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Hidden talent

Members of CICA's NEXTGen committee discuss the development of the talent crisis

Barbados Insight

Experts discuss current market conditions in the captive industry of Barbados

Industry Appointments

Captive Resources has appointed Wyatt Steele as vice president, captive executive

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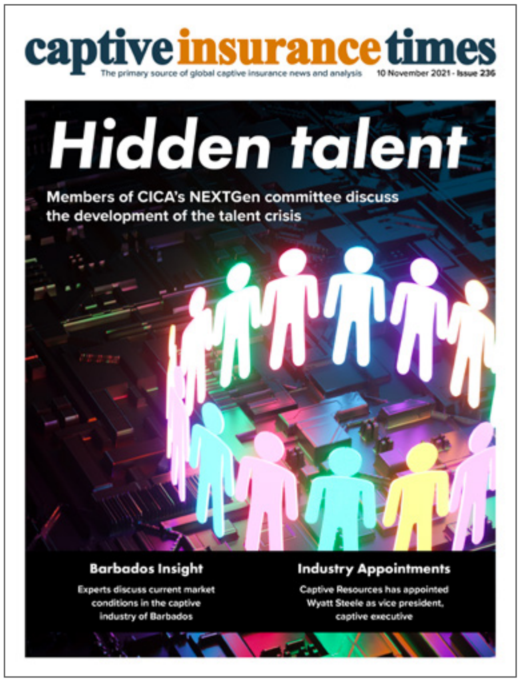

In this issue

Aon: COVID-19 has made risk managers more aware of long-tail risks

Cyber is ranked as the number one risk globally, according to Aon's 2021 Global Risk Management Survey, as the COVID-19 pandemic highlights the increasing importance of being able to manage long-tail risks. More than 2,300 respondents across 60 countries and 16 industries participated in the survey, which examined key risks and challenges faced by organisations in the current volatile business environment.

As the top current and predicted future risk (the highest it has ever ranked in the survey), cyber featured in the top 10 list of risks across each surveyed region, industry and respondent type. It was followed in the global top 10 list by business interruption (BI), economic slowdown, commodity price risk, reputation, regulatory changes, pandemic/health risk, supply chain failure, increasing competition, and failure to innovate.

These risks collectively reflect the current landscape, as organisations are experiencing significant volatility as a result of the COVID-19 pandemic, which has caused many firms to shift their focus from event-based to impact-based risk assessments. For example, Aon points out that BI is no longer regarded as a linear risk, as the pandemic demonstrated how the interconnectivity of risk means it can affect multiple industries and companies simultaneously.

BI ranked as the top risk in Europe and Asia Pacific, especially within the sectors of energy, utilities and natural resources, hospitality, travel and leisure, and life sciences.

Lambros Lambrou, CEO of Aon Commercial Risk Solutions, explains: "The world is a more volatile place and the importance of better decision-making has never been greater. Long-tail risks are not single events — they are innately interconnected, as we have seen with the COVID-19 pandemic fundamentally changing the way the world works, revealing new risks and re-ordering priorities in the C-suite."

Elsewhere, commodity price risk and scarcity of materials was highlighted as a predicted future top risk globally, particularly in the food, agribusiness and beverage, and industrials and manufacturing industries.

Aon's survey also considers risk readiness, associated losses and mitigation actions currently implemented for each of the top 10 risks — only 29 per cent of respondents said they plan on increasing their investment level in risk management resources. In addition, the survey examines risk management, assessment and mitigation techniques implemented by firms to fund their risk management programmes, as well as the key risks underwritten by captives. ■

Marsh launches D&O liability insurance initiative

Insurance broker and risk advisory firm Marsh has launched a directors and officers (D&O) liability insurance initiative to recognise US-based clients with robust and resilient ESG frameworks.

As a global captive manager, Marsh provides a variety of in-house actuarial services, including certification of loss reserves, an initial captive feasibility study, and due diligence reviews.

Marsh also provides management services (ranging strategic management, accounting, claims management and regulatory compliance) and advisory services (encompassing feasibility studies, strategic reviews, domiciles reviews and exit strategy studies) for its captive clients.

The D&O initiative is introduced as ESG-related activism and litigation takes on growing importance in the context of a changing global regulatory environment.

Participating Marsh clients will collaborate with international law firms (including Norton Rose Fulbright and Orrick, Herrington & Sutcliffe) to complete an independent review and evaluation of their ESG framework.

Clients will then be taken into consideration for preferred D&O coverage terms and conditions on specific ESG-related exposures, including climate change disclosures and representations, subject to underwriting.

The policies will be provided by four participating D&O carriers: American International Group, Berkshire Hathaway

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Maureen Gorman, managing director at Marsh's US financial and professional liability practice, explains: "As clients continue to invest in ESG initiatives, it is right that they be recognised as a better risk by underwriters."

"By working with these select law firms, we are ensuring clients have access to leading independent ESG expertise that can help validate and elevate their ESG efforts, becoming eligible for more favourable coverage."

Irish captives exempt from proposed service provider guidance

Captive insurance and reinsurance management companies are specifically excluded from new guidance by the Central Bank of Ireland (CBI) on the use of service companies for staffing purposes in the insurance sector.
CBI's consultation paper 144 seeks stakeholder views on the proposed guidance, which the bank says is formed in the context of its mission to contribute to the stability of the financial system, as well as effectively regulate financial service providers and markets.

The guidance notes that CBI has observed a trend of insurance and reinsurance undertakings entering arrangements for the use of separate legal entities (service providers) to provide extensive staffing.

CBI states its concerns about the potential of these staffing arrangements, if ineffectively managed, to jeopardise the operational resilience of the undertakings it regulates.

Therefore, CBI requires such staffing arrangements to implement proper, robust risk management and appropriate governance, including compliance risk, due diligence, operational resilience, regulatory reporting and business continuity planning.

However, CBI declares that this guidance does not apply to captive insurance and reinsurance undertakings, nor captive management companies, "due to the specificity of the captive reinsurance model".

The bank recognises that captive undertakings greatly vary between one another; therefore, "the specificities of each arrangement should be taken into account in an undertaking's assessment of the appropriate measures needed to align with CBI's expectations as set out in [the] guidance".

CBI notes that captive companies are still expected to be able to clearly demonstrate and evidence the justification for their approach, and receive appropriate approval from the board.

Captive bill introduced to Alberta legislature

A bill has been introduced to the legislative assembly of Alberta that would allow for the formation of captive insurance companies in the province, making it the second Canadian province to do so following the passage of similar legislation in British Columbia in 1988.

Bill 76, also known as the Captive Insurance Companies Act, was tabled by minister of finance Travis Toews.

In a press conference, Toews notes that the bill will be beneficial to companies in industries where coverage is costly and difficult to obtain, such as energy, agriculture and manufacturing.

The bill provides guidelines for the formation and management of a captive insurance company in Alberta — for example, a captive may be incorporated as a body corporate under the Business Corporations Act.

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In addition, the company must have a principal place of business in Alberta, appoint an auditor and actuary at all times, and keep accessible and open records.

Permitted business of a captive based in Alberta is limited to classes of insurance, with the scope of eligible insured risks covering those of the parent or association members.

A captive may provide reinsurance of risks ceded by any other insurers.

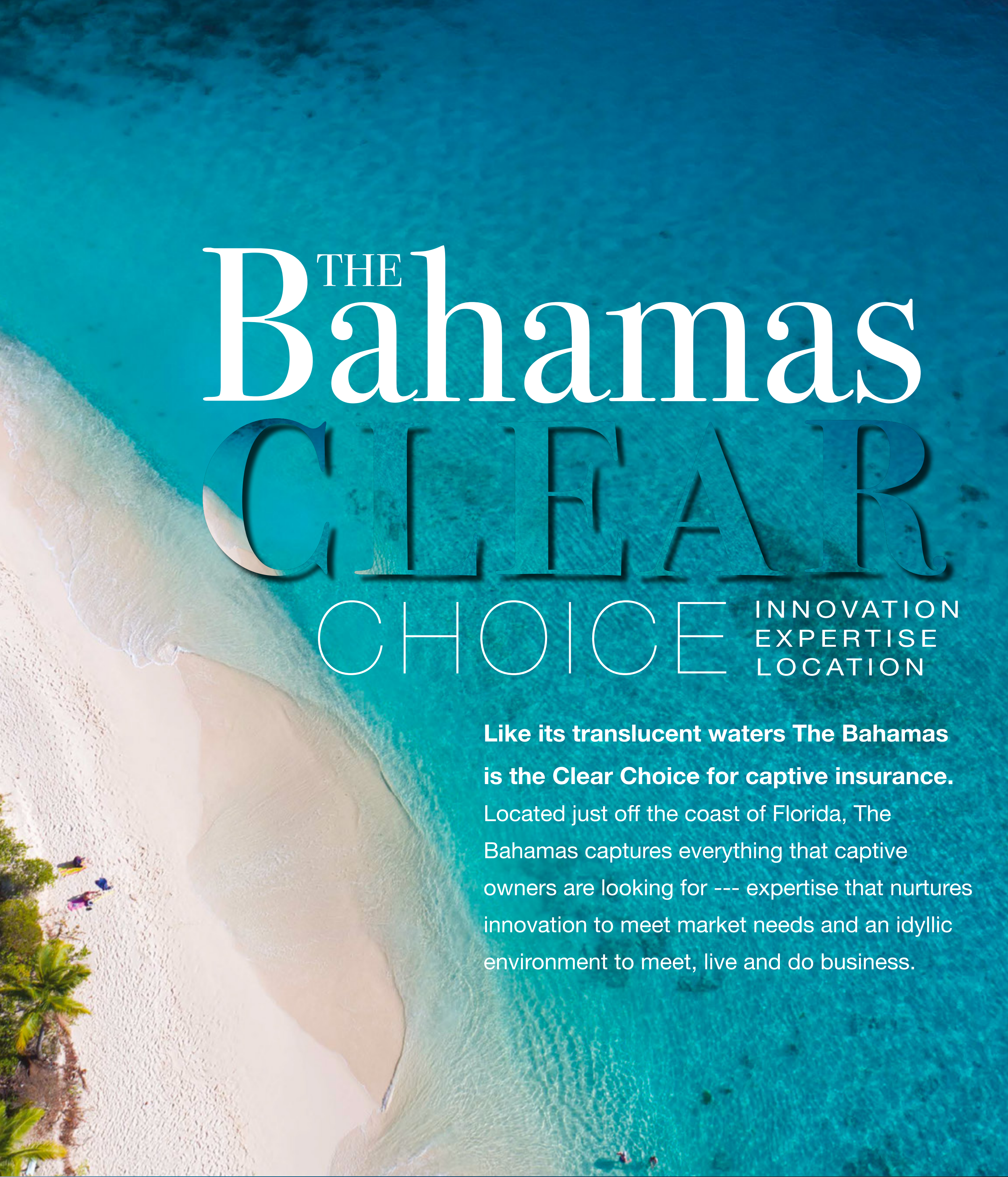
The Alberta superintendent of insurance would regulate all captive structures, whether pure, association or sophisticated insured, to ensure they hold enough capital to cover claims. Specific requirements and regulations pertaining to licensing, base capital, liquidity and financial statements are expected to be finalised in spring 2022.

Risk Strategies expands employee benefits practice with acquisition

Speciality insurance brokerage and risk management firm Risk Strategies has acquired Better Business Planning to expand its national employee benefits practice.

Risk Strategies provides risk management advice and insurance and reinsurance placement in the lines of property, casualty, employee benefits and private client risks.

Insurance agency Better Business Planning offers customised employee benefits solutions, as well as complementary services such as payroll administration and human resources consulting. These services are administered to a range of industries, including education, law, management services, non-profits, agriculture and industrial supplies. Under the acquisition, of which the terms were not revealed, the Better Business Planning team will be integrated into Risk Strategies' national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employee benefits practice to support the latter's growing client base.

John Greenbaum, national employee benefits practice leader at Risk Strategies, comments: "Our specialist approach to risk enables us to consistently exceed client expectations. We are excited to bring Better Business Planning's expertise to our growing national benefits capabilities and welcome them to the Risk Strategies family."

Jeffrey Bellinger, vice president of Better Business Planning, adds: "Risk Strategies was a natural fit for Better Business Planning and our clients. We now have the ability to leverage the strength of a top national broker to enhance our client partnerships while still providing service to our local communities."

Washington holds advisory vote on captive premium tax

Washington voters have voted in a ballot measure to repeal a two per cent premium tax on captive insurers in the state, which was passed under Senate Bill 5315.

The bill was originally passed by the Washington State Legislature in May of this year to impose a premium tax on Washington-domiciled captive insurers at a rate of two per cent of the insurance premiums provided to the parent company or affiliate.

Washington's Office of the Insurance Commissioner proposed draft regulations for the implementation of the captive insurance law in August, including the establishment of definitions of a captive insurance company, affiliates and eligibility for licensing and registration purposes.

Titled 'The legislature imposed, without a vote of the people, a tax on captive insurers in the amount of two per cent of premiums from owners/affiliates, costing US$53 million in its first 10 years, for government spending', Advisory Vote 38 was automatically referred to the ballot as a law that creates or increases taxes or fees.

However, the advisory vote is non-binding, meaning that the outcome of the ballot question will not directly cause a new, changed or rejected law. Rather, it will advise the state legislature on the steps to take next. ■

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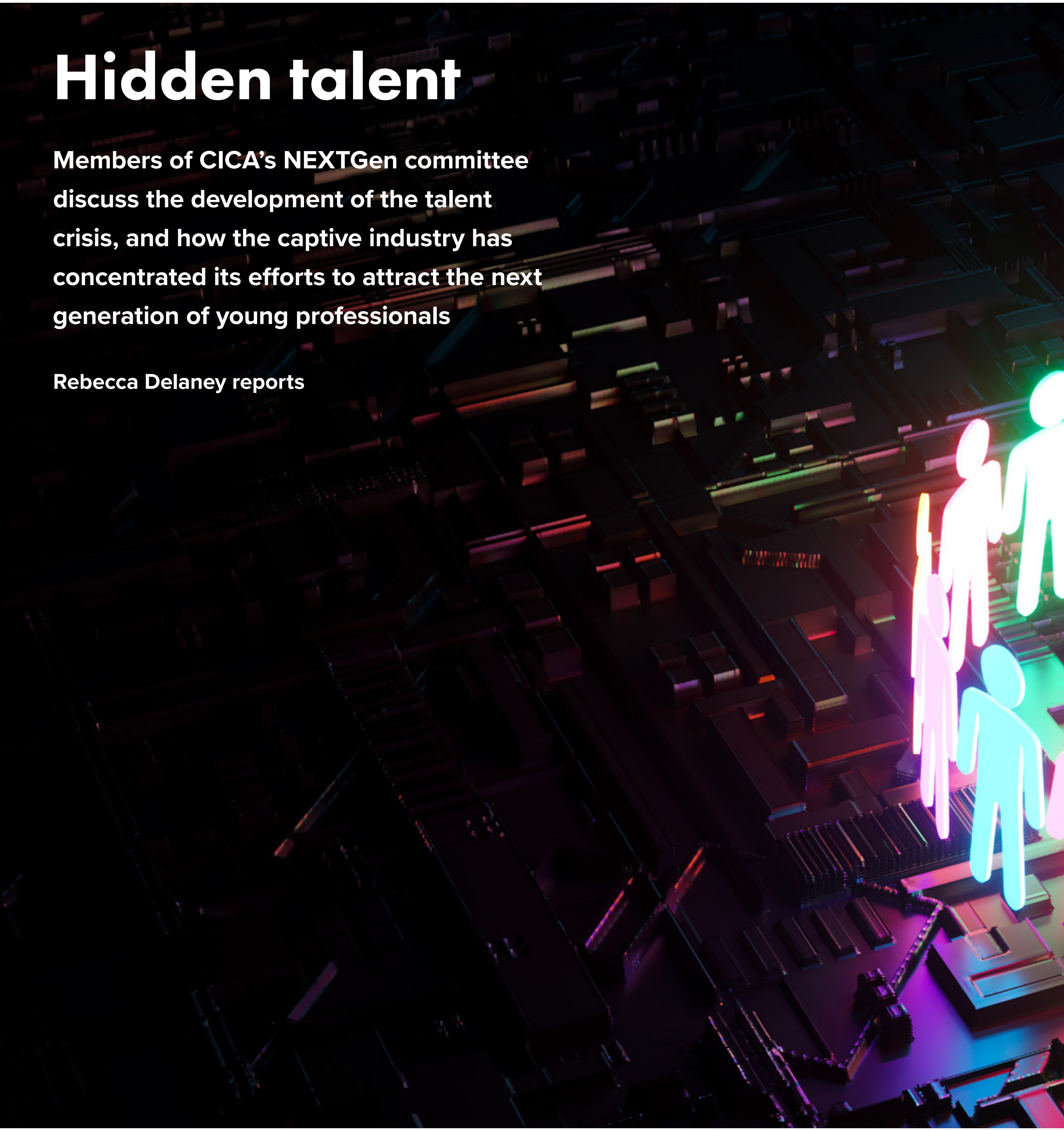

Hidden talent

Members of CICA's NEXTGen committee discuss the development of the talent crisis, and how the captive industry has concentrated its efforts to attract the next generation of young professionals

Rebecca Delaney reports

Amid the current favourable market conditions for alternative risk (such as the continued hardening market and enduring effects of the COVID-19 pandemic), the captive industry is still navigating the talent crisis that has plagued the sector for several years. The talent crisis refers to the difficulty of attracting and retaining the next generation of talent in the captive insurance industry. The most significant challenges in doing so are largely a result of two distinct factors: lack of education around the captive sector, and misunderstandings about the wider insurance industry.

For the former, Michael Zuckerman, associate professor at Temple University Fox School of Business and board member at the Captive Insurance Companies Association (CICA), explains: "Unfortunately, most university students do not know much about or understand the captive insurance industry — neither does the risk management and insurance industry or the wider public, while many who do know about captive insurance often think it is all about tax avoidance."

He identifies that the challenge for the captive industry here lies in educating insurance professionals not currently involved with captives, as well as those in other correlated disciplines (such as law, finance, accounting and operations management), on the advantages they can provide to the risk management process. This is affirmed by Karen Hsi, programme manager, Fiat Lux Captive Insurance Company, University of California Office of the President, who says: "One of the biggest challenges we face when it comes to attracting the next generation to the captive industry is the lack of education and publicity about this innovative insurance industry sector to colleges and universities."

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She adds that as a result of this "lack of education, understanding and exposure to what the captive industry is about", captive insurance is usually generalised and categorised within the larger market of traditional insurance. In lacking the sufficient marketing as a niche industry that can provide many growth opportunities for young professionals, captives often struggle to compete with the big-name, fast-growing traditional insurance companies that the next generation are more likely to be familiar with. This leads to the aforementioned challenge, a problem of misunderstanding, as the insurance industry as a whole is generally typecast as a mundane line of work lacking innovation and dynamism.

This view is more likely to be held by young millennials and Gen Z, as members of the more technologically advanced generations do not tend to regard insurance as a modern, technology-focused career.

Diana Hardy, audit partner at RH CPAs, explains: "We have to shake off the cobwebs which create the perception that the risk management and insurance industry is old and boring — the reality is that it is a load of fun to help people manage their risks more profitably based on their balance sheets."

Hsi shares the optimism that exposure to the captive sector will demonstrate its capacity to be an "innovative, engaging, fast-paced and ever-changing" industry in which a young professional can thrive and grow.

"The next generation will not get a chance to change their perceptions unless they have the opportunity early on to be immersed in the captive industry and experience opportunities like a board meeting, social networking event or a conference for themselves," Hsi adds.

Tapping the gold mine

So there is a recognition of the challenge of a talent crisis facing the captive industry — but how to address this?

Hardy says that since the issue is rooted in perceptions of the traditional insurance market as uninspiring, which then affects all sectors of insurance, the solution lies in the effective communication of information on alternative insurance markets.

Zuckerman notes that traditional risk management and insurance employers have a standard best practice to visit college campuses and recruit students through designed internships that provide a holistic view of the organisation — but "captive insurance providers are not keeping up and must follow this simple formula".

Therefore, the captive industry must establish its own educational infrastructure, which can range from early recruitment through high school intern and apprentice programmes to university talks and recruitment drives, notes Nick Hentges, co-CEO and principal of Captive Resources and CICA board member. These awareness sessions promote captives as an innovative industry that significantly impacts economies and everyday lives, as well as emphasising the potential for a multi-disciplinary career that encompasses, among others, accounting, actuarial, insurance broking and investment advisory roles across enterprise risk management, notes Zuckerman.

CICA has adopted a prominent role in this through its NEXTGen initiative. Launched in 2019, the committee programme advocates the vocality of young professionals in the captive industry through education, mentorship, skills training and networking opportunities. Prabal Lakhanpal, vice president of Spring Consulting Group, describes the NEXTGen initiative as "a prime example of recognising a problem and proactively working toward a solution".

He elaborates: "One strategy the NEXTGen committee uses to create awareness and to make captives resonate with the next generation is by highlighting all of the ways that a captive can be used as a true innovation tool, and by highlighting the technological advancements we have seen in the industry."

He adds that the task force is making a distinct effort to reach out and form relationships with schools and universities through a grassroot network to open up discussions about captives and insurance with students before they graduate.

Members of the NEXTGen committee have hosted speeches at Temple University, where they have discussed their experiences as young professionals within the captive industry, and hope to repeat at other institutions.

"So far, this has been extremely well received and we are grateful to all the stakeholders who have helped us build these relationships," Lakhanpal observes.

Hsi recognises the efforts of the NEXTGen committee to create a student internship programme to offer students the chance to gain direct experience working in the industry at the beginning of their careers.

She notes: "The industry does a pretty good job with retaining young professionals that are already in the industry, we just need to make sure we can capture the attention of the incoming young professionals and entice them to stay in the industry."

In addition to NEXTGen, CICA has held tracks at conferences to focus on the advancement and development of young talent, as well as including younger speakers on panels, forming a mentorship programme, and hosting the college student essay contest with Captive Insurance Times.

Hentges notes that the Amplify Women initiative has also been important in celebrating the current pool of young talent in the captive industry, adding that Captive Resources aims to build a culture of inclusivity so that professionals seek it out as an organisation to begin their career.

Outside of CICA, RH CPAs' Hardy highlights other successful industry programmes, including the student-run captive insurance company launched by the Lacy School of Business at Butler University in 2017. This provides hands-on experience in risk management and insurance as students take on real risk, create financial ratio reports, underwrite loss experience, utilise loss control techniques and analyse losses.

Internships sponsored by the National Risk Retention Association's (NRRA's) Collegiate Research Insurance Shadow Programme encourage college students to build their future careers in the insurance industry, as well as provide mentors and offer access to the NRRA national conference.

Hardy also notes the Risky Business programme implemented by the Alabama Captive Insurance Association (ACIA), which she hopes can be replicated by other states in due course. The multi-entity programme offers year-round internships to students in the captive insurance and alternative risk management market segments specifically.

Interns have the opportunity to work with several ACIA member companies on a five-week rotation and gain real-world experience in different sectors of the risk management and insurance industry.

"We are partnering with some of the organisations mentioned above to provide internships, and regularly meet with different universities and colleges to educate students and help them see what a career path looks like in the captive insurance industry for those working at our firm," Hardy adds.

Don't drop the ball now

Looking to the future and how the talent crisis may continue to develop, Lakhanpal notes that the current global workforce shift, dubbed 'The Great Resignation', is causing many to reassess their careers and the long-term growth potential within the environments in which they work. In addition, there is a significant number of captive professionals planning to retire over the next 18 months, which greatly accelerates the need to pass on institutional knowledge.

Lakhanpal perceives this as an opportunity for captives "to garner interest and attract talent by showing that the industry offers the stability and the opportunity to make an impact" — an attitude that is shared by Hsi.

She says: "With the emphasis and proactive approach the industry is placing on this problem, I am hopeful that we can turn it around and be successful in our recruitment and retention efforts of the next generation of our workforce in the coming months."

Taking an alternative view, Hentges says: "I personally do not see a talent crisis. There are plenty of talented young people looking for great opportunities — we just have to evolve from the way the industry has worked in the past and the perceptions that still linger."

As companies look to adapt and evolve, Hardy notes that it is important to continue to view the talent gap as a long-term crisis that requires committed collaboration, while Zuckerman warns that the captive industry as a whole must learn how to best attract the talent needed to meet both current demand and future growth by sharpening the message that is delivered on campuses.

In delivering this message, Hsi recognises that there exists a divergence between what an entry-level graduate may prioritise (such as travel, work-life balance, compensation bonuses, and company retreats and bonding events) compared to a younger mid-level professional (for example, mentorship, executive-level guidance, learning opportunities and targeted feedback sessions).

However, a common factor is that the next generation of young professionals is seeking the opportunity for career growth — something that the captive industry is more than capable of providing.

"There are plenty of positions to grow into in the captive industry with opportunities to explore and learn new areas of expertise to develop and mature. The emphasis on this being an industry where you can make your career what you want it to be is a huge benefit to working in this creative sector, and will help to attract and retain talent," Hsi concludes. ■

The Barbados Advantage

Kirk Cyrus of SRS Barbados, Darren Treasure of London & Capital, and Gregory Smith of Deloitte discuss current market conditions in the captive industry of Barbados, and the landscape of emerging risks

Rebecca Delaney reports

As the most eastern of the Caribbean islands, Barbados is situated approximately 1,600 miles southeast of Miami, allowing for a relatively easy airlift to mainland financial hubs, including the US, Canada and the UK. Having existed as a fully independent sovereign nation since 1966, the captive market emerged in the 1980s following the passage of landmark legislation. In particular, Barbados is recognised as an international business domicile, which Gregory Smith, business consultant at Deloitte, notes is a result of the island's established international reputation, and robust infrastructure and workforce.

This is complemented by the available range of professional services, such as an established legal profession and international accounting firms providing tax, advisory and corporate services.

However, an A.M. Best country risk report published in August this year determined Barbados to be in tier 4 ('high') for both economic risk and financial system risk, as the rating agency identified that Barbados' economy has been in contraction since 2017 owing to reconstruction efforts following Hurricane Irma.

In addition, the COVID-19 pandemic and the heightened frequency and severity of natural disasters has highlighted the vulnerability of many Caribbean countries that depend heavily on tourism — in the case of Barbados, tourism accounts for more than 35 per cent of the gross domestic product (GDP).

The report determined that in 2020, the GDP of Barbados contracted 17.6 per cent; however, this is projected to grow by 4.1 per cent in 2021 and 7.7 per cent in 2022 respectively.

Kirk Cyrus, managing director of SRS Barbados, affirms: "2020 was characterised by a contraction in global GDP, primarily due to the COVID-19 pandemic. Despite this slowing of economic activity, on the flip side there were further opportunities for the use of captives to solve new and emerging insurance risks."

Smith adds: "Companies of all sizes are thinking more about their insurance programmes and all lines of coverage, which has created increased interest in the captive

option, while existing captive owners are also looking at ways of increasing utilisation of existing structures.”

The captive industry in Barbados is predominantly driven by the US and Canadian markets that use the islands as a captive domicile, according to Darren Treasure, executive director, Caribbean, London & Capital.

“For 2021, there has been a very uplifting and optimistic market outlook here, the majority driven by the continuation of the hard market, which is encouraging US and Canadian companies to consider self-insurance through a captive, and Barbados tends to be a very popular destination for those companies,” Treasure explains.

This is affirmed by Cyrus, who notes that price increases, declining capacity and increasing deductibles have continued in an upward trend over the last three years in the commercial insurance market, therefore galvanising interest in alternative risk.

“The high interest and awareness in captives is consistent with the many new formations across all the major domiciles, and this includes Barbados,” he explains.

“These entities have been at the forefront of recent insurance renewals by providing purchasers with a stronger negotiating position within the market. Some will make the further point that the insurance market has not been this hard since as far back as the mid-1980s. The reality is that alternative risk financing in the use of captives is critically important.”

Furthermore, Cyrus identifies that captives are being utilised for an ever-increasing list of coverages, from management liability (such as directors and officers or fiduciary liabilities), medical stop-loss and voluntary employee benefits in group captives to specific catastrophe exposures in a reinsurance pool.

For Barbados captives in particular, insured risks range from natural disasters and extreme weather to terrorism, cyber and reputational damage, among others.

A.M. Best’s market segment report from December 2020 determined that rated captives in Barbados, Bermuda and the Cayman Islands continued to outperform their US commercial casualty peers in terms of both underwriting and operating profitability.

The report found that the advantages and consistency of local captive management and associated regulations have allowed the group of domiciles to maintain and expand their presence in the captive market.

“The landscape in Barbados is experiencing a very similar trend to what the global insurance market is doing, again predominantly driven by the hard market,” explains Treasure.

He adds that this “growth opportunity” is also driven by the formation of new emerging risks that lack coverage in the commercial insurance market, such as cyber and pandemic risks.

“As organisations realise there are no insurance solutions in the commercial market, they turn to captive insurance to cover some

images by feydzhet_shabanov/stock.adobe.com of that risk. So, the landscape for captives in Barbados is within the industry trends, and there is some growth niche here as well."

A.M. Best also noted in its market segment report that the largest captive managers and advisors have a global reach beyond the domicile, allowing for strong retention and growth in the number of captives registered in Barbados. Of these companies, ratings remain in the 'A' to 'A-' range as a reflection of their generally robust balance sheets, integrated risk management practices and the inherent advantages of being owned by member insureds.

Latin America is also a significant growing segment of the captive industry in Barbados, attributable to the experienced employment base that is well versed in setting up and managing a captive while adhering to economic substance rules.

There are efforts to develop a double taxation agreement (DTA) with Mexico alongside similar arrangements with Panama, Venezuela and Cuba, mirroring the US-Barbados DTA of 1984 that began the captive market in the domicile, as it allowed an exemption of the federal excise tax usually applied to reinsurance or insurance paid to a non-US corporation.

Cyrus notes: "While Barbados has not evidenced the same volume as some of the other established domiciles since [the US-Barbados treaty was in effect], it is undeniable that the country remains an important domicile. The expectation is that formations will continue, with an expansion in lines of coverage and premium."

He adds that this expansion of the captive industry will be judged by the island's ability to obtain a significant share of the premium market volume, as the Government of Barbados has made attempts to facilitate this process by modernising the public sector, establishing the government economic development agency Invest Barbados, and updating insurance regulation.

The regulatory environment of Barbados has certainly evolved to more effectively address systemic changes in the commercial market and burgeoning interest in alternative risk.

Originally, the captive industry in Barbados began by operating under the Barbados Exempt Insurance Act, which qualified an exempt insurance company as a firm incorporated in Barbados with a minimum capital of US$125,000 and at least one director as a resident citizen of Barbados.

Exempt insurance companies were not taxed on their profits for the first 15 years, after which they paid a rate of two per cent on the first $250,000 worth of profits. Other incentives for this qualification included no requirements to file tax returns or publish financial information, reasonable solvency requirements, and provisions for inward and outward re-domiciliation.

Although this legislation expired in 1991, it was fundamentally instrumental in allowing Barbados to construct a solid reputation as a good captive domicile. Exempt insurance companies are now governed by the Insurance Act, which has three separate classes of insurance licence.

Smith adds that captive and insurance entities licenced under this legislation are governed by the Financial Services Commission of Barbados, which is responsible for establishing standards for the control and management of risk in the financial services sector, and promoting stability, public awareness and confidence in the operations of financial institutions.

In another A.M. Best segment report, the rating agency identifies that the Organisation for Economic Cooperation and Development's framework against base erosion and profit shifting meant that Barbados had to reevaluate its insurance legislation to ensure all ring-fencing was removed to remain compliant while still remaining an attractive captive domicile.

Cyrus explains: "Barbados has sought to participate in the discussions involving the finance leaders from the G7 in relation to the global minimum corporate tax rate from the perspective of how this affects current and future captive owners."

He adds that anti-money laundering and economic substance requirements are regarded as an opportunity for Barbados compared to other competing domiciles, owing to the island's highly educated local workforce, which means the insurance sector is far less reliant on foreign professionals.

Smith adds: "Barbados' strength over the years has been its infrastructure, in particular its people. When clients come to Barbados, most of the people they will interact with — be it captive managers, attorneys, auditors or other service providers — will be well-qualified and experienced Barbadian nationals."

Smith points out that this enables clients to form long-term relationships with service providers, which provides advantages against competing domiciles that may have a higher turnover.

Treasure summarises: "As far as the regulatory environment goes, we have a very capable, knowledgeable and accessible regulator that is willing to work closely with captive managers and captive owners to help form new captives."

"Barbados has a very strong reputation for good regulation, as captives and all financial services have always been regulated industries here. The strong regulatory presence is very accommodating in bringing the right types of companies and captives here to Barbados," he continues.

Treasure highlights that this is because regulators are working together to achieve a common goal: to bring growth and economic prosperity to Barbados. Therefore, they value the contribution of captives to the Barbadian economy.

Cyrus echoes: "What Barbados offers captive owners is certainty of legislation, transparency, and regulatory compliance within the framework of international best practice. Paramount in whatever the domicile does is that the right environment must be created to thrive in a fast-developing global landscape."

Examining this context of the global landscape, like so many countries and industries, the captive sector in Barbados suffered as a result of the lockdowns imposed during the COVID-19 pandemic, with Treasure stating: "In my own personal experience, and similar experience with others, the ability to travel, make new relationships and strengthen networks in the captive sector has been difficult as a direct result of the COVID-19 pandemic."

Building on his earlier point, Cyrus identifies that the pandemic was conducive to creating an environment of lower appetite among traditional insurers, causing existing captives to seek to address contingent business interruption relating to supply chain, trade credit and loss of customers and suppliers.

Smith elaborates: "COVID-19 has added another layer of complexity to the analysis of insurance requirements of any business. One would think that this creates opportunities in the captive market as a captive allows more control in terms of the level of risk that can be retained. Even now, captive insurance solutions are necessary since new capital is required to absorb market volatility. This must be in response to the significant withdrawal of capacity that has been the commercial market's response to the many new and complex risk challenges," Cyrus adds.

Treasure notes that as the industry and the rest of the world (particularly Canada and the US as they drive Barbados as a captive domicile) begins to open up again, Barbados inevitably benefits as companies reignite interest and discussions around the domicile and plans move forward once again.

Moving forward, Treasure points out that there are always new emerging risks for which the captive industry can provide a solution. He identifies over-regulation and a lack of business facilitation as potential challenges — this is an issue that is frequently discussed within different forums in Barbados to improve the business facilitation aspect of the domicile.

Specific to Barbados, being situated in a hurricane region means that companies looking to set up a business in the jurisdiction must consider that they will be subjected to certain emerging environmental risks, which Treasure warns could impact the captives and staff that operate out of Barbados.

"What Barbados offers captive owners is certainty of legislation, transparency, and regulatory compliance within the framework of international best practice"

Cyrus adds that the agriculture sector poses an interesting discussion point for future captive coverage, with specific risk exposures "relating to crop production in the form of organic or genetically modified crops, the type of product as in the case of cannabis, the impact of weather on output, and even a business' contribution to pollution and environmental impairment".

"Because captives are all about risks, emerging risks can sometimes be a good thing — they can be an opportunity for a captive to ensure that risk or to self-insure. So as far as the industry goes, as long as there is risk out there, the captive industry is here to stay," Treasure concludes. ■

International specialist legacy group Compre has appointed Brid Reynolds as group chief risk officer, effective immediately.

Based in the group's Bermuda office, she will report to group chief operating officer Simon Hawkins. In her new role, Reynolds will be responsible for overseeing and developing global risk functions as the group continues its established understanding of the acquisition and management of legacy non-life insurance and reinsurance business.

Reynolds previously served as vice president and head of capital, management and regulatory reporting at QBE, before which she held the position of principal of insurance supervision at the Bermuda Monetary Authority.

Hawkins comments: "Brid brings a wealth of experience to Compre and our expanding Bermuda team. Her expertise will help enable our significant expansion aspirations through leading our global risk framework. Brid will also advise us as a business partner on all transaction activity and its associated risk appetite and tolerance which is part of our new value creation strategy. I am very pleased to welcome her to the team."

Reynolds adds: "Compre has built a leading reputation as a global legacy player, and I am delighted to join them during this exciting and deal-driven environment."

"Following the launch of their Bermuda operation last year, I look forward to working with the team to enhance their run-off capability and client-centric approach to the US run-off market."

Captive Resources has appointed Wyatt Steele as vice president, captive executive.

The group captive consultancy firm administers a risk-reward-based group captive model in property, casualty (including workers' compensation, general liability and auto) and medical stop-loss coverages. Captive Resources' solutions are implemented across a range of industries, including but not limited to manufacturing, transportation, food and beverage, healthcare and agribusiness.

Steele is well experienced in the captive insurance and financial services industries, having previously served as a senior captive insurance professional at Willis Towers Watson for almost eight years.

In this previous role, Steele was responsible for a portfolio of group captive programme management, development, underwriting, client account management and financial reporting. In addition, he supported a large single-parent captive in which he was responsible for advising client representatives, undertaking risk analysis and price calculation modelling, and overseeing policy and documentation development.

Before this, he served as asset management accountant at Jackson National Asset Management, where he monitored financial data relating to mutual fund assets. ■

Global Captive Management (GCM) has named both Mark Aylward and Andrew MacKay as assistant vice president.

The firm provides management services to a variety of captive structures, including single-parent, group, segregated portfolio, micro, and 953(d) captives.

Both joined GCM as account executives in 2016, with Aylward having previously served as assistant manager at a Big 4 firm and MacKay as manager at KPMG respectively.

At GCM, Aylward is responsible for managing a portfolio of single-parent and group captive clients across a range of industries, including construction, healthcare, surety bonds and reinsurance of local and municipal self-insurance pools.

MacKay has experience in managing clients across the sectors of engineering, construction, real estate, information technology and healthcare systems.

Commenting on the promotions, Ian Bridges, senior vice president at GCM, says: "This is a great individual achievement for both Mark and Andrew."

"It is a culmination of their continued personal dedication and positive impact to the culture at GCM. It is a special time when we can recognise their successes."

MS Amlin Underwriting Ltd (MS AUL) has named Rachael Wallington as head of speciality reinsurance.

The alternative risk transfer segment of MS Amlin Group offers captive fronting services for large companies with a captive reinsurer, covering a range of risks such as cyber, merger and acquisition, political, reputational and business interruption. In her new role reporting to head of reinsurance Matthew Wilken, Wallington will be responsible for overseeing MS Amlin's speciality reinsurance team, including the business lines of agriculture, terror and nuclear. Wallington joined the global reinsurer in 2015 as lead class underwriter for agriculture reinsurance, where she was instrumental in strengthening the business' agricultural portfolio.

Before this, she served as property treaty underwriter and casualty pricing actuary at Munich Re and specialty underwriter and actuary at Montpelier Reinsurance Holdings, respectively.

Commenting on the promotion, Wilken says: "I am delighted to announce Rachael's new senior role in the organisation. Her promotion is demonstrative of the deep bench of talent and expertise present within MS AUL. Since joining MS AUL, Rachael has been an integral member of the reinsurance team. Her strong analytical capabilities, global multi-class experience and market knowledge provide the ideal foundations to build out and manage the specialty-focused reinsurance team."

Capterra Risk Solutions has appointed Judy Beeler as captive account manager.

The captive management firm provides risk management services throughout the process of establishing a captive, including feasibility studies, business plan development, corporate governance, and underwriting expertise. In her new role, Beeler will underwrite the risk exposure and draft the policy language of self-insured arrangements, captive formations and other alternative risk management services, as well as draft proformas and underwriting analysis in support of submission to the domicile.

She will work with clients, actuaries, accountants, attorneys and other services providers in all captive management services.

In addition, Beeler will coordinate loss runs, provide claims committee oversight, and conduct board meetings for each captive insurance company client.

Beeler previously served as account manager at Marthinsen & Salvitti Insurance Group, where she was responsible for identifying clients' exposure to loss, negotiating competitive insurance programmes with underwriters, and monitoring the entire risk transfer process, among other duties.

Before this, she was insurance coordinator at Beacon Communities, where she assisted management of the property and liability insurance programme, tracked and monitored general liability, auto and property insurance claims, and arranged inspections and certifications.