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COVID observations

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Ireland Focus

There is said to be a renewed interest in Dublin as a preferred domicile

Bermuda Captive Conference

Leslie Robinson discusses what's on the agenda and the current captive climate

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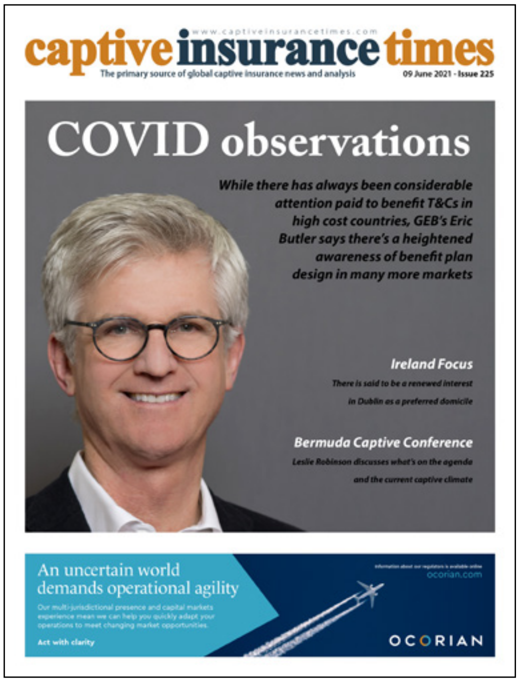


In this issue

The Actuarial Advantage and Financial Risk Analysts merge

The Actuarial Advantage has merged operations with Financial Risk Analysts (FRA).

The combined entity will now operate under the name The Actuarial Advantage (TAA).

TAA was founded in 2001 by Dennis Henry, consulting actuary at TAA and Eric Bause, senior consultant at TAA and it worked primarily with government risk pools.

FRA was founded in 1993 with its initial focus on the alternative risk financing market such as self-insurers, captive insurance companies, risk retention groups, and other non-standard risk financing programmes.

FRA's focus has expanded to include traditional insurance companies and reinsurers.

The merger of TAA and FRA will now serve various types of clients across numerous industries.

Commenting on the merge, Kyle Mrotek, consulting actuary, TAA, says: "The merger brings together two actuarial firms with similar values and cultures and is a positive development for both employees and clients."

He explains: Our employees have the opportunity to work with a broader set of professionals day to day and apply their expertise on a larger cross section of client projects."

"Clients will continue to receive top notch service expected from a boutique actuarial firm but now with the added benefit of a deeper bench," Mrotek adds. ■

Vermont governor Phil Scott signs new captive bill into law

Vermont governor Phil Scott has signed new captive bill legislation into law, which aims to strengthen the state's captive regulation in a variety of areas.

Senate Bill 88 makes several updates to Vermont's captive law, including clarifying the ability for a cell to convert to another type of entity, and simplifying processes around redomestication, mergers, and the filing of organisational documents prior to licensure.

Changes to the law includes: captive formation process, which amends the statute to no longer require certified copies of organisational documents and contribution of capital prior to licensure.

Instead, capital may be contributed after licensure, and the company is required to file a statement to that effect with the department. Reports and statements, where agency captives are added to the list of companies required to file an annual report.

Meanwhile, protected cell conversions will now provide the ability for protected cells to convert to a standalone captive insurance company or to a different type of cell.

It will also see consolidations of captives simplify the merger process, provided there is unanimous consent of the parties. It creates a new section in the captive statute instead of referencing the traditional statute.

Redomestications will also have a creation of a new section in the captive statute instead of referencing the traditional insurance statute.

Finally, for service of process, it has changed the designated agent for service of process for foreign risk retention groups and purchasing groups doing business in Vermont from the Secretary of State to the Commissioner.

"Through the years, Vermont has remained proactive in modernising our laws to help the industry grow in the state," said governor Scott.

He adds: "Vermont is a global leader in captive insurance and continues to collaborate with the sector to ensure we remain a top destination for companies looking to create captives."

Commenting on the protected cell conversions, David Provost, deputy commissioner of captive insurance, says: "Protected cells are a popular alternative risk transfer mechanism worldwide and are a growth area for the captive industry."

"The department has always liked the idea of cells as an incubator space for captive growth and wants to be sure it is easy for cells to convert to a standalone captive insurance company," he concludes. ■

Australian business sets up new Labuan captive

RISCS, a provider of independent, strategic risk consultancy to brokers, underwriters and corporate risk buyers globally, has established a new cell captive in Labuan for an Australian-based client.

The move marks the first time an Australian business has chosen to set up a cell captive in Labuan, which RISCS says "is testimony to the open door nature of Labuan as a global captive location".

Within the last six months, RISCS has successfully project managed the establishment of six captive structures for clients located across Labuan, Guernsey, Vermont and Bermuda.

In February, RISCS relocated a European-domiciled cell captive to a US domicile, which converted into a full captive. The cell was established five years ago, but a change in focus on business development by the parent company 18 months ago resulted in it wishing to consider alternative financing structures in the US.

RISCS worked with Brighton Insurance Management to produce the formal application and business plan, while Principal Re provided reinsurance support. It also collaborated with the team at the Labuan Financial Service Authority and Labuan International Business and Financial Centre to help gain a license within the client's timeframe and budget. ■

Pfizer's captive ratings affirmed as 'excellent'

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

The outlook of these credit ratings is stable.

The ratings reflect Blue Whale's balance sheet strength, which A.M. Best assessed 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 leading global pharmaceutical company.

As Blue Whale insures or reinsures Pfizer's global property exposures, it plays an important role in the pharmaceutical company's overall ERM and assumes a critical role in protecting the enterprise's assets.

The stable outlooks reflect A.M. Best's view that the company's operations will continue to generate operating results that engender supportive capitalisation for the ratings.

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

The rating firm also took into consideration 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 profile can impact Blue Whale's ratings," notes A.M. Best.

Pfizer's market-based credit risk measures indicate general strength and take into account the company's strategic shift toward newer pharmaceuticals, with Pfizer having completed the divestiture of its over-the-counter pharmaceutical business and contribution of its mature pharmaceuticals going off patent to a joint venture.

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

Blue Whale's operating results and reserve levels reverted to historical levels in 2019, following the final resolution of Hurricane Maria-related claims.

The company's property insurance requirements are decreasing, according to A.M. Best, following Pfizer's divestiture of Upjohn, including the Caribbean production and warehouse facilities.

R&Q sees record year for legacy insurance

Randall & Quilter Investment Holdings (R&Q) has reported a record year for its legacy insurance in 2020, executing on 19 deals and delivering a 46 per cent increase in pre-tax operating profit to £38.1 million.

The 2020 results showed that R&Q's business continues to be written at attractive returns with an operating return on tangible equity of 14.8 per cent and a five-year average return of 20.2 per cent.

R&Q's programme management was profitable for the first time, earning pre-tax operating profit of $3.4 million, a 14.3 per cent margin, demonstrating the operating leverage benefits of increased scale.

The figures show accelerated growth for the group with pre-tax operating profit of £16.0 million, an increase of 102 per cent, reflecting a year of accelerated growth across both business segments.

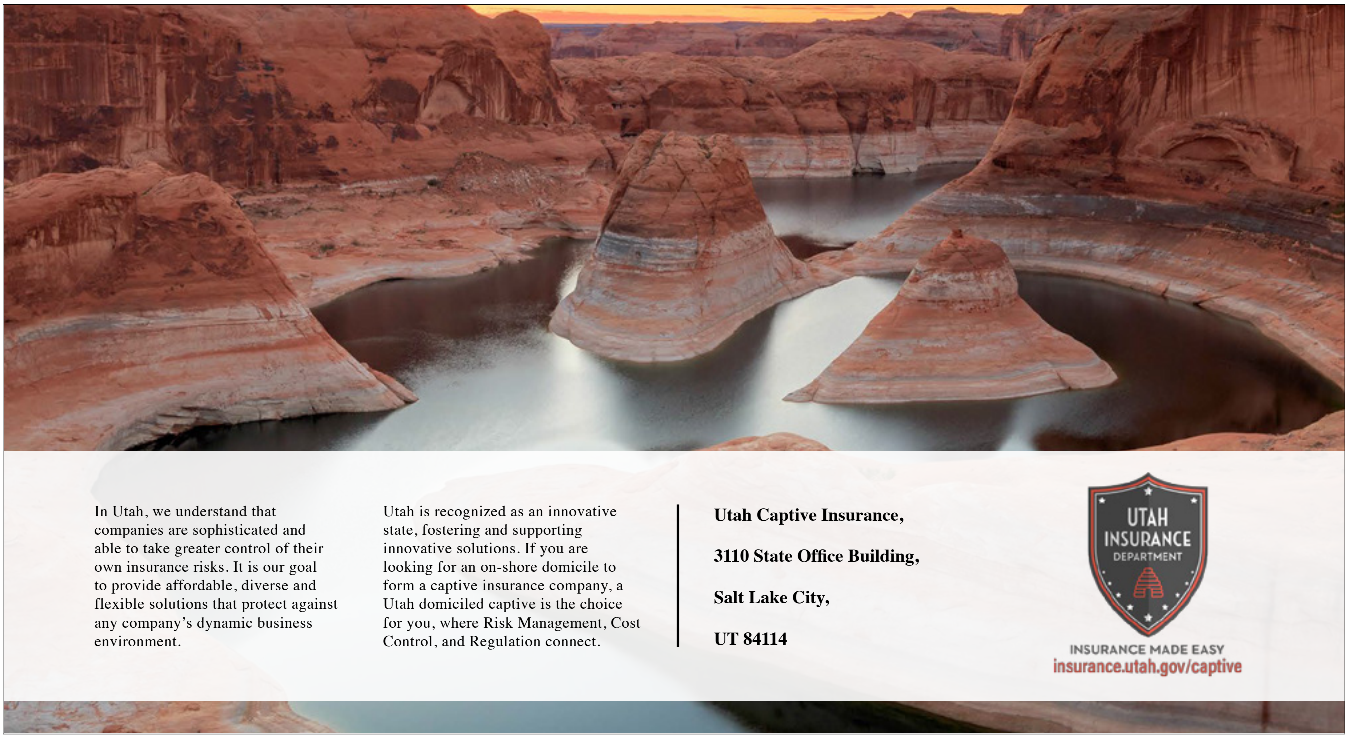
In addition, fee income of £18.8 million, an increase of 89 per cent, representing 17 per cent of gross operating income.

For Q1 2021, programme management has already increased gross written premium by 52 per cent to $185.2 million, and fee income by 91 per cent to $9.7 million, compared with Q1 2020.

R&Q has already launched five new programmes this year, increasing active programmes to 52 and contracted premium to $1.4 billion.

Commenting on the results, newly appointed executive chairman, William Spiegel, says: "2020 was a challenging year and the pandemic tested the resilience of our employees and our business model."

"Our team responded with agility and confidence in a dynamic market environment and this was demonstrated by our record 2020 operating results." ■



BNY Mellon bank 'excellent' captives ratings

A.M. Best has affirmed the financial strength ratings of A (Excellent) and the long-term issuer credit ratings of "a+" (Excellent) of BNY Trade Insurance and The Hamilton Insurance Corporation.

The ratings reflect BNY Trade's balance sheet strength, which A.M. Best assessed as strongest, as well as its strong operating performance, neutral business profile and appropriate enterprise risk management.

Read the full article online

R&Q acquires second Irish captive

Randall & Quilter II Holdings has completed the acquisition of Electric Insurance Ireland DAC (EIIDAC), a wholly-owned captive insurer of Electric Insurance Company (EIC).

The wholly-owned UK subsidiary of Randall & Quilter Investment Holdings (R&Q) received regulatory approval from the Central Bank of Ireland for the acquisition.

Read the full article online

A.M. Best affirms NGIC ratings

A.M. Best has affirmed the financial strength rating of A- (Excellent) and the long-term issuer credit rating of "a-" (Excellent) of the National Guaranty Insurance Company of Vermont.

The ratings reflect NGIC's very strong balance sheet strength, as well as its strong operating performance, limited business profile and appropriate enterprise risk management, A.M. Best explains.

Read the full article online

ICL Group Pension Plan enters into £3.7bn longevity hedge

The Trustee of the ICL Group Pension Plan, a Fujitsu pension scheme, has insured longevity risk in respect of £3.7 billion of its liabilities, with Swiss Re providing the reinsurance coverage.

The hedge covers pensions in payment for approximately 9,000 members of the plan and provides long term protection against additional costs resulting from pensioners or their dependents living longer than expected.

Read the full article online

Connecticut House passes crumbling foundation bill

The Connecticut House of Representatives has passed HB 6646, which is an act concerning crumbling concrete foundations.

The bill, which was first introduced in the January session of the General Assembly and was primarily sponsored by the Planning and Development Committee, will eliminate the termination date of Crumbling Foundations Solutions Indemnity.

Read the full article online

Singapore launches consultation to revise corporate governance guidelines

The Monetary Authority of Singapore has launched a consultation paper that proposes revisions to the guidelines on corporate governance for designated financial holding companies including reinsurers and captive insurers which are incorporated in Singapore.

The current corporate governance guidelines were last revised in April 2013 and contain the 2012 version of the corporate governance code.

Read the full article online

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TRUIST

Observations on the impact of COVID

While there has always been considerable attention paid to benefit T&Cs in high cost countries such as the US, GEB's Eric Butler says there's a heightened awareness of benefit plan design in many more markets

How have things changed in your business and in the marketplace since the start of the pandemic? Any interesting observations?

A striking repercussion of the pandemic is its impact on medical services unrelated to COVID. While many clients saw increased claims due to COVID for other benefits such as Life and, increasingly, disability, we observed a significant drop in medical claims during the initial months of the pandemic in most countries. This drop in utilisation appeared to be driven by global COVID lockdowns and a related fear among the population, as well as the inability to easily access non-urgent medical care. Fear was definitely a factor altering everyone's behaviour early on, especially as many medical facilities were overwhelmed with emerging COVID cases. With certain exceptions, employees and dependents in most countries modified their behaviour in terms of the consumption of medical services, at least for a time.

The other development we observed is that there wasn't a dramatic rush of 'catch-up' claims as people became less fearful and lockdowns lifted later in 2020. As we continue to study the data, it certainly seems that a corrective crush of rescheduled appointments, tests and procedures didn't occur in most places. Instead, in many markets utilisation merely returned to 'normal' levels. I think this is due to a number of factors, including a lingering concern about in-person interactions in all settings as COVID persisted (often in waves) and, perhaps more significantly, the ongoing reduced capacity within the medical delivery system to address routine and non-urgent medical needs. Complicating this change in utilisation was a significant increase in the adoption of remote healthcare services such as telemedicine and second medical opinion, both of which were critical tools (in markets where they were offered) to bridge the gap for many individuals during the year.

Were there any needs or gaps in employee benefits coverage revealed by the pandemic?

Yes, absolutely. I think just as the sudden shift to remote work revealed the need for access to robust communication systems and new software platforms, so did the shift to remote or even quarantined living reveal in healthcare a need for remote triage, diagnosis and even treatment. While such services have been around for a long time, they were not entirely integrated into the healthcare delivery systems around the globe, neither on the supply nor on the demand side.

Last year we saw a sudden and dramatic increase in interest for services that could bridge the physical gap between physicians and patients, like telemedicine, second medical opinion and employee assistance services (EAP), especially for mental health. Seemingly overnight, these services that were once underutilised and sometimes viewed as an interesting but non-essential 'add-on' became central to the health offering for many clients. Providers, payers and even regulators quickly looked at how such services could be offered and integrated into their health systems.

As the world continues to recover from COVID, and things start to open up and people get more comfortable moving about more freely through society, I think we'll see a return to 'normal' levels of in-person services, but I also think that the use of remote healthcare services is likely here to stay as a convenient and increasingly cost-effective alternative for care. I think remote healthcare services will continue to be part of the landscape in a larger way than they ever were before COVID. The pandemic really accelerated the adoption and (more importantly) the acceptance of these services across the world.

Have Employers changed their approach to benefit design in general as a result of COVID?

While there has always been considerable attention paid to benefit T&Cs in high cost countries such as the US, I think there's a heightened awareness of benefit plan design in many more markets, especially how modifying utilisation/cost reduction tools such as member cost share (i.e. deductibles, copays, coinsurance and limits) and provider network composition can have an impact on overall claims and costs. I also think the pandemic has caused companies to focus on how their plan design can actually improve employee access to care, even in markets with strong public health systems. Interestingly, we are in a period of renewed focus on employee welfare at the same time that there is a renewed focus on cost savings. This makes employers much more open to consider changes across global plans than they may have been in the past. At GEB, this is something we've always ensured we support our clients on: using data to analyse utilisation experience, identify trends and cost drivers, and then apply those findings to consider changes to plan design and recommendations for relevant wellbeing programmes.

"As the world continues to recover from COVID, and things start to open up and people get more comfortable moving about more freely through society, I think we'll see a return to 'normal' levels of in-person services, but I also think that the use of remote healthcare services is likely here to stay as a convenient and increasingly cost-effective alternative for care"

As the vaccine rollout continues, what can employers do to help educate and encourage employees to get vaccinated? What can be done in countries where vaccine supplies and inoculation rollouts continue to be a major challenge?

I think the best thing that employers can do is educate their employees on the safety and efficacy of vaccines approved by the World Health Organisation (WHO) and their local government, and then encourage employees to get vaccinated as soon as possible. This means providing them information on vaccine efficacy rates and global vaccination statistics. It also means potentially providing basic information from public health officials on how vaccines were developed, what they're designed to do, and any reported potential side effects. It's important that people are fully informed about their potential vaccination and that they take the initiative to get vaccinated. Only by vaccinating the vast majority of the global population will the pandemic recede further. To help educate and inform our clients, we have cooperated with Granite Management to produce a quarterly COVID-update newsletter where we provide updates on key vaccine-related stats, as well as information for companies looking for guidance on the issue of vaccines for

"As we all know by now, this pandemic will not end/not recede until a very significant portion of the global population is vaccinated. Employers have a role to play in this, by educating their employees about available vaccines"

employee populations, including considering the impact on medical benefit plans both now and in the future.

How are you advising clients with respect to coverage for COVID treatment and vaccinations under their global medical plans?

Some companies have asked for advice regarding the direct purchase of vaccines for their global staff. Currently, this can be problematic due to limited supply in some countries, and the fact that it could be difficult to assure quality outside of controlled government purchasing systems. There is also the ethical concern of vaccine equity and giving preferential access to a relative few within a company, versus what is available in a country or region where vaccines may already be in short supply.

We have suggested companies consider making efforts to join country/region-wide or even global vaccine purchasing initiatives, and offer to host or sponsor a vaccination site, so that their employees in those locations would benefit from their contributions to the wider effort without the issues just mentioned on vaccine quality and ethical concerns.

While it's understandable that companies may wish to obtain and offer vaccines directly to staff to rapidly increase vaccine access among their workforce, given the very serious issues around vaccine quality and equity a collective, global, community-minded approach could be a better approach, at least for now.

We have also received questions regarding coverage for vaccinations under clients' existing health plans and how or if these costs should be reimbursed by the plan. In our most current COVID update with Granite provided to clients, we have suggested that COVID vaccinations and treatment should only be covered under private medical plans to the extent that they are not already covered by local governments or national public health systems. This means that employee medical plans should only be modified to address identified gaps in coverage, ensuring they work in concert (not in conflict) with the local government benefits.

This of course addresses the current phase that we're in, i.e. vaccine rollout. In the future, as more needs emerge related to ongoing treatment for COVID as a chronic illness and vaccinations on a regular annual basis, it's recommended that these ongoing/routine services should be covered under the plan as any other illness.

At present, vaccines are being made available for private purchase in only a few countries, largely in Asia, to help assist with the local vaccine rollouts. In those countries, we recommend including cover under local plans if allowed, subject to normal policy limits.

Right now, what do you see as the biggest risk for benefit managers/benefit plans?

I think the biggest risk for our places of business and our communities is not getting enough people vaccinated. As we all know by now, this pandemic will not end/not recede until a very significant portion of the global population is vaccinated. Employers have a role to play in this, by educating their employees about available vaccines and vaccine efficacy and perhaps even by offering incentives for them to get vaccinated.

There is a lot of misinformation and suspicion about vaccines right now, and in countries where supply is not the issue, lack of demand due to misinformation is the biggest problem. In those countries where there are vaccine supply or distribution issues, Employers could possibly consider joining in on local/global initiatives to contribute to vaccine purchasing, or even sponsoring/coordinating a vaccination drive for employees and community members on company premises. It is really in the best interests of every company to participate in the access and education efforts as much as they can, starting with their own workforce.

We have to help individuals, communities and countries overcome obstacles to getting vaccinated, whether those obstacles are due to lack of access to vaccines, or lack of understanding of their true efficacy and safety. This is really the greatest challenge and risk we all face. ■

Lights, camera, action

With the Bermuda Captive Conference due to take place virtually again this year, the event chair Leslie Robinson discusses what's on the agenda this year and the current captive climate in Bermuda

What are you most looking forward to at this year's Bermuda captive conference?

The Bermuda Captive Conference committee has worked hard to innovate and evolve the virtual event to take the attendee experience to the next level.

This year's event puts the focus back on interactivity and networking, by launching a new platform with features that include video-calling for attendees, group chat and live meeting spaces for sponsors to host conversations.

Attendees will have the added option of 'speed-networking' — a tool that allows you to meet other virtual guests outside of sessions.

With BCC taking place in virtual format for a second year, do you see this being the norm for the future?

There is definitely an appetite amongst Bermuda's industry network to return to Bermuda. At the end of last year, we were optimistic that there would be an option to host a live component to the Bermuda Captive Conference, but it soon became clear during the vaccine roll-out that we would need to wait another year.

Whilst we are keen to see the conference return to a live event, the value of adding a virtual component to the offering is huge, particularly when considering accessibility for those who are unable or unsure of travelling in the future. Last year's event welcomed attendees from over 30+ countries, so we do feel that virtual events are here to stay, but in a compelling hybrid format, which will seek to engage both a live and virtual audience.

What is on the agenda for this year's captive conference?

This year's theme is Resilience, reflecting the response of the captive industry to a year of unprecedented uncertainty since the pandemic began. Our main stage and breakout sessions will explore how businesses have adapted to the demands the pandemic has placed on them, as well as the fast-evolving landscape of a world changed by COVID-19.

Some of our sessions include:

- The Pandemic - Is there a Light at the End of the Tunnel for your Company and will the Pandemic Impact your Captive
- Conscious Capital: Determining the Importance and Relevance of an ESG Strategy
- Resilience & Innovation: 2021 Regulatory Update
- Bermuda – the Safe Port for your Captive
- The Economists' View of Resilience
- Resilient Investing: Risks and Opportunities in a Pandemic World
- The Modernisation of Insurance Risk and Financial Strategies
- With a Hardened Insurance Market, what Challenges & Opportunities does Alternative Risk Management Methods Bring?
- BEPS: A Framework for the Future
- Strength in the Latin-America Market
- Captives & Technology
- New Frontiers in Risk Mitigation – Setting up a Bermuda Captive for your Cannabis Business
- Employee Benefits Captives providing Resilience in Uncertain Times

What is the current climate of the Bermuda captive insurance market?

There is a tremendous amount of energy and growth in the Bermuda captive insurance market. We are seeing a captive resurgence with new stakeholders setting up captives and existing stakeholders expanding on their lines of coverage. We are also seeing a different type of entrant into the captive space writing not just traditional lines, but new lines such as cyber and directors and officers (D&O). Innovation is also at the forefront — the BMA continues to respond to, work with, and respond to industry's needs, whether through different areas of insurance such as cannabis, or different insurance licenses such as the Insurance Regulatory Sandbox and the innovation hub. 2021 is already seeing an uptick in new licenses as compared to this time last year with 6 new licenses to date in the captive space and with 18 new insurance licenses across all license classes.

Has the COVID-19 pandemic affected the captive insurance market in Bermuda?

The captive insurance market, as with the rest of the world, was impacted by COVID-19. We also went through working from home, virtual meetings and reduced travel to meet with our clients. Overall, Bermuda pivoted extremely well to ensure our clients and our stakeholders still received a first-class level of service they had come to expect. The Bermuda captive itself proved how versatile and useful it can be — stepping in to provide cover where none was available in the commercial space, covering exemptions in certain lines and through sound investment strategies and proper management remained resilient throughout the global economic crisis.

"The Bermuda captive industry continues to evolve and at this time, our industry stakeholders are reviewing a new strategy that it plans to roll out this year"

What are the biggest challenges right now for Bermuda?

One of the most important areas of focus for Bermuda is ensuring it continues playing to its strengths — industry collaboration and partnership. The Bermuda captive industry continues to evolve and at this time, our industry stakeholders are reviewing a new strategy that it plans to roll out this year; one that will ensure Bermuda remains a global leader, at the forefront of the risk market. Further announcements on this new initiative will be announced during the Bermuda Captive Conference this June. ■

Leslie Robinson
Chair
Bermuda Captive Conference

Strong and stable

Although Ireland hasn't experienced a huge amount of growth within its captive market over the last few years, there is said to be a renewed interest in Dublin as a preferred domicile

Named the 'Emerald Isle' for its lush green landscape, Ireland is rich deep in history and culture. The Republic of Ireland is a member of the European Union (EU) and currently is the only member state with English as its official language. For a small country, Ireland holds a small power in the world with its ties to Washington and Brussels.

Ireland first established its captive insurance market in 1989. Ireland's sole regulatory authority for financial services is the Central Bank of Ireland (CBI). Insurance Ireland is the representative body for the Irish insurance, reinsurance, international and captive management sector.

In addition, as a member EU the Solvency II directive, an EU law that codifies and harmonises the EU insurance regulation, must be followed.

With that, the EU's Freedom to Provide Services (FoS) and Freedom of Establishment (FoE) offers all types of international re/insurers and captives is central to Ireland's international financial services activities.

Ireland's strong and stable captive insurance market has also made a name for itself. Over the last few years, although there has been little growth, there are many reasons for this such as merger and acquisitions as well as closures of captives that are no longer relevant. But industry experts highlight that there is a renewed interest in Dublin as a preferred domicile.

Commenting on the current trends in Ireland, Lenka Lyons, senior vice-president at Marsh Management Services (Dublin), says: "Last year was a pivotal year for the Irish captive market; a

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number of new clients decided to seek approval for establishment in Dublin."

She notes that this is a positive development for Dublin and is in line with the global trend for more organisations moving to the application process, resulting in an increase in new captive formations.

On other trends, Eoin Caulfield, partner at William Fry, reflects on environmental, social, and corporate governance (ESG). He says: Although only still emerging, we feel that the ESG and sustainability agenda will be a real catalyst for growth in the captive sector."

Caulfield explains: "This will be especially the case in industries that might no longer be readily insurable in the commercial markets, for example for groups with environmental or similar exposures. Captives have traditionally been used by companies when they are unable to obtain insurance at acceptable commercial rates."

"Given how the ESG agenda is already affecting both sides of the insurance balance sheet, coverage areas and choice of investment assets, we see a renewed opportunity for the captive sector in offering more bespoke solutions for a group," he adds.

In order to draw in companies to establish captives on the island, Ireland had to keep itself competitive against other European captive domiciles.

Caulfield outlines that Ireland has a long tradition in the international financial services sector and has produced an ecosystem that allows captives and other international financial services companies to thrive.

Ireland allows the ability to exercise freedom of establishment and freedom of service passporting rights, which Caufield notes is key for the international insurance sector (including for captives) and these freedoms are well understood and accepted by the regulators and local advisory firms.

In addition to being a captive domicile, Lyons explains that Dublin is also a well-established international (re)insurance centre with considerable expertise and experience within the underwriting, actuarial, auditing and legal sectors. She believes all of this helps make sure that Dublin remains a competitive location.

Rules and regulations

Solvency II has caused many challenges since it was established in 2016, especially in the captive insurance sector as it has added a lot of complexity to the process and structures of companies and supervisors, presenting a significant regulatory burden.

Lyons suggests that making sure that the application of the principle of proportionality to captives under Solvency II remains a priority for all captive owners across Europe.

In February 2019, the European Commission called for the European Insurance and Occupational Pensions Authority (EIOPA) to provide technical advice for a comprehensive review of the Solvency II Directive.

Lyons states that the COVID-19 pandemic has unfortunately delayed the completion and implementation by EIOPA of the Solvency II 2020 Review.

She explains: "It is crucial, for the growth of captives to continue, to seek automatic application of proportional measures and standardisation across all EU domiciles alongside local regulatory frameworks that will allow the smooth and transparent process of new captive license applications."

COVID-19

Ireland, like the rest of the world, experienced a lot of uncertainty in 2020 and at the start of 2021 due to the ongoing COVID-19. Irish residents faced one of the world's longest lockdowns and like many other countries are continuing to ease restrictions.

Commenting on if the COVID-19 pandemic has any effects on the captive market, Caulfield says: "Due to the stagnation in economic activity during the COVID-19 crisis, many captive clients simply 'battened down the hatches' because the sectors they were badly affected."

However, on the other hand, those who were in growth sectors such as online retail, DIY and some technology companies, all performed very well.

"Additionally, there was greater regulatory engagement as the Central Bank of Ireland (CBI) paid close attention to the solvency, liquidity and capital resilience of all insurers, including captives," Caulfield explains.

The underwriting and financial impact of COVID-19 will vary from captive to captive, depending upon which lines of coverage are underwritten, however from what we have seen locally, the impact has been broadly minimal.

"The focus of boards has been mainly in the area of liquidity, which has also been an area of focus by both EIOPA and the CBI," Lyons concludes. ■

Going West

Brandy Alderson, chair of the Western Region Captive Insurance Conference discusses what's in store for this year's in-person event

What's in store for the Western Region Captive Insurance Conference? What are you most looking forward to?

After the cancellation of the 2020 Western Region Captive Insurance Conference (WRCIC), we are thrilled to be able to have an in-person conference in 2021. We had surveyed prior attendees, and although some were concerned about potential travel restrictions, 2021 registration is on track to be as high, or higher, than the previous conference held in Salt Lake City. The WRCIC committee is ecstatic to be able to meet with captive owners and our industry peers in person rather than via videoconference.

Can you talk us through some of the hot topics at this year's event?

We will be revisiting some of our most popular topics including a captive tax update with Bruce Wright and Charles Lavelle, our annual regulator roundup which provides updates from the western domicile regulators, and our recurring Brightest Opportunities in the captive industry session. After the events of 2020, we felt it important to discuss the impact of COVID-19 on the industry. In light of this, we will have a session dedicated to the impacts of the pandemic on the investments, captive insurer investment strategies, and the outlook for coming out the other side. We will also have a captive utilization session that will address how captives benefited captive owners during the uncertainty caused by COVID-19.

We are also pleased to welcome both of our keynote speakers. Gavin Christensen of Kickstart Seed Fund will open the conference with an address sharing where people and tech align.

Tim Ballard of Operation Underground Railroad will give the closing keynote discussing his work in abolishing child trafficking. Both of these speakers are a first for our conference and will make for an engaging event.

You will be hosting an in-person conference — how will this work and what can people expect from the event?

The COVID-19 restrictions seem to be changing frequently over the last few weeks and months. The WRCIC and the conference hotel are committed to complying with all Centers for Disease Control and Prevention (CDC), state, and local regulations for the event. We have also arranged the conference to space tables a much as possible.

What has the WRCIC been working on so far this year?

After the cancellation of the 2020 conference, the WRCIC focused on virtual education throughout the summer. Our focus since autumn last year has been planning the 2021 in-person conference.

What are the biggest challenges right now for the Western Region domiciles?

The captive climate in the west has been relatively steady or even growing due to increased interest in captives in response to the challenging commercial insurance market. Western Region domiciles will need to continue to do what they have historically done, which is maintain the balance between regulation and understanding the changing needs of the captive owners and industry as a whole. The western domiciles have done a fantastic job of maintaining this balance in the past and I have no doubt they will continue in the future. ■

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Randall & Quilter Investment Holdings has appointed Robert Thomas as group head of data strategy and technology.

Thomas, who will be part of the R&Q executive team, will report directly to executive chairman

William Spiegel, who recently succeeded Ken Randall.

Starting on 12 July, he will be responsible for leading and developing R&Q's data strategy, automation strategy as well as overseeing the group's IT function.

He has over 25 years of data, actuarial and technology experience in the insurance industry.

Joining from CNA, Thomas was senior vice-president of claim analytics, technology and operations leading a team of analytics, technology, and operations staff.

Previously, he worked as senior vice-president and chief property and casualty actuary at The Hartford.

Commenting on Thomas' appointment, Spiegel says: "In order to implement our long-term vision, and scale our business efficiently, a core priority of R&Q must be to focus on data, automation and technology strategies. Robert Thomas will play a critical role in developing and implementing our strategy in these areas."

He continues: "Thomas brings outstanding experience leading data, analytics, and technology functions to deliver innovation and improve organisational efficiency."

"As our new group head of data strategy and technology, Thomas will help us better use our data as a competitive advantage in both programme management and legacy insurance." ■

eMaxx has appointed former lieutenant governor and insurance commissioner Mary Taylor of Ohio to the board of directors.

Taylor brings public accounting, insurance and public sector experience to eMaxx. She has more than 16 years of experience as a certified public accountant working in the private sector as well as being elected as official at the local, state and executive branches in Ohio. In addition, Taylor has served in the General Assembly, State Auditor and lieutenant governor. As lieutenant governor, she also held the position of insurance commissioner. Currently, she works as the vice president for operations and finance at Northeast Ohio Medical University.

James Townsend, chairman of the eMaxx board of directors and CEO of Townsend Energy, says: "The company's support of speciality industries through technology, insurance and risk management is an important component for economic growth in the US."

"We are pleased to welcome lieutenant governor Taylor to the board of directors as she brings a strong perspective in insurance and public accounting that aligns with eMaxx's strategic vision," he adds. ■

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WRCIC
WESTERN REGION CAPTIVE
INSURANCE CONFERENCE, LLC

Captive Industry Professionals are all convening in Salt Lake City, June 14-16.

Have you registered yet?

2021
A NEW VISION: ON YOUR CAPTIVE
June 14 - 16, 2021
Salt Lake City, UT

The Western region is hosting a three-day networking and learning event. Professionals from all over the USA attending this LIVE IN-PERSON event will be participating in several safe networking events and tailored education sessions on multiple tracks.

Haven't attended a live conference this year? The industry is ready and WRCIC is hosting.

Space is limited, don't delay. Be sure you get a seat!

Register today at www.westerncaptiveconference.org

Haven't seen your vendors in a year?
Your service providers?
They will be there, will you?

Two world renowned speakers will highlight innovation that will invigorate you for 2021.

Gavin Christensen
Founder & Managing Partner
Kickstart Seed Fund

Tim Ballard
Author, Anti-Human Trafficking Activist,
Founder & CEO of
Operation Underground Railroad

Visit www.westerncaptiveconference.org for topics and speakers. Adding more daily!

McGill and Partners has hired Ken Lorber as partner specialising in portfolio solutions in the US.

Based in San Francisco, Lorber will play a lead role in building out the business in the US, structuring bespoke insurance and reinsurance solutions for McGill and Partners' clients. With 10 years of experience, Lorber started his career at Aon Risk Solutions, before joining Aon Reinsurance Solutions in 2014. At Aon, he was responsible for structuring treaties for global and regional carriers, along with developing managing general agent solutions for clients and, established markets for new insurance products.

Andrew Matson, partner and head of portfolio solutions comments: "We are delighted to welcome Ken Lorber to the portfolio solutions team. Given his extensive experience, he will be a valuable addition to the team as we continue to expand in the US.

McGill and Partners continues to expand its workforce with 300 employees spread over offices in London, New York, Miami and Dublin. The company established its Irish entity in January this year. As part of the new entity, McGill hired Kate Browne as chief operating officer, Ireland and Phillip Rout, partner, broking.

Also in January, McGill and Partners joined the London and International Insurance Brokers' Association (LIIBA).

LIIBA represents the interests of Lloyd's insurance and reinsurance brokers operating in the London and international markets. ■

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