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Risk of risks

Denise Williamee of Steel City Re outlines what role a captive can play in insuring against reputational risk

Vermont Focus

Industry experts discuss market trends, legislation updates and more

Emerging Talent

Natalie Lemery
Senior captive administrator, RISC-NFP

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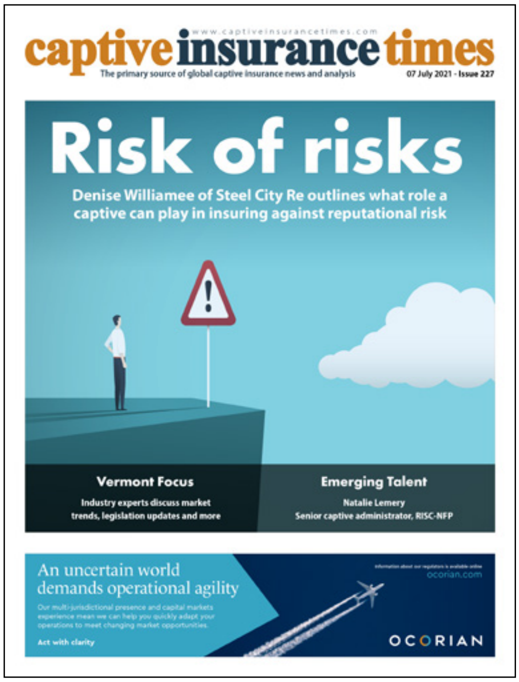

In this issue

Alternative Risk Strategies launches new cannabis captive solution

Alternative Risk Strategies (ARS) has launched a new insurance solution for the cannabis industry that is specifically designed to meet the insurance challenges cannabis, hemp and CBD businesses face. Cannabis Captive Solutions was created for qualifying cannabis companies as an alternative risk transfer solution to help lower costs, improve cash flow and accumulate wealth.

Under current market conditions, ARS explains that cannabis businesses trying to purchase or renew insurance policies are experiencing an increasingly hardened insurance market characterised by substantially higher premium rates and higher deductibles/retentions for several of their necessary policy lines, such as directors and officers (D&O) insurance.

Qualifying cannabis companies can access premium coverages, including D&O liability, professional and products liability, excess liability and other broad form coverages.

ARS manages the process of analysing its clients' insurance needs, sets risk management goals and objectives, assists cannabis businesses and assists businesses forming a captive private insurance company should they qualify.

It also coordinates with all businesses in-house and outside professionals such as tax/accounting, legal and insurance brokers, and helps form a risk management committee of outside experts to report back to the captive owners.

Commenting on the new captive solution, Eric Rahn, managing director at ARS, says: "Watching the cannabis industry rapidly emerge over the last six years, the industry is limited in traditional insurance products and markets. Premiums continue to harden in an industry with little historical data. We are seeing an immediate need to provide alternative risk solutions to qualifying companies."

He continues: "Presently public and private cross border (Canadian/US) cannabis companies are categorised as high-risk in a highly-regulated industry. Insurance companies presently serving the industry continue to charge huge premiums for coverages that are a critical foundation to protecting their business operations and attracting and retaining valuable officers and directors."

"With our new ARS Cannabis Captive Solutions, businesses can finally access the coverage they need to protect their business, transfer risk, and reduce insurance costs over a short period," Rahn concludes. ■

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ERMI and CIC Services launch environmental captive insurance programme

Environmental Risk Managers (ERMI) and CIC Services have teamed up to launch the EnviroCap programme to help businesses control environmental risk and cost factors tied to escalating pollution liability threats.

According to ERMI, with the US significantly leading the world in climate-related litigation alone, data shows that state, federal and international authorities are placing far more intensive regulatory scrutiny on businesses large and small, over incidents and indices of pollution and a broadening range of environmental impacts.

The EnviroCap programme will allow business owners and executive teams to hold their own legally compliant insurance company with coverage tailored to their own unique business needs and risk profiles. Client firms that have their own environmental captive insurance company can cut up to 50 per cent from traditional insurance costs, according to ERMI.

"In today's volatile political and regulatory environment, we are helping business owners take control by establishing their own captive insurance company," says ERMI president Chris Bunbury.

Bunbury notes: "Owners also benefit by obtaining coverage that is specifically tailored to insure their environmental and pollution liability risk factors in a financially beneficial way."

Tim Welles of CIC Services comments: "With the pollution market hardening, critical coverages may be reduced or lost. The advantage of EnviroCap and a captive insurance strategy is that it gives control to the captive owner for coverage, pricing and claims while allowing the captive parent the opportunity to direct investment choices and receive favourable tax treatment."

Groupe SEB launches reinsurance captive in France

Groupe SEB has launched a reinsurance captive in France, marking the eighth French group to hold a captive company in the domicile. Groupe SEB received approval from French Prudential Supervision and Resolution Authority (Autorité de Contrôle Prudentielle de Résolution (ACPR)) to launch its reinsurance captive and was advised by its broker Gras Savoye Willis Towers Watson.

The creation of a reinsurance captive will allow Groupe SEB to optimise the placement of its risks through Groupe SEB Ré, a new legal entity registered in France. Groupe SEB Ré will insure specific risks on behalf of the group, as well as its subsidiaries.

Anne Claire Péchoux Lokoto, head of insurance at Groupe SEB, explains that having a reinsurance captive entity has become "an essential strategic tool" for a global group such as Groupe SEB.

Lokoto says: "It provides a key tool for our risk management and financing and sends a positive message to the insurers. This captive will play a major role in the management of our prevention policy." ■

Hylant Global Captive Solutions expands into Mexico

Hylant Global Captive Solutions is expanding into Mexico City with the appointment of Gerardo Rebollar as director of captive reinsurance.

Based in Mexico City, Rebollar will lead the captive business development and reinsurance in central and south America.

Most recently, he served as executive director of multinational corporate clients at Interproteccion. Rebollar started at Interproteccion in 2010 as executive director of reinsurance. He has also worked at Grupo Bimbo, ABA Seguros.

In addition, Rebollar served multiple roles at Aon for over six years, including reinsurance broker at Madrid, broker in London and corporate accounts and international business in Mexico City.

Last week, Hylant revealed its expansion into the UK with the hiring of Alex Gedge.

Gedge joined Hylant from Marsh, where she served as vice president of insurance consulting, business development and captive insurance for over three years.

The firm also recently hired Ankush Das as an accountant, based in its Mumbai office. ■

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R&Q renews partnership with Atos

Randall and Quilter Investments Holdings (R&Q) has renewed its contract with Atos for a further three years as its core digital services partner to maintain and modernise its IT estate.

Atos has managed R&Q's growing IT footprint since 2018, which is a result of its mission to generate profit from the expert management of legacy non-life insurance acquisitions and reinsurances.

Commenting on the renewed partnership, Sangeeta Johnson, head of operations at R&Q, says: "We require a partner that can take a strategic view of our digital operations and optimise a disparate set of systems in order to help realise our core mission and in opting to renew our contract. With Atos we have the right partner to help us deliver on our objectives."

David Haley, Atos head of financial services and insurance, Northern Europe, notes: "Through close collaboration Atos is able to audit, identify and achieve rationalisation of the R&Q digital estate, presenting an integrated and modernised ecosystem, helping to manage its operations effectively and realise the value of its investments within the highly regulated geographies in which it operates."

Atos in the UK and Ireland is a Financial Conduct Authority (FCA) accredited business and has a growing footprint and expertise in assisting the digital transformation of legacy insurance acquisition organisations. ■

A.M. Best affirms ratings of Shell subsidiaries

A.M. Best has affirmed the financial strength rating of A (Excellent) and the long-term issuer credit rating of "a+" (Excellent) of Solen Versicherungen AG (SVAG) (Switzerland) and Noble Assurance Company (Noble), located in Texas.

Shell provides support to SVAG in the form of a contingent capital facility that A.M. Best says would allow SVAG to replenish its capital position quickly if needed.

Read the full article online

BRP Group team up with Nasdaq to offer D&O cover

BRP Group, an independent insurance distribution firm delivering tailored insurance solutions, has collaborated with Nasdaq to offer tailored directors and officers (D&O) liability insurance programmes and solutions for companies listed on Nasdaq through its subsidiary, AHT Insurance.

AHT Insurance provides property and casualty, employee benefits, retirement, personal and international services for clients.

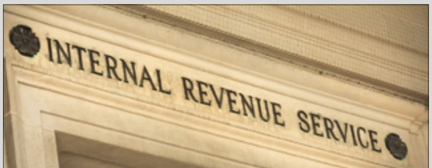
Read the full article online

US Justice Department sues to block Aon's acquisition of WTW

The US Department of Justice has filed a civil antitrust lawsuit to block Aon's proposed acquisition of Willis Towers Watson.

The US, acting under the authority of the Attorney General of the US, brings this civil antitrust action to prevent Aon from acquiring WTW in violation of the antitrust laws.

Read the full article online



Micro captives reinstated on IRS 'Dirty Dozen' list for 2021

Micro captives have returned to the Internal Revenue Service's (IRS) annual 'Dirty Dozen' list of tax scams and abusive arrangements.

Having escaped the 2020 list for the first time in five years, taxpayers and financial institutions were once again warned of micro captives as a form of "abusive arrangements" promising significant tax deductions.

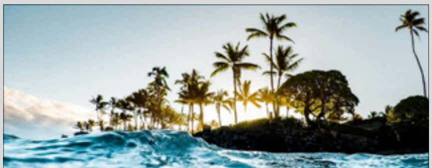
Read the full article online

CICA reveals 2021 Fall Forum dates

The Captive Insurance Companies Association (CICA) has revealed the in-person 2021 Fall Forum will take place on 10-13 October in Tucson, Arizona at the J.W. Marriott Tucson Starr Pass Resort & Spa.

The Fall Forum marks CICA's return to hosting a fall event that will serve as a supplement to CICA's 2022 International Conference 6-8 March.

Read the full article online



HCIC gets the green light for October conference

Hawaii Captive Insurance Council (HCIC) has revealed that it will be proceeding with an in-person conference in Hawaii in October.

The educational HCIC Annual Forum will take place from 25 - 28 October at the Four Seasons Resort Oahu at Ko Olina.

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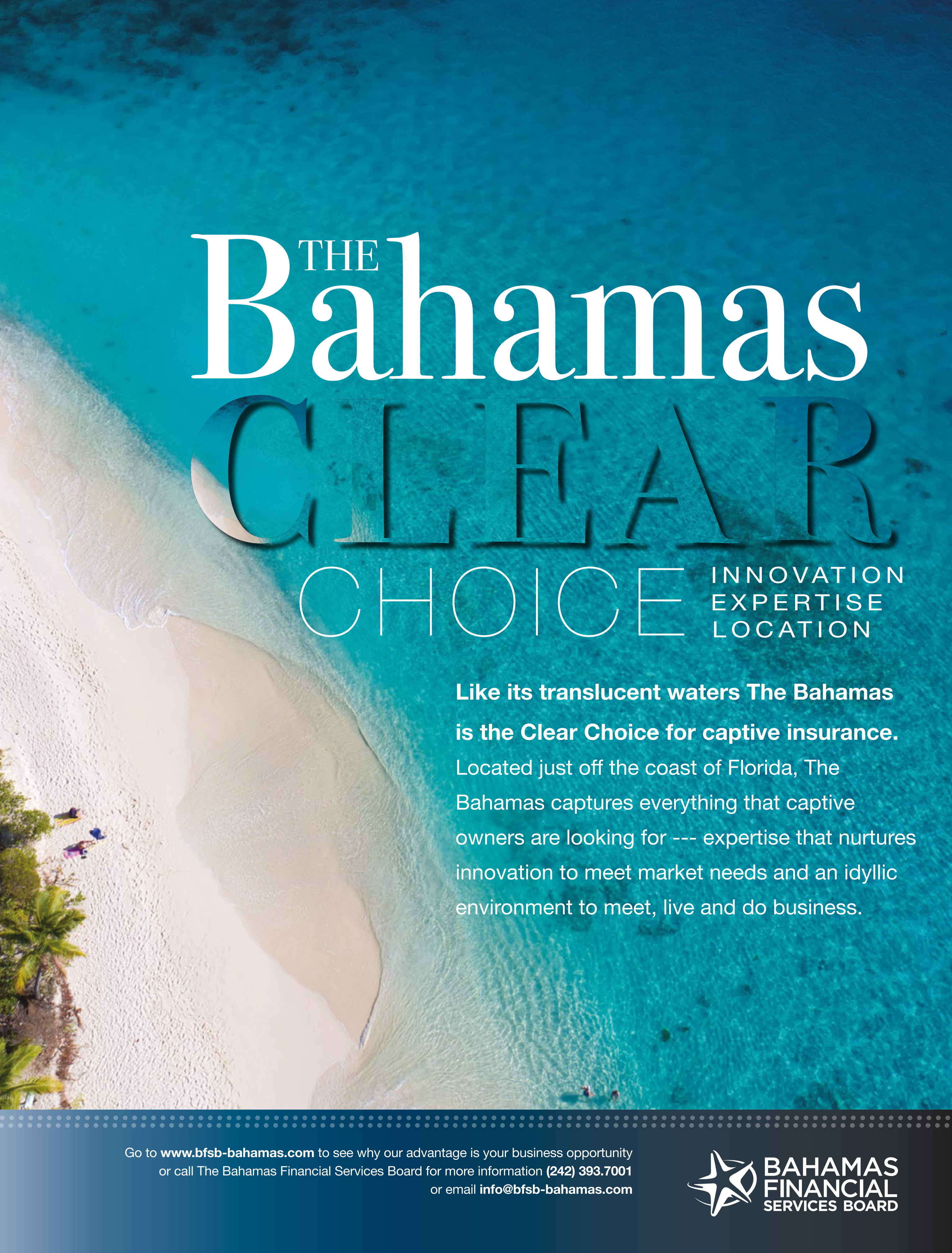
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Going for gold

Celebrating its 40th anniversary as a captive insurance domicile, Vermont has already licensed over 20 captives so far this year. Industry experts discuss market trends, legislation updates and more

Known for its gold standard, Vermont is celebrating its 40th anniversary as a captive insurance domicile this year. Like the overall captive insurance industry, Vermont saw a large influx of captives licenses last year and at the beginning of this year too. In 2020, Vermont saw 38 captives licensed compared to a 'normal' year where the domicile would see between 20 to 25.

The main cause for the increased activity has been the hardening market in the traditional insurance industry in almost every commercial line that captives cover.

Richard Smith, president of Vermont Captive Insurance Association (VCIA), reveals that this year, the state has already licensed over 20 captives so far.

With the bulk of captives being licensed at the end of the year, Smith says it will be interesting to see how this trend continues to develop.

"Every member I have spoken to in the past six months or so tells me they are swamped – not a bad thing to have to deal with," he adds.

Legislation

Vermont has a reputation of being a popular domicile for all types of new captives in a variety of industries due to the knowledge, flexibility and willingness of the state's regulatory staff to be open to new, creative solutions.

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On 12 May, Vermont governor Phil Scott signed a new captive bill into law, which aimed to strengthen the state's captive regulation in a variety of areas.

The bill made several updates to the state'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.

It also saw changes to the 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.

A new section has also been created for redomestications 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.

Monica Birchmore, account manager, Hylant Global Captive Practice, says the recently signed legislation will simplify multiple processes for captive insurance companies.

"In my experience, Vermont as a domicile has always prided itself on improving the legislature and looking ahead by identifying trends and changes that will make Vermont an even more well-rounded domicile for captives," Birchmore adds.

Blockchain

In 2019, the Vermont Department of Financial Regulation (DFR) and the Office of the Vermont Secretary of State (SoS) collaborated on a pilot programme that explored the use of blockchain technology in the captive insurance market.

The pilot was set up to experiment with the functionality of blockchain in state regulatory processes. It was also designed to review and revise relevant statutes, rules, regulations, and bulletins to ease the implementation of blockchain technology.

Commenting on blockchain within the captive market, Smith says: "Blockchain continues to be experimented within the traditional and captive insurance industry. There are many instances of blockchain being utilised in annual policy renewals, premium payments and claims submission and settlement."

Although there has not been widespread adoption of blockchain in captive insurance utilisation, Smith comments: "I do believe it will become more important in the years ahead."

"Blockchain continues to be experimented within the traditional and captive insurance industry"

One area that seems primed for blockchain is the use of parametric coverages in captives (and on the traditional side as well), according to Smith.

Parametric insurance — also called index-based insurance — is a non-traditional insurance product that offers pre-specified payouts based upon a trigger event.

Trigger events depend on the nature of the parametric policy and can include environmental triggers such as wind speed and rainfall measurements, business-related triggers such as foot traffic, and more.

Smith explains: "Linked to blockchain technology parametric insurance eliminates the arduous and lengthy claims process and reduces broker and administrative fees, as it relies on a simple formula: if the event is triggered there is an automatic payout."

Market developments

The past year and a half have been difficult amid the pandemic, but the Vermont DFR has been understanding of all of the complications that the pandemic has created.

One example of this, according to Birchmore, was swiftly adjusting the requirement to conduct annual meetings in person to maintain the safety of all parties involved.

She notes: "I believe Vermont has been extremely accommodating by listening to requests from both captive managers and captive owners on how to efficiently and effectively manage capital/surplus, rising insurance rates and remote board meetings."

Elsewhere, Brittany Nevins, captive insurance economic development director at the Vermont Department of Economic Development, highlights other developments within the state including the increase in formations related to long-term care facilities and the continued interest in the use of cells (leading to the formation of more sponsored cell facilities).

"In several instances, we have seen companies convert an existing captive to a cell facility, and then use cells to segregate new and existing lines of business," Nevins explains.

There has also been several captives or cells as part of the insurance placement for western wildfires, which Nevins says she expects to see more of that as the severe drought continues.

Opportunities

With the continued hard markets, there are opportunities for Vermont to grow captives in every category of risk.

Smith notes that Vermont is seeing a lot of growth in the use of cells and the legislation described earlier gives more flexibility for converting a cell as the needs of the cell owner evolve over time, making the decision to establish a cell captive more attractive.

He says: "In many instances, cell captives are becoming more attractive than forming a new standalone captive in that they can accommodate all types of businesses, provide greater operating flexibility, lower capital requirements and are more efficient."

Meanwhile, Birchmore suggests the opportunities lie in the ability to bring new ideas along with new solutions to the regulators and have it be met with a knowledgeable staff that are excited to be a part of solving either an old or newly discovered business issue with the captive as the driving force.

"I have always felt as though the access to Vermont's captive regulatory experts has been one of their greatest assets as a domicile."

"They are always willing and happy to have a discussion to talk through any and all ideas, listening thoroughly to the thoughts being brought to their attention and providing their expertise to further develop a solution," Birchmore adds.

Conference

The VCIA conference is due to take in a virtual format for a second year between 10 and 12 August. The association opted for a virtual format to make it accessible to all who wish to participate.

Commenting on the event, Smith says: "We bring together high-quality captive insurance education, with panellists who are captive owners from some of the most prestigious organisations in the world, where the industry can learn from the best and brightest."

Educational sessions will continue to discuss emerging and current risks, and how captive programmes relate to those risks. Content is developed for newcomers and veterans alike.

Building on the success of last year's event, VCIA will be offering more ways for small groups to connect, and one-on-one meetings.

Instead of an Exhibit Hall this year, VCIA is offering Solution Labs.

Smith says: "The idea behind the Solution Lab is that our members offer solutions to a particular challenge being faced in the captive community."

Also new to this year's event are Ignite Talks. "An Ignite Talk is a high quality, brief Ted Talk-style of presentation which pitches a particular idea to an audience."

"VCIA will be hosting Ignite-style presentations at the 2021 conference for service providers to present to the captive community."

"The Ignite presentation will speak to one of the challenges now being faced in the captive industry," he adds. ■

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TRUIST

Risk of risks

Denise Williamee of Steel City Re outlines what role a captive can play in insuring against reputational risk

What role can captives play in insuring against reputation risk?

Captives today can play a vital strategic role in reputation risk management as companies embrace the conceptual value of environmental stewardship, social justice, and responsible governance (ESG).

That role is a discernible capstone to the conceptual value of the operational and governance systems helping firms mitigate risks to address their stakeholders' ESG expectations.

Simply put, institutional investors, proxy advisers, and bond raters today all value authenticated reputation risk management. The quality of a firm's reputation risk management helps shape asset allocation decisions, proxy voting guidelines including items such as CEO pay, and bond ratings.

Reputation insurance provided through a captive makes the conceptual value of reputation risk management easy to understand. With actuarial sound underwriting, it represents authentic, objective validation of an 'ESG-woke' management that created both a financial solution and an arm's length risk management practice to protect the value of the parent's reputation. That makes captive insurances strategically valuable to both a captive's parent and to the capital market constituents who must always be prepared to combat second-guessing in the courts of law.

Captives can be most valuable when they can cover the short-term cash flow shortfalls of a reputational crisis tactically and communicate the parents' excellence in reputation risk management strategically.

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Why is a captive more suitable for insuring against reputation risk compared to using commercial insurance?

I think there is a hierarchy of suitability, with the combination of a captive partially reinsured by commercial insurance being the most compelling strategy for financing reputation value loss. The reasons for this are both conceptual and discernible.

Investors, advisors and now regulators are clamouring for reliable measures to quantify the conceptual value of reputation and the numerous ESG components. One measurement strategy uses the type of proven indicators of reputation premium, based on behavioural economics, that Steel City Re has been using for nearly two decades with great effect in the equity markets. This strategy uses the financial 'shadow' cast by conceptual value.

Captives represent this shadow. Captives provide unassailable evidence to capital market constituents — who themselves have to look over their shoulder should they be second-guessed by unhappy investors. Use of a captive — with third-party underwriting — shows that due diligence has authenticated the firm's reputation risk management, that a credible third-party has (re)authenticated the captive's arm's length relationship, and that the enterprise has 'put its money where its mouth is' in insuring the risk. A captive enhances the company's storytelling to capital markets and reinforces the defensive barriers against both investors and regulators who may second guess management or a board down the road.

Another benefit is that parents of reinsured captives providing reputation risk covers could see benefits in their directors and officers (D&O) liability insurance premiums. After all, a parent firm tuned in to the issues most likely to anger investors is a firm that is less likely to be successfully sued by those investors.

What trends are you seeing around reputational risk?

After so many businesses suffered losses from non-physical damage as a result of fear, political anger, and social justice movements, there is a much greater appreciation for the genuine materiality of behavioural economic perils. For us, that is translating into three business trends.

First, we are as likely to be contacted by a firm's chief legal officer as we are by a risk manager or insurance broker. With reputation risk management's value being explicitly affirmed by bond raters and institutional investors, boards are dutifully turning to their most trusted senior legal advisers for help protecting reputation, a mission-critical asset of most firms. Also driving this trend is the continuing surge in litigation alleging board liability in damage to a firm's reputation.

Second, beyond insurance, we are seeing a surge in demand for integrated risk management and governance solution. This involves advisory-driven tweaks to governance, a new approach to enterprise reputation risk management, and an appreciation that publicising reputation risk management is a critical and effective value-creation strategy.

Third, we are seeing non-traditional sources of risk capital entering the reputation risk reinsurance market. These sources are familiar with the parametric mathematics we use to price and trigger reputational value losses — which are well known to the alternative investment community.

"A captive enhances the company's storytelling to capital markets and reinforces the defensive barriers against both investors and regulators who may second guess management or a board down the road"

What are the biggest challenges associated with insuring reputation risk?

I think prospective insureds need to overcome three hurdles. The first is legacy organisational resistance to the very notion of insuring and managing reputation risk because of the mistaken impression that marketing is reputation risk management.

For marketing to be a useful prong to reputation risk management there first needs to be the substance of risk management for marketing to publicise. That substance involves governance, leadership controls and insurances. Otherwise, marketing efforts are mere puffery. In re Signet, settling for about $240 million proved that "puffery" can no longer be relied upon as a defense against plaintiffs who claim to have relied on those statements.

The second is the legacy organisational belief that risk to the conceptual value of enterprise reputation can be mitigated through conventional legal strategies. While such strategies work well for targeted stakeholder groups, they may fail the enterprise. A recent example is Wells Fargo, which when sued by investors for misrepresenting its new focus on ethics, argued in court that promotion of its new ethical posture was obviously only marketing "puffery."

The third is value-at-risk quantification. This being difficult outside of a parametric model, such as ours, that is informed by behavioural economics, financially-oriented firms are mistakenly tempted to set reputation risk aside as a non-financial peril.

I would like to point out that capital market constituents understand and appreciate parametric insurance models. This appreciation boosts the strategic value of reputation risk insurances that take a parametric approach.

Has COVID-19 had an impact on reputational risk?

I think COVID-19 helped governance, legal and risk professionals understand the very notion of conceptual value, and how protecting conceptual value through risk management and insurance can translate that value into something everyone can see. Simply put, to protect market capitalisation, managing risks to an enterprise from emotional stakeholders is essential. COVID-19's economic impact, as hundreds of court decisions have clearly affirmed, was not due to any discernible loss /physical damage. It was due to the conceptual loss of safety and because safety could not be assured, the emotional state of fear among all classes of stakeholders prevailed.

Firms and companies seeking to mitigate the reputational risk associated with fear pre emptively implemented risk management processes that emphasised safety, followed through on those promises and then not only demonstrated this safety but communicated it. Think of how the major hotel chains and airlines such as Hilton, Marriott, United and Delta realised that they needed to publicise their cleaning protocols authenticated by the Mayo Clinic, Clorox, Lysol etc. — risk management by another phrase — to mitigate the fear of guests and passengers.

Simply put, COVID-19 demonstrated the strategic value of a reputation risk management best practice: implementing risk management processes, ideally authenticated by a third party, and then publicising the details.

Have you seen an increase in interest around insuring against reputation risk using a captive?

Yes. I believe interest is increasing for several reasons, and I believe Steel City Re has been instrumental in this change. As a result, our business is growing, Clearly, the risk is not new. Reputation risk was recognised as a peril that could trigger a liquidity crisis in the banking system 25 years ago, causing regulators to begin mandating reputation risk management disclosures among the leading financial institutions. As early as 2005, the Economist Intelligence Unit crowned reputation as the 'risk of risks'. Its materiality to corporate operations has never been in question.

Reputation risk management, however, has been an evolving concept with its roots in marketing and communications. The rise of behavioural economics helped create comfort in financial circles around the inherent fuzziness in quantifying behaviour, psychology, value, and communications. It was behavioural economics that provided the framework within which Steel City Re rolled out a measurement method for exposing firms' reputation value premium. Over the past two decades, we've been able to prove that these metrics provide reliable, repeatable, and scalable results useful in both equity markets and risk insurance markets.

25 years ago, banking regulators left the definition and measurement of reputation risk to the private sector. Today, the SEC is taking an increasingly active interest in how companies are quantifying the conceptual values of environmental stewardship, social justice, and responsible governance (ESG). Because of the strong overlap between reputation and ESG, insurance captives help make what is conceptual more easily discernible to regulators, financial markets, and other stakeholders.

How are risk managers seeking ways to finance this reputation risk?

With the growing influence of chief legal officers in overseeing reputation risk management at an enterprise-level rather than as a legal or marketing problem, I believe funds are being shifted from the various scattershot efforts in marketing, social responsibility, and risk management pockets. In doing so, what were risk management expenses have become investments in equity value appreciation.

Reputation risk is a family of perils that arises exclusively from the gap between stakeholder expectations and experiences. Traditionally, within companies, different silos are responsible for managing expectations, creating experiences, and allocating resources. It is inherent in the competing expectations of stakeholders that one or more groups will find their interests pitted against each other, making disappointments inevitable.

Reputation risk perils are most costly when stakeholders are most angered.

The value of an integrated reputation risk management strategy is that it can focus existing resources into a coherent, cost-effective plan that minimises anger among the costliest stakeholder groups — all while maximising shareholder returns.

The strategic argument that reputation risk management directs existing resources to increase enterprise value, reduce board liability, reduce meteoric jury verdicts, increase employee engagement, reduce the cost of debt, reduce the risk of regulatory opprobrium, and increase customer interest is compelling.

Do you expect an increase in firms using captives to insure against reputational risks? And why?

Yes. It's actually difficult to envision well-governed, best practices firms not implementing and embracing a reputation risk management strategy and exploiting their existing investment in captives. Here are three reasons.

First, reputation risk management is now strategically vital. For clarification, I am referring to a risk management strategy complete with both governance and management upgrades, captives and reinsurances, and a coherent risk management communications plan to realise the desired 'reputation premium' in enterprise value.

Second, insurance and reinsurance rates are expected to further harden through 2022 as insurers and reinsurers reduce their risk appetites and tighten capacity. As the costs of historic underwriting errors—read mispricing—are being socialised, captives have become more cost-effective risk financing instruments.

It would behove insurers to appreciate that reputationally risk-aware firms are better governed and therefore present lower D&O risks. This creates an underwriting arbitrage opportunity. As AIG happily discovered in the 1930s, this simple path of arbitrage to insurance business profitability is oftentimes not evident to others.

Third, the capacity available for risk transfer in the traditional commercial markets is still lingering in the neighbourhood of $100 million for even the largest firms.

While this level is sufficient to reinsure captives and further authenticate reputation risk management through a captive to the capital markets, it may be tactically insufficient to cover, under the best of circumstances, the temporary shortfall in working capital from a material crisis. ■

'I think COVID-19 helped governance, legal and risk professionals understand the very notion of conceptual value, and how protecting conceptual value through risk management and insurance can translate that value into something everyone can see"

Denise Williamee, vice president, corporate services, Steel City Re

Natalie Lemery

Senior captive administrator

RISC-NFP

"I've always been struck by how dynamic the industry is and the level of creativity it allows for"

Personal bio: *I spent most of my adolescence in Texas, but now reside in Milton, Vermont with my husband, Eric and two children, Charlotte and Henry.*

In my free time and on the weekends, I enjoy gardening, reading and spending time with family and friends. I especially love entertaining and party planning, I make a fantastic charcuterie board.

Professional profile: *I graduated with a Bachelor's of Science in Business and a Master's Degree in Applied Conflict Studies from Champlain College in Burlington, Vermont.*

In my previous profession, I served as an assistant regional director for a non-profit children's mental health agency where I was responsible for programme development, staff mentorship, and contract management.

I have also spent several years working as a content writer for a marketing firm.

How did you end up in the captive industry?

I have a few friends in the industry and over the years I have found myself learning from them about the work they do. I've always been struck by how dynamic the industry is and the level of creativity it allows for.

More recently, I discussed with NFP leadership my skills and how they apply to the capabilities RISC is developing. I had no idea this would turn into a future career within the field.

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

What is exciting about RISC is the opportunity to work with experienced professionals who are well known within the industry to build something from the ground up.

I have appreciated working with a team of mentors who are always available to provide support, training and answer any questions I have. It's felt incredibly advantageous to have exposure to aspects of the industry that may not always be accessible as an opportunity for learning and growth.

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

RISC is overseen by two women leaders, Kara Tencellent and Tracy Stopford, who have a vested interest in environmental, social and governance (ESG), diversity and inclusion and mentoring other women.

Watching their level of expertise, professionalism and creativity has truly been inspiring.

What is your impression of the industry?

I am surprised by how little people know about the captive industry. So far, the group I work with seem to spend a lot of time offering education to organisations and professionals. I'm excited to help spread the message so that others can have a greater understanding of the industry and the opportunity that lies within it.

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

I like that the industry needs professionals to be creative and flexible when offering solutions to clients. In my previous profession, this was a strength of mine.

As someone who is new to captives, I'm excited to learn more about the industry so that I can continue to be a contributing member of the RISC team. Opportunities for professional growth seem endless.

"As someone who is new to captives, I'm excited to learn more about the industry so that I can continue to be a contributing member of the RISC team"

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

To immerse yourself in the industry as much as you can, listen to podcasts, watch webinars and talk to as many captive professionals as you can. There is always more to learn. ■

"Natalie has quickly become a rising star in NFP's Risk & Strategy Collective as a senior captive administrator. Her expertise in project management and business operations has lent itself seamlessly to RISC's captive management operations and consulting space. Natalie's high energy, curiosity, and drive to self-educate about the captive industry come through in her work every day. With a natural leadership ability, and well-honed business sense and intuition she is able to translate past experiences into relevant and meaningful client communication and collaboration. Natalie is consistently taking the initiative and is participating in industry associations and committees which support the overall growth and value of the captive space. With our experience, recruiting team members from outside the captive space into our RISC group provides us with a diverse perspective that translates into new ideas and better service to our clients. We are so pleased to have Natalie on our team."

Tracy Stopford, managing director and co-leader of RISC
Kara Tencellent, managing director and co-leader of RISC

Marsh has appointed Alex Guerin as head of office for its UK corporate business, based in London.

Reporting to Andrew Wilton, managing director of UK corporate's south region, Guerin will lead the London corporate business team that advise clients on risk exposures and devise solutions to help them increase their operational resilience and mitigate the risks they face. The London corporate team represents London-based businesses across all industry sectors, including financial services, banking, retail and hospitality.

Guerin joined Marsh in 2012 as part of Marsh's graduate scheme. Most recently, he worked in the UK risk management business as a client executive, serving a broad range of FTSE clients.

Commenting on his new role, Guerin says: "I am excited by the opportunity to work with a great team of colleagues in our London office as they meet the changing needs of clients."

"I look forward to broadening our engagement with the businesses we serve, to support and advise them on the key risk challenges they face."

Marsh's UK corporate business provides risk management advice, insurance brokerage and claims advocacy services to mid-size and large organisations through its network of 18 offices. ■

The Federation of European Risk Management Associations (FERMA) has re-elected Dirk Wegener as president and board member.

Following a general assembly of FERMA's 22 member associations, Wegener will serve as president and board member for another two years.

Wegener was elected FERMA's president in November 2019 at FERMA's Forum in Berlin.

He works as global head of corporate insurance for Deutsche Bank and is a member of the German risk management association GVNW.

Laurence Eeckman was also re-elected as a board member for the first time.

Eeckman is vice president of group risk management Electrolux AB and a member of the Swedish Risk Management Association (SWERMA).

Eeckman replaces Maria Isabel Martínez who had come to the end of her mandate of nine years.

Wegener thanked Martínez for her long contribution to FERMA, in particular to the creation and development of Rimap.

Speaking at the general assembly, Wegener, said: "The last year has not been an easy time, but we are seeing the fruits of investment in risk management and resilience as we move into a recovery phase. We can highlight positive developments worldwide and in Europe."

He added: "We have learned a great deal which I would sum up in two short sentences: cooperation is essential. Resilience is critical." ■

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Strategic Risk Solutions (SRS) has appointed Maxime Schons as managing director, European finance and compliance, based in the firm's Luxembourg office.

Effective on 1 September 2021, Schons will also serve on the executive committee of SRS Europe operations and will be appointed to the SRS Europe board of directors.

He joins SRS from Risk and Reinsurance Solutions SA (2RS) where, for the past five years, he has been chief operating officer.

Schons, who has worked at 2RS since 2013, held a variety of leadership roles and had responsibility for leading teams in all aspects of captive management, risk management, compliance, and business development.

He also ran mandates as a licensed manager or director for a significant number of reinsurance captives in Luxembourg and France.

In addition, Schons has served as a financial controller for PayPal Europe, treasury manager at Eurowatt HQ, and a senior manager in Big4. It was announced in August 2020 that SRS was expanding into Luxembourg with a new office. Brian Collins was named as managing director of its new captive management business in Luxembourg.

Commenting on the appointment of Schons, SRS president and CEO Brady Young, says: "[Maxime Schons] adds strong compliance and operational expertise in Luxembourg and across our European operations and will be a key member of our European team."

While Schons will be placed in Luxembourg, his role has a pan-European focus.

Young notes: "We are seeing strong growth in Europe, both in new formations and takeovers, and the continued addition of senior personnel in our European domiciles is in response to the demand." ■

Berkley Accident and Health, a Berkley company, has appointed Kylie Hunter as regional sales manager for its EmCap Group Captive segment.

In her new role, Hunter will be responsible for contributing to the company's growth initiatives as well as developing group captive programme business in Colorado, Utah, Wyoming, Idaho, Montana, North Dakota and South Dakota.

Hunter moved to Berkley from EBMS where she served as account executive in Colorado. Prior to EBMS, she worked as senior analyst, health and benefits consulting at Willis Towers Watson (WTW).

Hunter started her career in 2013 at Blue Cross Blue Shield of Wyoming as a self-funded account coordinator/staff accountant.

Commenting on the hiring of Hunter, Brad Nieland, president and CEO of Berkley Accident and Health, says: "We are delighted to continue the expansion of our EmCap business. Kylie Hunter's strong grasp of the healthcare marketplace, the associated funding arrangements and financial concepts make her an excellent addition to our team."

He adds: "Brokers and prospective clients in the rocky mountain region will appreciate the level of service and attention to detail that Hunter brings to her territory." ■