

# Evolution of the Captive Landscape

The ways in which captive control and flexibility  
are being utilised to benefit multinationals



## **A Question of Substance**

The meaning of 'economic  
substance' for tax jurisdictions

## **Industry Appointments**

Mosaic Insurance welcomes  
new team to Frankfurt office

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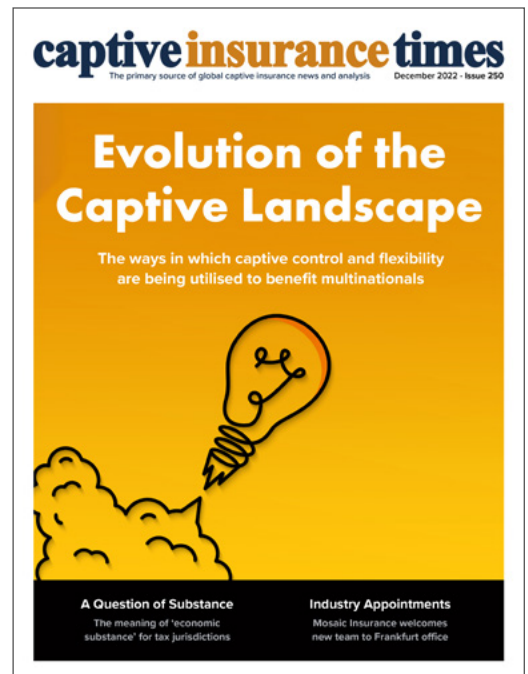
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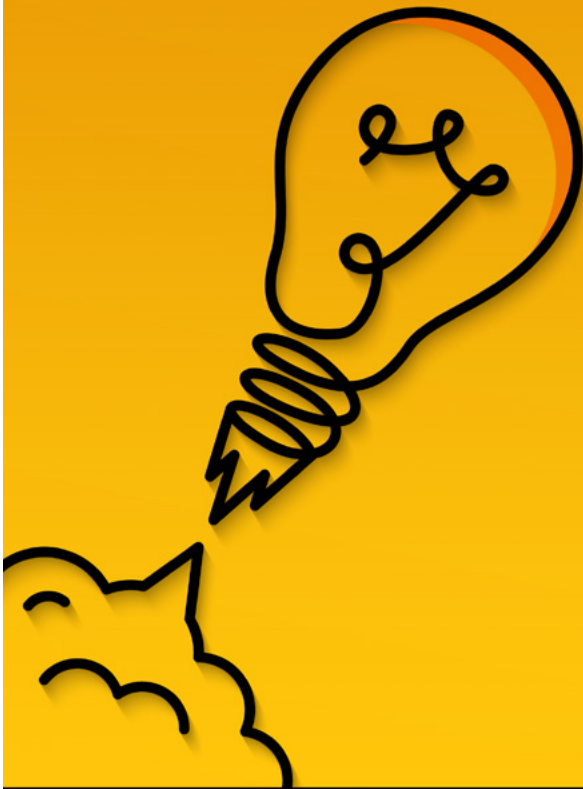
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## AM Best maintains its market segment outlook

AM Best has maintained its market segment outlook for the global reinsurance segment as stable, citing the presence of highly uncertain market conditions with positive and negative factors offsetting one another.

According to AM Best's new market segment report entitled, "Market Segment Outlook: Global Reinsurance", among the negative drivers is the heightened natural catastrophe activity that continues to test investors' risk tolerance levels.

The report also highlights geopolitical and economic uncertainty, in addition to growing claims costs.

Despite improving pricing trends and tighter terms and conditions, the report indicates that new traditional capital is cautious and remains on the sidelines, and similar constraints are being seen on the insurance-linked securities side of the market, particularly for retrocession capacity.

Several offsetting positive factors are recognised in the report, along with upward pricing momentum and enhanced market discipline, including tighter terms and conditions. According to the ratings company, the demand for reinsurance capacity continues to grow, as primary insurance carriers seek out stable results and capital efficiency.

The report says early expectations of reinsurance rate increases started to attract new capital in 2019, in the hopes that natural catastrophe activity would subside and return to average historical levels. However, that hope has been negated by Hurricane Ian, estimated to be one of the costliest insured events in recent history.

Carlos Wong-Fupuy, senior director, AM Best says: "While the segment remains well-capitalised, ongoing interest rate hikes and volatile investment markets have materially reduced shareholders' equity on a market value basis." ■

## AGCS targets major growth opportunities in captive solutions and captive fronting

Allianz Global Corporate and Specialty (AGCS) is enhancing the capabilities and resources of its alternative risk transfer (ART) line of business, by targeting growth opportunities in captive solutions with a strong focus on captive fronting. The initiative comes in response to a growing customer interest in tailored solutions that complement traditional property and casualty products.

As well as targeting growth opportunities in the captive sector, ART will focus on the area of structured solutions, which are multi-year and multi-line coverages that include parametric coverage.

In addition, the AGCS captive solutions team, led by Brian McNamara, has been integrated into the AGCS' multinational business to serve multinational companies with their own in-house insurer. The team will house a broad range of solutions, powered by the global network of Allianz Group in more than 200 countries and territories.

On top of captive fronting, AGCS provides a range of solutions for captives including reinsurance and stop-loss mechanisms to protect the captive retention. It also supports captives with additional structured solutions for specific risks.

McNamara, who is based in Bermuda, says: "In the past two years, many organisations turned to captives by establishing new in-house insurance programmes or expanding existing ones by adding new lines of coverage, such as cyber or even third-party risk from customers or suppliers.

"We can help captive parents get the most out of their captive and [to]



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**Europe’s captives showing their worth amid changing market dynamics, says AM Best**

Insurance rate increases are driving an uptick in the use and importance of captives in Europe, according to new analysis from AM Best.

In a report, entitled “Europe’s Captives Show Their Worth Amid Changing Market Dynamics”, AM Best highlights that the uptick in the use of existing captives is an industry response to hardening market conditions.

Many company’s captives are being used as tools to provide their owners with the flexibility to navigate the insurance cycle and maintain access to cover on an ongoing basis, AM Best says.

It also notes that several European captives have increased retention or limits on existing cover.

In some instances they have also expanded into new lines of business as their parents have looked at increasing captive utilisation.

The report also explains that while the hardening market provides opportunities for captives to demonstrate their value, it also presents challenges.

Many captives are highly dependent on reinsurance capacity to be able to offer the large limits required by their parent groups. Even those with good claims records are likely to face price increases for their reinsurance programmes in the 2023 renewals.

**VCIA to host captive taxation webinar**

The Vermont Captive Insurance Association (VCIA) is to host a captive taxation webinar on 15 December 2022 that will present aggregate data on all active captives domiciled in Vermont.

Speakers at the webinar will include Daniel Kusaila, a partner with Crowe Insurance Tax Practice, Charles J Lavelle, partner at Dentons Bingham Greenbaum LLP, and

Kevin Mead of VCIA, who will moderate the event.

The VCIA says: “Session highlights will include an overview of state and federal tax activity from 2022, as presented through a fact-based case study of Trustworthy Insurance, a Vermont-based captive.

“Our panellists will include an overview of recent, notable court cases and IRS actions that impacted the decisions made by the courts throughout the Trustworthy Insurance discussion.

“Our tax specialists will be monitoring the current tax landscape through the days leading up to this webinar to ensure the audience receives real-time updates on the state and federal tax environments.”

**Delaware Life Insurance Company under AM Best review**

AM Best has placed the financial strength rating of A- (Excellent) and the long-term Issuer credit rating of “a-” (Excellent) of Delaware Life Insurance Company of New York (DLNY) under review.

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The news comes after Nassau Financial Group, L.P.'s subsidiary, Nassau Life Insurance Company, announced it was to acquire DLNY.

AM Best says the transaction is subject to regulatory approval and other closing conditions.

The ratings of DLNY will remain under review with negative implications until the close of the transaction, which is expected to take place in the second half of 2023, when AM Best will review the post-transaction details.

According to AM Best, DLNY has approximately US\$1.8 billion of total

assets with \$1.0 billion in separate account assets, with 16,000 policy holders in a reserve profile dominated by annuity liabilities.

The ratings of the remaining members of Group 1001 Life & Annuity Group remain unchanged as DLNY represented less than 5 per cent of the group's total assets and was in run-off, adds AM Best.

**Warburg Pincus acquires K2 Insurance Services from Lee Equity Partners**

Global growth investor Warburg Pincus has acquired K2 Insurance

Services (K2), a specialty insurance programme manager, from Lee Equity partners, LLC (Lee Equity), a private equity firm.

According to K2, the investment will support the firm's continued growth strategy, including M&A and the de-novo incubation.

The terms of the transaction were not disclosed.

K2 has a diversified portfolio of 24 specialised programmes across four key segments: specialty commercial, specialty transportation, international, and personal lines.



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They also provide a number of centralised services to managing general agents.

Bob Kimmel, CEO and co-founder, says: "I am incredibly proud of our achievements and growth since K2 was founded over ten years ago."

"Partnering with Warburg Pincus, who has a long-standing track record of cultivating world-class businesses, reflects the hard work and strong culture of our team, and loyalty of our customers."

Jeff Stein, managing director at Warburg Pincus, adds: "As a long-term investor in the insurance sector, we believe K2 has significant growth potential and are excited to partner with Bob and the K2 team to build upon the company's history of success, and expand their offerings in this dynamic and growing market."

**Risk Strategies acquires Wallace Specialty Insurance Group**

Specialty insurance brokerage and risk management firm Risk Strategies has acquired Wallace Specialty Insurance Group. The terms of the deal were not disclosed.

The addition of Wallace Specialty builds on Risk Strategies overall capabilities in serving medical professionals.

Based just outside of Dallas in Richardson, Texas, Wallace Specialty was founded in 2012 by Kyle and Terri Wallace to provide the dental industry with insurance services. The firm creates custom insurance plans for dental service organisations, dentists as well as oral and maxillofacial surgeons.

Wallace's offerings, for these clients, include professional liability, property and

general liability, workers' compensation, management liability, individual and group benefits, among other services.

Commenting on the acquisition, Steve Giannone, central region leader at Risk Strategies, says: "Risk Strategies strong, steady success has been built on focused, specialty expertise that helps clients confidently manage an increasingly complex world. Wallace Specialty group will add new specialty expertise to our capabilities."

Kyle Wallace adds: "We know that specialty expertise creates real value for clients and our business. "

"As part of Risk Strategies, we're able to preserve that specialty focus while expanding our capabilities for existing clients and our appeal to prospective clients." ■



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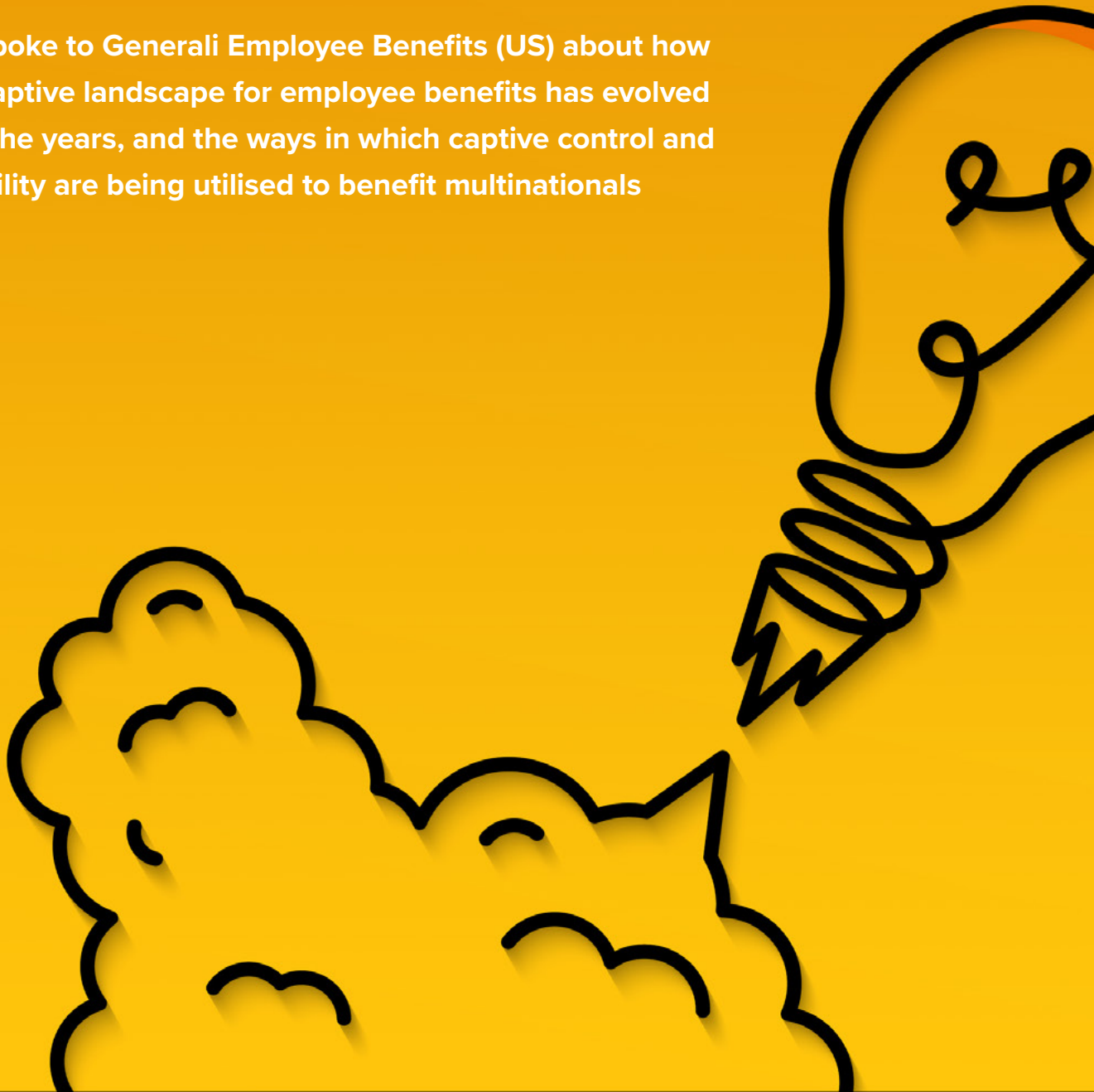
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# The evolution of the captive landscape

CIT spoke to Generali Employee Benefits (US) about how the captive landscape for employee benefits has evolved over the years, and the ways in which captive control and flexibility are being utilised to benefit multinationals



**James King:** The biggest evolution in recent years has been the shift to centralisation. In the past, underwriting was mostly assessed on a local basis. In other words, the expertise was situated at the local level — the local insurer would provide its proposals along with the recommended rate actions.

This would then be presented to the captive client who would tend to agree with the combined local insurer or Generali Employee Benefits (GEB) recommendation.

Over recent years, GEB worked in partnership with global employee benefits consultants to evolve this approach, to be in line with client specific needs. Though local level expertise will always be important, the evolving requirements of multinational benefit programmes has shifted the need to look at global programmes under a centralised model.

This process still involves local level underwriting with regards to rate review recommendations and benefit changes. However, with a centralised approach, GEB can help clients take an enhanced strategic global view of their benefits. This includes access to and understanding of global underwriting year data, otherwise known as occurrence year reporting — a new development from GEB.

This reporting provides additional granularity for many of GEB's network partners to support a more accurate view of where their reserves and risks lie. GEB continuously adds this capability for new countries within its portfolio.

These additional data points allow GEB to improve upon its dedicated medical dashboards and innovative disability report, putting captive owners in a unique position to actively manage their global employee benefits portfolio.

We need to always be mindful that the captive is bearing some, if not all of the insured risk. In the past, they were relying on the guidance of local network partners. This still happens in a centralised model, however, there is an extra layer of underwriting now.

This global view is valuable to everyone concerned. For example, in some countries during the COVID-19 pandemic, GEB saw a lot of spikes in claims. Captive clients, consultants and clients approached GEB to provide an overall picture of the market, due to the fact that GEB has so many different captive clients. They wanted to know what other captives were doing to deal with the situation.

*“The demand for underwriting year data, and tailored renewal templates to meet the needs of each captive, have increased greatly over recent years”*

**Silvia Feijoo**

**Binay Oli:** Building on what James has said, this shift to a centralised approach means that captive clients now have a much more informed and strategic approach to global employee benefits, allowing for programme improvement and benefits change on a global basis.

Local level underwriting provided insights into where the true risk was for one subsidiary in one country — it was essentially a guidepost. Now, with underwriting year data, richer risks and reserves data can be achieved across entire portfolios. In practice, this means that the captive client is better informed and equipped to balance risk.

With the development of underwriting year data, it's also worth noting that GEB has also designed and developed new tools for captive clients to access their reporting remotely, via secure accounts accessible online, as well as via their local device. These tools are developed in addition to the GEB underwriting reports.

The underwriting data has always been available through the collection of the data templates. Now, GEB is also able to provide it centrally through the client data centre. It can provide captive clients support and training for utilising the tools, if needed.

**Silvia Feijoo:** The biggest evolution can be seen in the amount of data that captives are now collecting to manage and monitor their programmes' terms and conditions with their plans and designs globally.

Consequently, the demand for underwriting year data, and tailored renewal templates to meet the needs of each captive, have increased greatly over recent years. This is in addition to an increased demand for invoice collections, premium trackers, concentration of risk data, triangle claims data and health and wellness reports.

Traditional quarterly reports, based on accounting year data, are no longer sufficient. This year, GEB has really made great strides to ensure that underwriting year data is available in a number of countries. This roll-out is due to continue into 2023.

### Control and flexibility

**King:** Risk is held by the captive, therefore, it has the control and flexibility to change terms and conditions. To do this quickly, obviously within the confines of rules and regulations, represents a considerable advantage as opposed to holding the risk locally — where you would have to stick with the terms and conditions that were set by market practice.

An example of this is the changing demographic of the workforce, particularly with regards to people working later in life; employees are working beyond the traditional retirement age of 65. Usually, policies have a cap on age, however, captives have the flexibility to extend that cap in line with workforce and organisational needs.

**Oli:** Captive clients are requesting the removal of increased exclusions; this is the way the market is heading. For example, in countries where it is legally possible to have gender change surgery, the captive is very willing to cover this as part of its global benefit programme.

**Feijoo:** This control and flexibility is also evident in the mental health campaigns that we have helped some of our captive clients with. Our health and wellness teams have been doing a really





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excellent job in connecting with different providers and making services available to clients where appropriate.

One recent case in point, was a client looking for solutions in Thailand, with regards to preventing people heading straight to hospital – and sometimes staying overnight – for common respiratory ailments, such as the common cold. This is market practice, but the client wanted to educate their insured members that going to a doctor, and considering an outpatient visit, was also an option. We collaborated with this client, and a provider, to compile material to help educate their insured members. This kind of intervention by our health and wellness teams has been very helpful in recent years.

In terms of control, captive clients are usually in the driver's seat, unless regulatory market restrictions, absence of GEB's network partner in a particular country, or local product filing, prevents them from taking the wheel.

**King:** With regards to health, the ability for captive clients to look at their medical data on a global basis represents a significant advantage as part of reporting developments. This can be one of the main areas of spend for most. The reporting allows clients to identify where big areas of spend are and to look at where there might be gaps in their programme. GEB can help identify a global solution to fill that gap.

### Audit

**Feijoo:** With increased regulatory and compliance oversight, captives have to fulfil certain audit requirements, determined by the respective captive domicile, or due to internal corporate guidelines and networks. They are tasked to assist with these as best as possible. For example, in Switzerland only the local client can request and perform a local audit, not the captive.

Generally, captive clients will select two to three countries every other year and will either process them in person or via email through data exchange. The audit process timing varies from country to country, group size and coverage.

Generally speaking, captives are a risk management vehicle that afford corporations with more oversight and control to enforce compliance. The captive model for employee benefits has become much more sophisticated and continues to be the fastest growing segment in international employee benefits — this comes with greater regulatory attention and complexities. ■

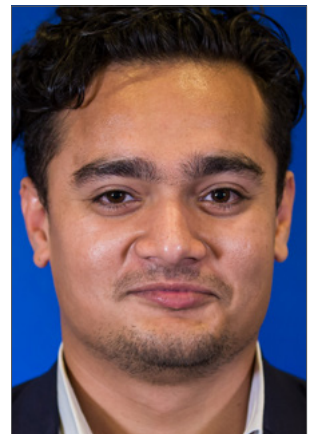
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# A Question of Substance

Barney Dixon outlines the meaning of 'economic substance'  
and what its measure means for tax jurisdictions



The concept of “economic substance”, in companies operating in no or nominal tax jurisdictions, such as Anguilla, the Bahamas, Bermuda, and Barbados, has become a key focus point for EU and Organisation for Economic Co-operation and Development (OECD) efforts.

In recent years, the EU and the OECD have targeted entities with no or minimal substance. In reviewing preferential tax regimes, the EU developed a Code of Conduct on Business Taxation. Now, with the more recent OECD Forum on Harmful Tax Practices (FHTP), such areas are facing more scrutiny — with the natural outcome being that captive insurance companies domiciled are facing the same scrutiny.

Under this scrutiny very few tax jurisdictions have been setting out and creating entirely new regulatory regimes. In compliance with recent EU and OECD requirements, these new regimes aim to stop jurisdictions from being used to facilitate the use of structures which attract profits but do not reflect real economic substance in the jurisdiction. An entity domiciled in such a jurisdiction must demonstrate that it is carrying on business there.

As of 2021, the OECD has been annually monitoring substance in no or only nominal tax jurisdictions, and has claimed that there has been progress on the implementation of an international standard on harmful tax practices. Many of the jurisdictions targeted by this review have been classed as “not harmful”, with many introducing economic substance requirements as of January 2019. However, some jurisdictions, such as Barbados, have been asked to provide improvements to certain aspects of their effectiveness, such as compliance actions and exchanges of information.

But how has scrutiny and subsequent legislation related to economic substance affected these jurisdictions? More specifically, have there been any widespread repercussions for captive insurance companies domiciled there?

***“CIGA is defined as the predicting or calculating of insurance risk(s); the (re)insuring of risk; and the provision of insurance business services.”***

**Kirk Cyrus, Strategic Risk Solutions**

### The effects on pride and industry

Barbados, as an example, implemented its Companies (Economic Substance) Act in 2019. The objective was to impose an economic substance test for companies carrying on relevant activities in Barbados, including insurance companies. The act involves a test, and allows for enforcement action in circumstances where entities do not meet the qualifying requirements.

According to Kirk Cyrus, managing director at Strategic Risk Solutions, a resident Barbados company meets the economic substance test in relation to a relevant activity carried on by that company where it has been confirmed that the company conducts its core income generating activities (CIGA) in Barbados, and the company is directed, managed, and controlled in Barbados in relation to that activity.

With respect to insurance, Cyrus says that CIGA is defined as “the predicting or calculating of insurance risk(s); the (re)insuring of risk; and the provision of insurance business services.”

“The impression given by the EU/OECD members is that the Caribbean region is being used by multinationals to shift revenues to reduce their tax liability, and by individuals to engage in various illegal activities. The genesis of the establishment of substance legislation across international financial centres, as I understand, started with the EU establishing a code of conduct group for business taxation that has largely become a pathway for a global OECD standard.”

Cyrus adds that the enactment and enforcement of the legislation in Barbados seems to have satisfied “all reasonable expectations and the country can definitely be considered as having fulfilled its commitments to the EU/OECD in this respect, for the time being.”

He notes that the fallout of a blacklisted country “will always be one of reputation damage and stricter controls over financial transactions.” He describes this as a “serious threat” to the economic security of financial services in the region that are reliant on correspondent banking relationships in EU/OECD member countries.

Has the implementation of the legislation affected captive insurance companies domiciled in Barbados, and has it had any wide reaching effects on the industry? “The simple and unequivocal response in both instances is ‘no,’” says Cyrus.

According to Cyrus, Barbados’ main source market for international insurance remains significantly in Canada, accounting for just over 50 per cent total licensees.

“Canadian parented licensees have existed in Barbados in some cases for almost 40 years, reinforcing the long-held view that using a Barbados captive as an alternate risk financing solution for that market is effective under the right circumstances,” he continues.

Cyrus says that some of the EU/OECD’s requirements already hold some standing for captive insurance in Barbados, due to the Canada/Barbados Double Taxation Agreement (DTA), that came into force in 1980.

Since then, “licensees have been subject to a ‘mind and management test’ on their operations,” Cyrus says, “notwithstanding the fact that DTAs will typically contain rules for determining residency, ‘mind and management’ as a common law concept has generally established that a company is resident in the country where its central management and control is exercised.”

“That test has been considered many times in case law and a foreign company will not be considered to have its mind and management in Canada if a majority of its directors are not resident in Canada. All directors meetings take place in a foreign jurisdiction, a majority of the non-Canadian resident directors attend those meetings, substantial independent thought is exercised by the directors, and the foreign company’s directors implement business decisions made from Canada.”

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He continues: “Over the years, various taxation professionals have repeatedly stated that dividends paid in Canada from the active business income of a foreign affiliate are generally received free of Canadian tax as ‘exempt surplus’ in accordance with Section 95 of the Federal Income Tax Act, provided that the foreign affiliate is resident in a treaty country like Barbados, both under the common law principle of central management and control, or as defined in the applicable DTA.”

“In reality, the requirement for Canadian foreign affiliates to meet the ‘mind and management’ litmus created an operating ethos since the mid-1990s to such an extent, that licensees, regardless of the source market, were already adhering to the general requirements of the economic substance legislation when enacted at the start of 2019.”

According to Cyrus, there has been an acceptance of purpose and intent of the new legislation among stakeholders, with the only real impact being the need for licensees to annually file an Economic Substance Declaration with the director for International Business in Barbados within 12 months of the last day of each fiscal period.

Cyrus says that this declaration requires a confirmation of whether or not licensees are carrying on a relevant activity; whether or not they derive income from a relevant activity; whether that relevant activity is subject to tax in a jurisdiction outside of Barbados; if they are compliant with economic substance requirements in a jurisdiction outside of Barbados and evidence in support; and proof of the date of the end of the fiscal period.

### Staying ahead of the curve

With 2019’s legislation in mind, for prospective captive owners looking to operate in Barbados, Cyrus’ advice is to ensure the engagement of a “knowledgeable and experienced insurance manager.”

“That manager would be expected to have the ability to perform the daily operations of the company, considering the special legislative and regulatory requirements, while maintaining a strong working relationship with a key stakeholder like the insurance regulator, which in Barbados is the Financial Services Commission.”

He continues: “Furthermore, a resident Barbados company is required to satisfy economic substance in relation to its insurance

business, if the CIGA is conducted by a legal person in Barbados, and the licensee is able to monitor and control the actions carried out by that person, in Barbados.”

Cyrus notes that the importance of choosing the correct insurance manager is further appreciated as the legislation allows the outsourcing of operations to third parties.

The licensee must also be able to demonstrate that when some or all of the CIGA is outsourced, “it has adequate supervision of the outsourced activities and that the CIGA is undertaken in Barbados.”

“To the extent that the CIGA is outsourced, the resources of the engaged insurance manager in Barbados will be taken into consideration when determining whether two key criteria are met, being the number of employees and physical assets utilised,” Cyrus says, “the employees of the insurance manager can be counted for the purpose of identifying the employees of the licensee used to satisfy the economic substance test.”

Apart from the choice of manager, what else should prospective captive owners look to contemplate? Cyrus says that they must carefully consider the overall corporate governance of the resident Barbados company.

He adds: “Captive owners are therefore encouraged to establish a governance framework that will encourage the notion that the entity is indeed managed and directed in Barbados.”

“This relates to how the entity performs and documents such matters as the selection of board of directors, including the composition and experience of its members; the frequency of, and level of decision making at board meetings; that there is a quorum of directors physically present in Barbados during meetings, where the majority of these meetings are physically held in Barbados during a given year; and that all such minutes of directors’ meetings are recorded and maintained in Barbados confirming that the board is a fully functioning decision making body with the appropriate knowledge and experience.”

This advice is useful across many jurisdictions as the added scrutiny of EU/OECD intervention continues. For captive insurance companies, the path to maintain compliance with any legislation under the current requirement is clear. Captive insurance companies should commit to proactive reviews to ensure their compliance with the requirements and seek advice from experts in the local jurisdiction. ■



*What financial*  
**opportunities**  
*does your captive have?*



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# Time to shine

## CG Captive Managers and The Insurance Commission of The Bahamas outline captive growth opportunities in the region



Over the last 10 years, the number of licensed captive insurance entities registered in The Bahamas has grown – at first, very rapidly, and in the last five years, quite steadily.

As a result, growth has occurred in overall net premium volume along with an increase in the number of parent company regions throughout the US and Europe.

The opportunity to learn more about The Bahamas' quiet but continuing developments in the captive market occurs 5-6 February 2023 in Nassau, when the Insurance Commission of The Bahamas and the Bahamas Financial Services Board co-host a briefing: 'Captive Industry in The Bahamas'.

The briefing takes place days after the World Captive Forum in Miami (1-3 February). With The Bahamas only a 30-minute plane ride from Florida, this is a convenient opportunity to receive updates on developments and opportunities for captive insurance in The Bahamas.

The growth in The Bahamas' captive market is largely attributed to small-to-medium sized entities (SMEs) seeking to set up their own segregated accounts. This option has proven to be cost-effective for these SMEs, especially since they can and do outsource administrative and operational oversight to locally registered insurance managers, financial and corporate service providers and other financial service professionals such as lawyers and accountants.

“Research indicates that there are over 6500 captives operating worldwide and over 1000 global companies successfully using captives,” says Guilden Gilbert, CEO of Nassau-based CG Captive Managers.

“A common misconception is that captives are only for and formed by large public companies, but there is a growing trend for small private companies to own captives. Data suggests that 47 per cent of captives are owned by privately held entities, which helps to dispel the myth that only Fortune 500 or Fortune 1000 companies use and have access to captives. This is where The Bahamas offers a unique advantage, with a well-regulated insurance sector and a collaborative public-private sector approach.”

The Insurance Commission of The Bahamas, the insurance industry’s supervisory authority, continues to enhance the captive industry by streamlining the application process and maintaining a robust regulatory and supervisory framework which meets international standards.

“As a result, The Bahamas has registered captives ensuring risk emanating from various industries such as medical and healthcare administration, retail and wholesale distribution, agriculture, construction, and real estate,” said Carl Culmer, the Commission’s manager for policies and practices.

Present legislation has certainly helped the insurance sector to grow, and the Commission is determined to keep the applicable law competitive with the laws of other jurisdictions. It also remains intent on keeping its regulatory and supervisory regime effective and in line with the high standards of the International Association of Insurance Supervisors and the recommendations submitted by the Financial Action Task Force.

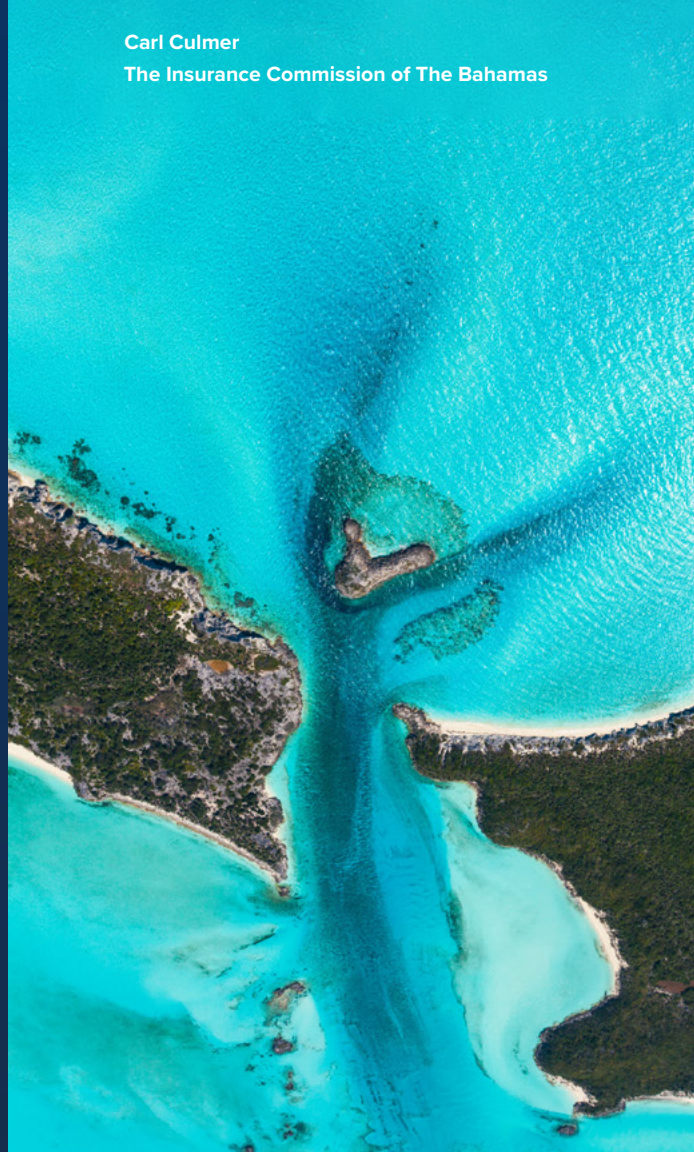
“The best positioning for The Bahamas, as a captive domicile, is in targeting the smaller companies with US \$75 million to \$300 million in annual revenues,” says CG Captive Managers’ Gilbert.

“Companies will have smaller and straightforward insurance requirements and they will also be much more cognisant of the cost savings and control of the insurance programmes than they will be in overall profits from the captive. To tap into this market segment, we need to attract the smaller regional brokers who have clients that would fit into our target profile. The briefing in Nassau will enable us to demonstrate why smaller insurance and captive management companies looking to establish off-shore captives, using protected cell captive to host a number of their clients, should consider The Bahamas.”

***“The Bahamas has registered captives ensuring risk emanating from various industries such as medical and healthcare administration, retail and wholesale distribution, agriculture, construction and real estate”***

Carl Culmer

The Insurance Commission of The Bahamas





### Mosaic opens Frankfurt office

Mosaic Insurance has opened an office in Frankfurt, Germany as part of its global growth plan. The new location will facilitate the high demand for cyber and transactional liability coverage through Europe.

Joining the German office as director of Mosaic's European entity and head of Europe will be cyber risk specialist Dennis Bertram (pictured middle). M&A specialist Eileen Siemer (pictured right) will also be appointed to the Frankfurt office as a member of Mosaic international transactional liability team.

Bertram previously worked as a cyber and crime product manager at insurtech Finlex. Before that he was a lead cyber underwriter for Germany, Austria, and Central and Eastern Europe at insurance company AXA X.

Siemer will underwrite M&A risks to develop Mosaic's transactional liability business in the Germany, Austria, Switzerland (DACH) region. She joins the firm from RiskPoint,

where she underwrote warranty and indemnity insurance in its M&A group.

Cyber specialist Aron Zeiler (pictured left) has also been appointed to Mosaic's Frankfurt office and will support the cyber division's European build-out. He began his career at Swiss Re in Germany, becoming a lead underwriter for Swiss Re in Zurich.

David White, Mosaic's underwriting director, says: "We're delighted to welcome Dennis, Eileen, and Aron to build out our reach in Europe, where Mosaic can offer the advantages of Lloyd's A-plus ratings and much-needed capacity across complex lines of business thanks to both our syndicate and our trade partners."

Bertram adds: "We're thrilled to be able to offer our capabilities and capacity to clients in Continental Europe's largest insurance market. Frankfurt represents a vital hub, from which we can serve high client demand, as well as access business opportunities in other markets." ■

**BMS Re, the specialty reinsurance broker, has appointed Christopher Larson as managing director, co-head of casualty broking, effective immediately.**

Based in New York, Larson will report to Sean Ryan, deputy CEO, and will be responsible for the continued build out of BMS Re's North American casualty and treaty efforts. In addition, he will have oversight responsibilities for the branch offices. Prior to his appointment at BMS, Larson served at QBE Re for 24 years, most recently as the head of global casualty, senior vice president.

At QBE Re, Larson was responsible for the development of the company's North American operations, specifically their treaty and casualty reinsurance offerings and primary insurance capabilities.

Commenting on Larson's appointment, Ryan says: "At BMS Re, we consistently invest in exceptional individuals who share our belief in a culture in which talent and innovation shine, so we are thrilled that Chris as a strong technical expert and tactical leader has decided to join us.

"His experience is extremely impressive, and he has a proven record of growing business and maintaining valuable trading relationships. I am looking forward to working with Chris and the team to ensure our clients receive the best tailored solutions."

Larson adds: "One of the key attractions of this role was the emphasis that BMS places on both its internal culture and also its client-centred approach which is based upon innovative solutions and our independence in the market. I look forward to using my expertise and experience to advance BMS' growth in the casualty broking space."

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### **Guernsey Finance has appointed William Lewis as its dedicated business development representative for the insurance sector.**

This is the first time a sector-specific business development representative has been appointed by both Guernsey Finance and the Guernsey International Insurance Association (GIIA).

Lewis has more than 44 years' experience in the insurance market. With broad experience gained from across the sector, he has knowledge of protected cell companies (PCC's) as well as extensive interaction with the Guernsey regulator.

Lewis is currently director of a Guernsey PCC and is also a research analyst at Hampden Agencies. He will retain both roles alongside his appointment with Guernsey Finance.

Lewis says: "Overall, my career has enabled me to gain a very broad and extensive knowledge of the global insurance and reinsurance markets, as well as an excellent understanding of what Guernsey has to offer, from captives to PCCs. I'm really excited to be joining Guernsey Finance through this innovative initiative, and to bring benefits to Guernsey's economy."

Rupert Pleasant, chief executive of Guernsey finance, adds: "Through discussions with GIIA we recognised that the insurance sector would benefit from having a dedicated business representative, as it is unlike the other specialist financial services sectors that we have here in Guernsey.

"We are thrilled to have taken this opportunity to work together with the industry to now warmly welcome William on board, along with his wealth of experience in the insurance sector."

### **Aon has reshuffled its Asia Pacific reinsurance solutions team.**

Robert De Souza, who is currently reinsurance solutions' CEO of Australia and New Zealand, and chairman of Aon's APAC team, will become reinsurance solutions' president of APAC, effective 1 January 2023. He will focus on supporting clients across the region and driving the business' strategic growth priorities.

John Carroll, current head of Treaty Australia and New Zealand for reinsurance solutions at Aon, will take on De Souza's current role and will join the APAC executive committee. Carroll will be responsible for leading Aon's business in the region, delivering on strategic priorities and helping clients mitigate risk and access capital.

Both will report to George Attard, reinsurance solutions' CEO of APAC.

Attard says: "We are pleased to announce Rob's and John's new roles within our APAC team. They are both highly experienced and proven professionals, with the requisite skills to take business results and innovation to the next level, while helping our clients build resilience and navigate significant global and regional volatility."

### **Arch Insurance North America has appointed Brian First as president**

Arch Insurance North America (Arch) has appointed Brian First to the newly created role of president. First will oversee Arch Insurance's business units and certain operations teams, and will continue to report to Matt Schulman, CEO.

First joined Arch in 2014 and has 30 years of industry experience. He was promoted to president from his position as chief underwriting officer of programmes, property and speciality.

Shulman says: "Brian First has been instrumental to our success over the past several years, and we're all very excited to have him take on these expanded responsibilities. In addition to being an incredibly insightful underwriter, Brian is a well-rounded and respected leader who will help steer our organisation as we pursue our ambitious goals."

First adds: "I'm honoured to step into the role of president of Arch Insurance North America. I look forward to working with the rest of the leadership team, as well as our talented underwriting and operations teams."

### **Marsh has appointed Michael Kolodner as global renewable energy leader.**

Kolodner succeeds Hamish Roberts who has taken on a new role as UK and Ireland specialty growth leader.

Based in Boston, Kolodner will report to Andrew George, global head of energy and power. Kolodner will maintain his current responsibilities, while also leading an integrated team of more than 250 renewable energy specialists around the world.

Kolodner brings more than 20 years of operational, brokerage, advisory, and underwriting experience in clean energy risk and insurance management to his expanded global role.

Kolodner comments: "The risk landscape is becoming increasingly complex for energy companies. From technological advancements and supply chain complexities, to shifting regulatory requirements and extreme weather events, the industry needs an experienced risk advisor that can bring tailored risk and insurance strategies to their unique needs. ■

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