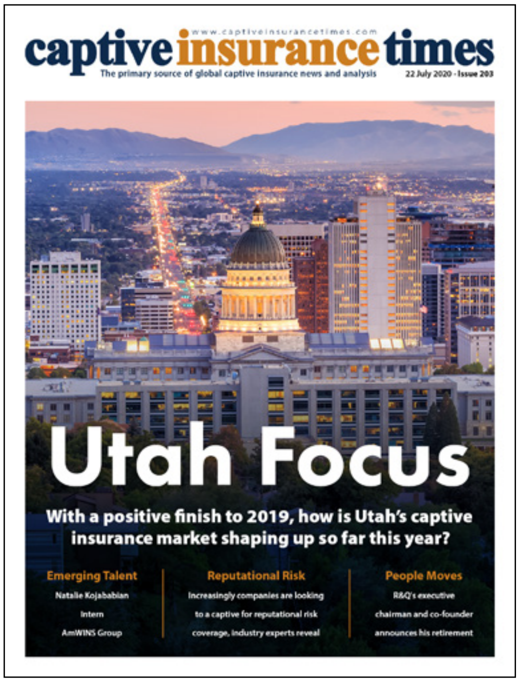

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Reinsurance Collateral Trusts

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SunTrust

NCCIA's rescheduled conference cancelled

The North Carolina Captive Insurance Association's (NCCIA) rescheduled conference has been cancelled due to complications from COVID-19, according to the board of directors.

The conference was due to take place on 30 August to 2 September at the Washington Duke Inn in Durham, North Carolina.

It was originally scheduled for May but was moved to late August as NCCIA wanted "to give health care officials what was hoped to be sufficient time to develop treatments or a vaccine for the virus".

David Littlehale, chair of the conference planning committee, said: "While the committee is disappointed we could not go forward we will immediately turn our attention toward planning for the 2021 meeting scheduled for 2 to 4 May once again at Durham's Washington Duke Inn."

Association chairman Lea Riddle added: "The board really wanted for this conference to happen or we would not have gone through the effort to reschedule from the original date."

"To our disappointment, the dominoes did not fall in the right direction to allow us to safely conduct the conference. Challenges that could not be overcome include the Governor's unwillingness to move to stage three of our state's reopening, new cases and hospitalisations not having stabilised, unwillingness for a number of our out of state attendees to travel and what was going to prove to be an interesting experience in the hotel for those who did attend," he added.

Tom Adams, NCCIA president and CEO, stated that while the cancellation is a "keen disappointment, there is always next year".

He continued: "We really hate that our members and others will not have the ability to gather this year. The positive is that we have almost an entire year to get a solution(s) for COVID-19 and a veteran team to put the programme together. I look forward to seeing everyone next May." ■

Airmic supports Lloyd's pandemic recovery and resilience proposals

The UK association of risk and insurance professionals Airmic has welcomed Lloyd's proposals for how the insurance industry can support global economic and societal recovery from the impacts of COVID-19, and to build resilience for future systemic catastrophic events.

In a statement, the association said: "Lloyd's proposals address the fact that businesses are facing very acute and immediate challenges from the impact of the global pandemic while also considering the medium and long-term insurance challenges that the pandemic has exposed."

"We are very much at the beginning of the crisis, and businesses need practical support and insurance solutions for potential future waves and unexpected consequences of this virus. Lloyd's has shown leadership in proposing practical solutions."

Airmic said it also welcomed that the report looks beyond the pandemic and addresses the need to find a framework for coping with the devastating and long-term impacts of systemic catastrophic events.

Airmic added: "The proposed solutions are the product of broad thinking and extensive consultation with Lloyd's customers, including those represented by Airmic, the insurance market and government."

"This collaboration is welcomed as it is vital during such a far-reaching crisis. Only by working together will we emerge from the pandemic stronger, and Airmic is looking forward to working with Lloyd's in turning this into a reality." ■

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EU launches consultation on Solvency II review

The European Commission has launched a public consultation on the review of the EU's prudential rules for insurance and reinsurance companies, known as the Solvency II Directive.

The commission is seeking feedback from policyholders, consumer associations and financial stakeholders including, but not limited to, insurance and reinsurance companies and federations.

The Solvency II Directive, which came into effect in 2016, sets out harmonised, risk-based rules across the EU for insurance companies and promotes transparency, comparability and competitiveness in the sector.

In order to ensure that these rules are still fit for purpose, the commission is carrying out a comprehensive review of the prudential framework, building on the experience gained over the past few years.

The announcement noted that ongoing technical consultations and data collections with insurance and reinsurance companies are conducted by the European Insurance and Occupational Pensions Authority (EIOPA)

The commission also highlights that this review will give an opportunity to see how the insurance sector can contribute to the objectives of the European Green Deal and the Capital Markets Union, and the commission's overall efforts to ensure the EU's economic recovery following the COVID-19 crisis. The consultation aims to address particular issues related to insurers' role in the long-term financing of the economy and the supply of products with long-term guarantees to their clients, to their transparency towards the public, to policyholder protection and the European Single Market for insurance, and to emerging risks and opportunities (climate and environment-related risks, digitalisation and cyber risks). It also noted that the review will take into account any lessons learnt from the COVID-19 outbreak and its adverse consequences on EU households, businesses and financial markets.

In addition to the consultation, the commission has also published an inception impact assessment. The commission will come forward with a legislative proposal in the summer of 2021.

Commenting on this, Valdis Dombrovskis, executive vice president for an Economy that Works for People, said: "Europe's insurance companies are and will remain one of the largest investors in our economy. They help us manage the risks that we face in today's uncertain economic climate. Our world-leading prudential regime, Solvency II, has ensured that our insurance sector remains resilient, despite the current challenges posed by the COVID-19 pandemic."

"However, it is right and timely to ask whether these rules are still fit for purpose. Specifically, we want to find out if they still provide the right incentives for insurers to support the long-term financing of a strong, sustainable and resilient economic recovery in the EU, while ensuring that consumers' rights are protected," Dombrovskis added. ■

Enel Insurance's captive ratings affirmed by A.M. Best

A.M. Best has affirmed the financial strength rating of A- (Excellent) and the long-term issuer credit rating of "a-" of Enel Insurance N.V. (EINV) (Netherlands), a captive of Enel SpA (Enel), a multinational electric utility company based in Italy. The outlook of these credit ratings is stable.

The ratings reflect EINV's balance sheet strength, which A.M. Best categorised as very strong, as well as their adequate operating performance, neutral business profile and appropriate enterprise risk management.

EINV's balance sheet strength assessment is underpinned by the strongest level of risk-adjusted capitalisation, as measured by Best's Capital Adequacy Ratio (BCAR). The rating firm outlined that the captive maintains good liquidity, with investments composed almost entirely of fixed-income securities and cash funds.

A.M. Best described the offsetting rating factor is EINV's high reliance on reinsurance, although it noted risks associated with this dependence are mitigated partially by the captive's use of reinsurers of excellent credit quality.

A.M. Best said it expects the captive to achieve near break-even underwriting results and low single-digit returns on equity.

A. M. Best suggested that as a single-parent captive, EINV is well-integrated within the Enel group and plays a fundamental role in managing the group's risk exposures. The captive's risk management capabilities are in line with its risk profile. ■

Willis Pension Scheme enters £1 bn longevity swap with Munich Re

The Willis Pension Scheme has entered into a longevity swap transaction with Munich Re to manage longevity risk concerning £1 billion of pensioner liabilities.This arrangement covers pensions in payment in the scheme and provides long-term protection for the scheme against additional costs resulting from pensioners or their dependents living longer than expected.The transaction covers around 3,500 scheme members. The longevity risk has been transferred to the reinsurer via a Guernsey-based captive insurance company fully owned by the trustee of the scheme, established under Willis Towers Watson (WTW) Guernsey ICC. This is part of WTW's Longevity Direct solution, which allows pension schemes to use a 'ready-made' incorporated cell company to access the reinsurance market. WTW led the advice on the transactions, with Travers Smith, Carey Olson (Guernsey) and Hengeler Mueller providing legal advice to the Trustees.

Ian Aley, head of transactions at WTW and lead adviser, said: "The longevity swap market is currently very buoyant and represents an opportunity for pension schemes such as the Willis Pension Scheme to manage a material risk whilst retaining the flexibility to achieve the required investment returns to complete their journey plan. Completing this transaction despite some challenging circumstances following the recent lockdown demonstrates how collaborative working can deliver outstanding results."

Peter Routledge, chair of the Willis Pension Scheme, added: "I am delighted that the trustee has taken a first and significant step to ensure that our members' benefits are secured against future improvements in life expectancy, supplementing the trustee's wider risk management programme to protect the scheme against investment and demographic volatility." ■

Wilton launches captive service

Wilton, an independent, London-based, professional service adviser, has launched a captive service.

Wilton Captive Services will be offering consultative 'turn-key' business solutions for captive insurance and debt issuance specific to high net worth clients, private family offices and other professional entities. The firm will be based in either Guernsey or Bermuda with Ian Du Feu and John Dupont heading up the Wilton Captive Services.

Wilton explained that conventional insurance frequently fails to meet their client's needs usually due to price, cover and service. Taking control of these elements through the ownership of their own insurance company has significant and increasing appeal in these uncertain times.

Ian Du Feu, director of Wilton Captive Services, said: "We are delighted to announce the launch of Wilton Captive Services."

"Our aim is to proactively identify then deploy the most appropriate captive insurance structure enabling clients to take control of their insurance costs and risk management, respond proactively to volatile insurance market conditions and help integrate captive solutions within their debt requirements to reduce debt servicing costs, increase investor protection and enhance client profitability," he noted.

Wilton's founder and managing partner, Tony Flanagan, commented: "It is such a pleasure to announce the launch of our captive services offering. This is another service that we can now offer to wealthy high net worth families and larger corporates. The captive service offering enhances our existing range of services, and I am looking forward to working with Du Deu and John Dupont."

Flanagan continued: "I am so proud that in this current period of uncertainty, Wilton is yet again showing that we are a truly innovative and adaptive organisation. The recent launches of Wilton Captive Services, the Wilton portal and our market-leading Pensions Portal are key to providing our clients with uninterrupted, innovative and market-leading services." ■

DARAG successfully transfers Zurich's German A&E portfolio

DARAG Group has completed the legal transfer of Zurich Insurance German architects and engineers professional indemnity (PI) portfolio to DARAG's German risk carrier, DARAG Deutsche Versicherungs- und Rückversicherungs-AG.

This previously announced transaction, structured initially as an loss portfolio transfer or retrospective reinsurance, has now received approval from the Irish High Court, and regulatory approval from the Central Bank of Ireland and BaFin, the financial regulatory authority for Germany.

DARAG has appointed Pro Insurance Solutions GmbH (PRO), re/insurance outsourcing and consulting specialist, as claims administrator to manage the A&E PI policies with DARAG's expert oversight.

Tom Booth, CEO of DARAG, said: "DARAG is expanding globally, with an active transaction pipeline in a number of territories, including in our core markets like Germany."

"Zurich's German architects and engineers professional indemnity book is a great match for DARAG's existing business and the timely completion of this transfer and the transition of the claims handling to PRO, despite the COVID-19 pandemic, is testimony to our operational capabilities and financial strength."

"The seamless transaction has been a joint effort between DARAG, PRO and the expert Zurich legacy team. It has been a pleasure to work with Zurich and PRO in the course of the past few months." ■

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Utah Focus- By Maria Ward-Brennan

The Beehive State

With a positive finish to 2019, how is Utah's captive insurance market shaping up so far this year?

Utah's captive insurance industry finished last year on a high after welcoming a total of 42 risk-bearing entities, taking its total to 435 captive insurance companies.

Although the state did lose six captives in total, those working within the industry were pleased to see larger companies moving to the state with more robust risk management programmes, higher premium volume, and a long-term outlook for the use of their captive.

Despite a bumpy road so far in 2020 with the ongoing COVID-19 pandemic, Travis Wegkamp, captive insurance director at the Utah Insurance Department, reveals that the total amount of premium volume reported by the state's captives is at an all-time high.

Wegkamp says the captive market in Utah "continues to be a healthy and dynamic one."

The state has continued to receive and process new captive formations and/or business plans for new entities with unique and creative insurance programmes, according to Wegkamp.

Utah's captive industry was also boosted by amendments to its captive insurance legislation.

The bill, known as House Bill (HB) 37, was introduced late 2019 and was signed into law by Governor Gary Herbert in May. The bill contained an amendment which permits a captive insurance company to provide reinsurance by another insurer with prior approval of the commissioner.

Wegkamp explains that the recently passed, and now in effect, legislation allows Utah captives to reinsure pure third-party risk from highly rated traditional insurers with pre-approval from the commissioner.

He adds that this will allow captives in Utah the ability to participate in captive risk pooling arrangements without first having to qualify all participants as 'controlled unaffiliated businesses' (CUB).

"We're always considering ways to update and improve our captive laws and competitiveness as a captive jurisdiction. While nothing has been decided yet, we are evaluating and considering lowering the minimum capital requirements for sponsored captives", says Wegkamp.

Commenting on legislation updates within the state, Brandy Alderson, vice president at Marsh Captive Solutions and president of the Utah Captive Insurance Association (UCIA),

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notes that the Utah Department of Insurance submits proposed changes to captive legislation on an almost annual basis.

Alderson explains that these proposed changes are to enhance the existing legislation and make operating a captive in Utah a more positive experience.

"Some of the recent changes to the legislation made it overall clearer and easier to understand, as well as the addition of dormant captive legislation," she adds.

A bump in the road

In terms of challenges, Wegkamp notes there are none solely unique to Utah, but rather those facing the industry as a whole.

He says: "Namely, awareness of captives and their benefits, and unfortunately the need to overcome the stigma and challenges of targeted Internal Revenue Service (IRS) scrutiny."

As part of the targeted IRS scrutiny, UCIA board members sent a letter to Utah's congressional delegation in response to the IRS' letter sent to micro captive insurance company owners.

In the letter, the board explained that Congress has supported the captive insurance industry, and as part of the PATH Act of 2015, chose to increase the allowable premium under section 831(b), as a way to increase the effectiveness of micro captives.

The letter also outlined Utah's captive statistics, stating that all captive insurance companies within the state pay licensing and corporate structure fees to Utah, and are all required to have an annual board of directors meeting held in Utah.

Additionally, board members noted that the total economic impact of the captive insurance industry to the state of Utah is estimated at more than $17 million each year, and those that are domiciled in Utah hold more than $1 billion in cash and other assets in Utah financial institutions.

COVID-19 impact

At the end of 2019, no one predicted that COVID-19 would provide heaps of economic uncertainty worldwide. Alderson suggests this is no different in the captive industry. However, she says that so far "we have not seen any major repercussions, but it has the potential to impact new formations in the near future".

At the time of writing, Utah had over 30,000 confirmed cases of COVID-19.

Alderson explains that due to the ongoing pandemic, the state is seeing business plan changes and new captive formation discussions driven partly by the transitioning commercial insurance market.

She continues: "Many insureds are finding certain lines of coverage harder to procure or are being required to take higher retention on their current programmes. This is causing many insureds to consider retaining more risk in a captive or explore reinsuring risk through a captive. COVID-19 seems to have increased interest in captive utilisation."

Wegkamp suggests that the pandemic and effects of government-imposed stay-at-home orders and business closures have created a once-in-a-lifetime opportunity for captives to shine.

"Captives are uniquely positioned and capable to respond much more nimbly and accurately to these conditions and the needs of their insureds/owners. This chance to prove their worth and legitimacy should result in a strong growth of new formations and coverages in the near and foreseeable future," he adds.

Alderson adds that captives have allowed many business owners more flexibility during COVID-related uncertainty. Mature captives in good financial condition have been able to provide dividends or loans to support the parent company cash flow.

She outlines that they have also seen increased interest in writing pandemic related coverage in captives.

The Utah regulators have been incredibly responsive during discussions about business plan changes, dividends, loans, and filing extensions due to COVID-19.

"We have experienced no interruption in response from Utah even during the initial shutdown and quarantine," Alderson notes.

In light of COVID-19 and concerns around the welfare of those due to attend, the Western Region Captive Insurance Conference (WRCIC) board cancelled its conference, which was due to take place on 18 to 20 May 2020.

A new date of 10 to 12 May 2021 has been announced and will be held in Little America Hotel in Salt Lake City, Utah. ■

Reputational Risk- By Maria Ward-Brennan

Risking it all

Due to the powers of social media, business reputation can easily be damaged in a matter of hours. Increasingly companies are looking to a captive for reputational risk coverage, industry experts reveal

Over the years, more consumers are increasingly fighting for businesses to follow ethical standards. In some cases where those standards have been breached, the reputation of that firm or brand has been severely damaged. Fast-fashion companies, for example, have long been reported to use poor working conditions for staff.

It was recently reported that online fashion retailer Boohoo was discovered by an undercover reporter to be underpaying staff. This resulted in a #boycottboohoo campaign trending on social media platforms.

As a result, Boohoo shares dropped by 18 percent, and more than £500 million was wiped off the value of the fast-fashion website.

Social media has become a very powerful and vital tool for companies to promote themselves, but it's also a platform that can damage a company's reputation fast.

Reputational risk is not a new type of coverage that businesses look to add into their insurance policy but it is fast becoming a very impartial coverage due to the power of social media and the fast-moving times resulting in consumers expecting more off businesses.

Insurance policies for reputational damage generally cover the company's loss of profits and offer financial support for crisis management and efforts to restore its image. The policy provides indemnification for foregone forecast sales growth, giving a company more certainty for its planning.

But with the hardening market and the costs of traditional insurance increasing, businesses are turning towards a captive for tailored coverage.

Michelle Bradley, consulting actuary at SIGMA Actuarial Consulting Group, explains as with other non-traditional risks, there has been an increase in reputational risk being placed into captives, especially over the last two years.

Bradley says: "Analytically, the trigger and/or the payout formula seem to vary from captive to captive, and common policy traits are still emerging."

Nir Kossovsky, CEO of Steel City Re, outlines shareholders, boards, the legal community and risk managers as the four emerging trends in reputational risks he is seeing.

The first trend he states is that shareholders are claiming in securities actions that companies' reputations have been harmed and equity values are being priced lower due to a "liar's discount".

He adds: "They are also successfully advancing derivative actions claiming boards are failing to oversee and monitor reputation and, depending on the nature of a firm, the

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mission-critical business processes that create its value."

The second trend Kossovsky suggests is that boards are asking hard questions of their enterprise risk management (ERM) leadership amid the failure of current ERM strategies to anticipate and mitigate the reputation risk linked to the broadening spectrum of rapidly increasing societal, hashtag-led issues.

Reflecting on the legal community, he notes that it is integrating reputation risk mitigation strategies on a priority basis into its legal compliance and governance practices.

Finally, on risk managers, Kossovsky explains that they are requesting tactical reputation risk solutions for their captives, and are requesting strategically higher limits for reinsuring those captives.

Functions of a captive

While there is a growing insurance market for reputational risk, it is still limited when compared to traditional lines of business.

Richard Coyle, head of alternative risk at Miller Insurance, suggests captives can play a vital role in self-insuring reputational risk, allowing for the compilation of underwriting data, further aiding risk tansfer in the form of reinsurance.

Coyle suggests that a reputational risk insurance policy written by a captive must represent a commercial arms-length transaction, in order to satisfy taxations transfer pricing guidelines. The commercial insurance market can assist with this.

Peter Gerken, senior vice president of risk transfer agency and insurance at Steel City Re, explains that for both public and privately held companies, there are two complementary roles captives can play in insuring against reputation risk and they are strategic and tactical.

On the strategic role, he says: "A captive provides a valuable shorthand story. It tells key stakeholders, especially institutional investors, equity analysts, bond raters and bond buyers, that a company understands the meaning of reputation value and risk."

Gerken explains the tactical role that a captive provides accessible cash that equity investors can appreciate and value in the equity markets before, during and after a firm experiences a reputational crisis.

He adds: "A reputational crisis, defined as the behavioural economic manifestation of emotionally charged stakeholders, if left unaddressed both tactically and strategically, can quickly devolve into a liquidity crisis."

Compare the market

But is a captive more suitable to insuring against reputation risk compared to using commercial insurance? Martin Eveleigh, chairman of Atlas Insurance Management, believes that reputational risk is hard to underwrite, as it can be challenging to define suitable loss triggers.

He explains: "Claims adjusting is also complex as loss of revenue may be caused by several factors, of which the reputational event is just one. A captive may offer broader policy language and, within reason, a faster and more sympathetic approach to dealing with claims."

Bradley says that placing a reputational risk into a captive allows the parent company to address crisis events directly related to and as identified by the parent.

"Due to the parent-captive relationship, this type of risk placement gives the parent company additional freedom in determining the parameters of the policy. The crisis events that lead to reputational harm may differ significantly across industry segments, so this type of customisation is a key component of its usefulness," she adds.

Attraction boost

Reflecting on if there has been an increase in interest around using a captive to insure against reputation risk, Coyle reveals that Miller Insurance are currently reinsuring several captives writing reputational risk into the Lloyd's market.

He notes that more captives are enquiring about the possibilities to self-insure reputational risk and manage exposure utilising reinsurance.

He said they expect the number to keep on growing as the word spreads about the ERM benefits of managing reputational risk in this way.

Bradley points out that they are seeing an increase, especially over the last two to three years.

Also agreeing, Kossovsky suggests that they are seeing an increase: "We are also seeing treasurers appreciate both the tactical and strategic value of employing a captive to help address reputation risk."

Risk hurdles

Examining the challenges around insuring this type of risk, Denise Williamee, vice president of corporate services at Steel City Re, outlines four hurdles they help their clients overcome.

Williamee suggests that the firm's board must acknowledge that 21st-century reputation risk is an enterprise peril comprising the behavioural economic consequences of emotionally charged stakeholders that can manifest with breathtaking speed enterprise-wide, and highlights “it’s not a marketing problem”.

She continues: “A board with this mindset will challenge its ERM apparatus to rethink in terms of stakeholder expectations while monitoring reputation risk with the same diligence as other enterprise risks both qualitatively and quantitatively.”

Additionally, Williamee explains that an enterprise management team empowered by the board to function as an integrated reputation group (IRG) needs to work with each of the operational silos, gather enterprise-wide intelligence on stakeholder expectations and match them against actual corporate capabilities.

“The IRG must determine the best communications, operational and financial strategies to address any gaps. This is where captives and commercial insurances become partners critical to moving-forward solutions,” she notes.

Williamee also highlights that risk managers desiring to finance reputation risk within a captive and/or reinsure face three practical quantitative challenges – frequency, severity, and triggers – where the consequences for error invite heightened regulatory scrutiny.

According to Bradley, for many emerging risks, the lack of unique historical loss data is generally the most significant challenge.

She explains: “In many cases, losses pertaining to a specific emerging risk don’t exist in a company’s loss history, and even if historical events have occurred, the data may not have been captured in a usable format.”

“If no unique data is available, industry data is often used – but finding data relevant to a specific company or industry may also prove difficult. When projecting losses for most risks, a loss rate is applied to an exposure base,” she continues.

Bradley adds that depending on the risk being analysed, defining or deciding on an appropriate exposure base may provide additional challenges.

Meanwhile, Coyle comments that parametric solutions can be used as a way of overcoming the challenge of the quantification of a company's reputational value.

The future

With the number of companies using a captive to insure against reputational damage increasing over the last few years, should the industry expect to see these figures increasing?

Bradley explains that SIGMA Actuarial Consulting Group is seeing a large increase in the use of captives for recently emerging risks.

This year, 2020, has also displayed the effect of several ‘crisis’ events that could affect company reputation.

“The combination of these events, as well as the continually hardening market, will likely lead to more firms using captives to address both reputational risk and other, similar risks,” she comments.

As companies' balance sheets continue to be more heavily weighted to intangible versus tangible assets, Coyle believes that reputation is perhaps a company’s most valuable asset and with today’s social media and 24-hour news, it could be destroyed in a matter of minutes.

“It is therefore natural to seek ways to manage reputational risk. Self-insurance coupled with reinsurance to manage exposure should be at the forefront of every CFO/risk managers mind, particularly for companies heavily reliant on their reputations to trade successfully,” Coyle adds.

Eveleigh explains that Atlas has been insuring this type of risk in captives since it was formed in 2002, and although clients have always understood it, “they are now more worried about it and quicker to cover the risk in their captive”.

Finally, Williamee suggests that over the next five years, reputation risk coverage will complement directors and officers liability insurance in all the firms whose enterprise risk management apparatus qualifies them for coverage. ■

Natalie Kojababian

Intern

AmWINS Group

> "My first impression of the industry was that the captive industry is a very creative one"

Personal Bio: I am from a small town in California called Burbank, which is not too far from the University of South Carolina (USC). Growing up everyone around me, including myself, thought I would grow up to become an attorney or inevitably go to law school because I always had a strong passion for the law. Though it is not too late for that, I have really fallen in love with the field of risk and risk management, where there is a wide variety of options for what you can specialise in and what type of careers someone can peruse.

Professional Profile: I am currently a business administration major with an emphasis in entrepreneurship and risk management minor at USC. I am currently a member of our newly chartered Gamma Iota Sigma chapter on campus and will be the next diversity and inclusion officer (GammaSAID Chair) in the fall. In addition, I will be a part of the LavaLab for my last two semesters as I finish off my degree to create and develop products, services and tangibles for emerging markets with other fellow USC students.

As a finalist in the CICA essay contest, how has this helped develop your knowledge of the sector?

As a finalist in the Captive Insurance Companies Association (CICA) essay contest, I gained a sufficient amount of knowledge and practice as I underwent this feasibility study with my partner Megan Moore.

It was great to be able to work together as most people would in a team to create a captive. In addition, participating in the captive made me realise there is a tremendous amount of research that goes into developing a captive and how we can prepare to conduct a sufficient amount of research if we were put in a real life situation.

After graduating from university/college, what will be your next steps in your captive insurance career?

After graduating from USC I will be looking for a job in the insurance and risk management industry. Though I have not signed an offer with any company specifically, I am currently very interested in brokerage and underwriting.

What is your ultimate goal and career aspirations within the captive space?

I would love to immerse myself in the captive industry and potentially work with a group to create an actual captive for a client who is in need of one. I am not sure when exactly I will peruse the captive market completely, but I hope that sometime in the near future either with an internship or a job I can experience what it is truly like to provide captive solutions to clients.

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

I would have to say there have been two major influences for me in the captive industry. First being the USC risk management programme where I learned endless amounts of valuable information about the captive industry and markets, how to create a captive, and how captives are implemented into a business to become a viable tool to utilise in insurance practices. My second influence would have to be Ward Ching himself. He not only spoke during one of the video calls that CICA hosted this year, but he showed his endless support for Megan and I and all the students that had the honour of taking his class in autumn 2019. Professor Ching brought an abundance of guest speakers to our class and even took us on field trips to learn exactly how risk management works and provided us with real life examples of how to assess a risk, place the risk properly and to provide solutions for every type of client. I am extremely grateful he taught our class about captives and hope to sit in during his classes this coming fall.

What is your impression of the industry?

Initially, my first impression of the industry was that the captive industry is a very creative one. Captives allow you to put all your knowledge and research about a given topic together, figure out how you can provide a solution for your client and be extremely creative during the whole process to properly insure a risk. I think many people in the insurance field who are looking to express their creativity and are really up for a challenge should consider a potential career in the captive industry. ■

> "I have had the pleasure of working with Natalie when she interned at AmWINS last summer. Natalie was a fast learner; very energetic, intelligent and a hard-working person that was very organised. I admired how she handled herself in social settings - whether it be at an industry event, a retailers office or a team meeting, Natalie was always very professional and well prepared. My experience with Natalie was excellent, she will be an asset to any company."
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> **Richie Ortiguerra, senior vice president AmWINS, Access Insurance Services**

The European Insurance and Occupational Pensions Authority (EIOPA) has appointed the Federation of European Risk Management Associations' (FERMA) CEO Typhaine Beaupérin to its Insurance and Reinsurance Stakeholder Group (IRSG) for a new term.

Beaupérin joined the stakeholder group in 2018 and will now serve for four years on the group which has been reconstituted.

Her membership of the EIOPA stakeholder group "gives a strong voice for business insurance buyers in the development of European insurance regulation", according to FERMA.

FERMA has already focused EIOPA's attention on the importance of proportionality for small insurance entities, including captives. This is continuing during EIOPA's ongoing review of Solvency II.

FERMA is also contributing to EIOPA's exploration of possible insurance-based solutions for future pandemic risks. FERMA has shared with EIOPA its proposals for a Catastrophe Risk Resilience Framework.

Other topics on which FERMA comments include cyber insurance, artificial intelligence and sustainability.

Commenting on her appointment, Beaupérin said: "The health of the insurance market for business insurance is of profound importance to our members in the recovery from the current pandemic crisis and the economic upheaval that will follow."

In addition, findings in a recent FERMA report showed an increased level of interest in captive insurance. ■

Joe McDonald has left his role as licensing coordinator and consumer liaison at the South Carolina Department of Insurance (SCDOI).

McDonald, who started working at SCDOI in 2008, also serves on Captive Insurance Companies Associations (CICA) NEXTGen committee. According to Captive Insurance Times 2020 Domicile Guidebook, as of 2019, South Carolina had 179 captive insurance companies licensed within the state.

McDonald has joined the International Risk Management Institute as a captive and risk finance product manager. ■

Ken Randall, executive chairman and co-founder of Randall & Quilter Investment Holdings (R&Q), has notified the board of directors his intention to retire as executive chairman and step down as a director of the company with effect from 31 March 2021.

This comes after his announcement at the start of this year about his plan to retire. As part of R&Q's management succession plan, William Spiegel has been appointed executive director and deputy group chairman with immediate effect.

He will then take on the role of executive group chairman when Randall steps down with effect from 1 April 2021.

Randall co-founded R&Q in 1991 alongside Alan Quilter, with the company playing a pioneering role in the growth and development of the then nascent legacy market and is now worth over $800 billion, according to PwC.

Commenting on his departure, Randall said: "Today, the opportunities for R&Q are arguably

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Steve McFarland has joined MSL Captive Solutions (MSL), a specialist underwriting and consulting services firm as managing director.

In his new role, McFarland will be directing the firm's underwriting and administrative services.He brings with him more than 30 years of experience in the industry and has been involved in medical stop-loss captives since the mid-1990s.

McFarland will join Phillip Giles as co-head of MSL, which was formed at the beginning of the year, with a focus on serving single-parent and group medical stop-loss captives.

Most recently, McFarland was vice president of specialty markets for a stop-loss carrier where he managed the underwriting and product support for the captive business team.

Commenting on his new role, McFarland said: "I am excited to be joining Phil [Giles] at MSL Captive Solutions."

"This is a growing market and we believe there are significant opportunities for an independent underwriting service supporting medical stop-loss captives".

Giles added: "I am really happy to have Steve join our team."

"He is a leading expert in stop-loss captives and brings an exceptional level of technical expertise and insight to MSL Captive Solutions." ■

the greatest since I founded the business with Alan [Quilter] nearly 30 years ago as the significant secular growth in our two core markets, legacy and programme management, continues to accelerate. In addition, the strength of the management team we have built gives me great confidence in our ability to capitalise on these opportunities."

"R&Q has always been a business that combines entrepreneurialism, boldness and innovation and, in William [Spiegel], I am delighted to have identified a successor who encapsulates these values. Since his joining in January I have been deeply impressed with William [Spiegel]'s energy, drive and vision, reinforcing my confidence in him as the right individual to take R&Q forward when I retire."

"I am hugely proud of the business R&Q has become, but I will save my thanks and reflections until next April. While, as both a co-founder and major shareholder, this smooth succession gives me great comfort, my focus today remains very much on delivering against the ambitious plans we have," Randall added.

Spiegel noted: "It will be a great honour to succeed Ken [Randall], a true pioneer and genuine legend in our industry. I look forward to properly celebrating all Ken [Randall] has achieved in nine months' time, but in the immediate term I know he would not want to distract focus as we look to build on a record 2019."

"Ken [Randall] has been instrumental in creating a unique business in R&Q; I'm excited to accept the challenge and responsibility of building on its culture of success and look forward to continuing to work closely with Ken [Randall] over the coming nine months to ensure a smooth transition while benefiting from his unrivalled experience." ■


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