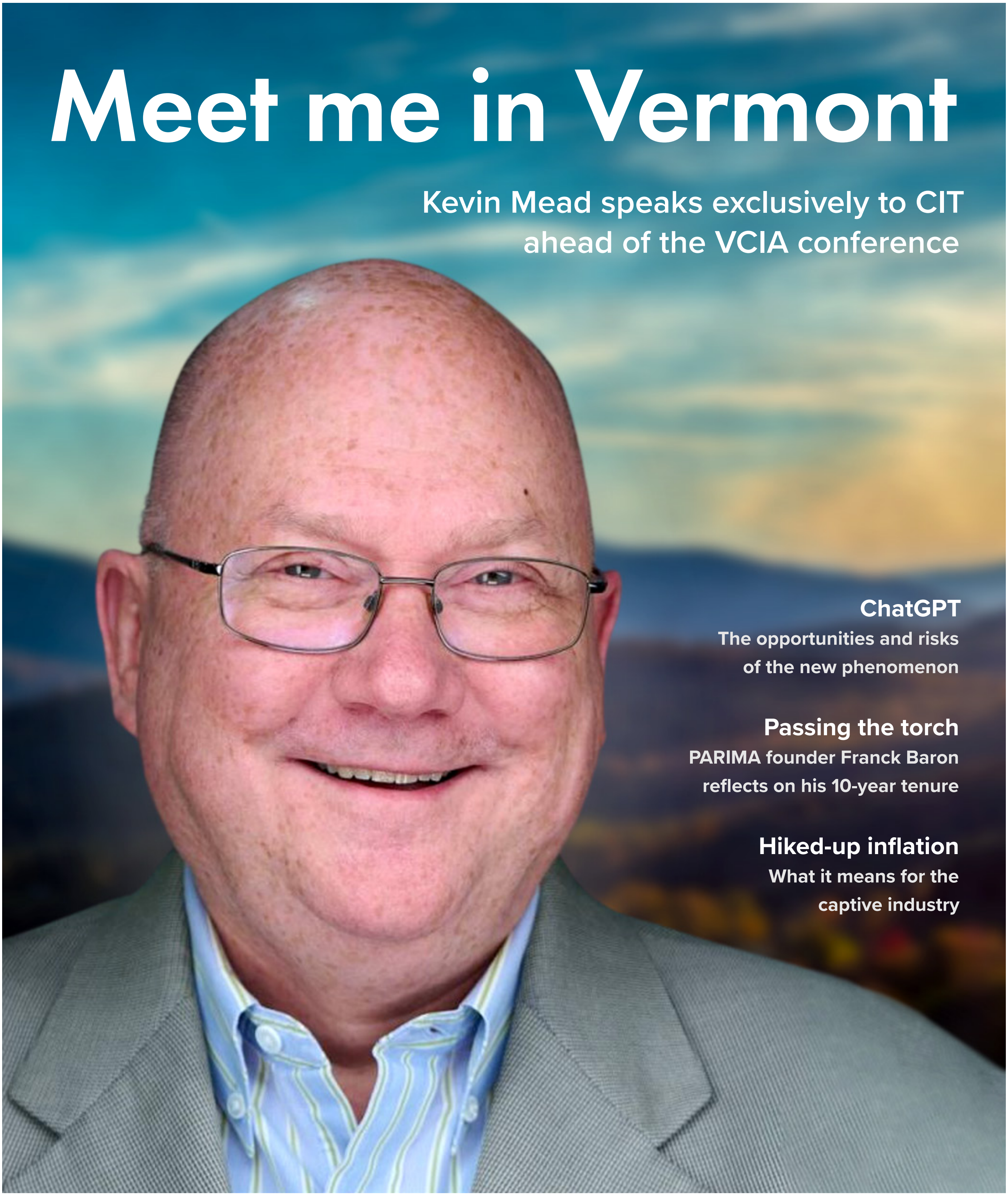
captive insurance times

The primary source of global captive insurance news and analysis

July 2023 - Issue 257



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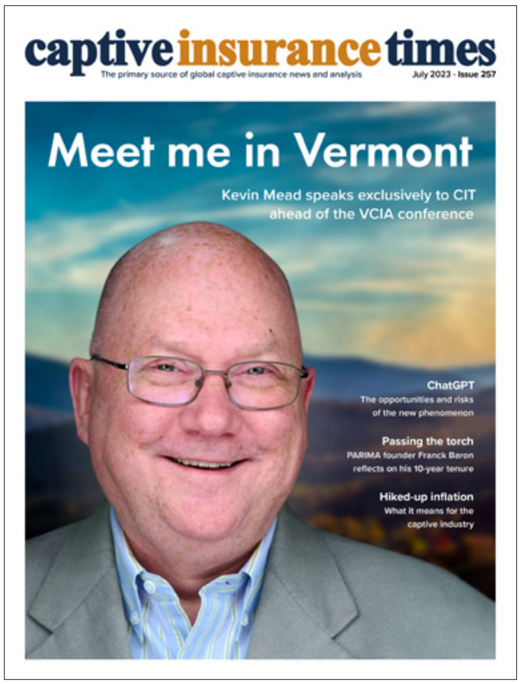

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France's APCR approves Naval Re captive

The French Prudential Supervision and Resolution Authority (APCR) has approved captive reinsurance company Paris-headquartered Naval Re. Published in the Official Journal of the French Republic, the decision will allow Navel Re to carry out its reinsurance operations in the country.

This comes after the APCR's approval of Bonduelle Re and Groupe Seb Re in 2021 and Publicis Re and Sorelac last year.

The approval of Naval Rel follows the French government passing legislation to encourage captive insurance companies in the country.

The Association for the Management of Enterprise Risks and Insurance (AMRE) welcomed the publication of decree 2023-449 dated 7 June in the French Official Journal. This decree legally 'recognised the resilience provisions offered by captive insurance companies'.

Sompo International opens Madrid office

Sompo International (Sompo) is to open its first office in Madrid, Spain. The office will be located at the Puerta de Europa, Torre Realia.

Headquartered in London, Sompo is a global provider of commercial and consumer property and casualty (re)insurance. The opening follows Sompo's establishment of an office in Barcelona.

The company says the Madrid office opening will be another step in its expansion of insurance operations in the Iberian region.

Commenting on the launch of Sompo's Madrid office, Jamie Cañellas, country manager insurance for Iberia, comments: "We will have two strong platforms from which we can better serve the Spanish market. Given its rich talent pool, Madrid will also play host to a growing team of Sompo International experts."

WTW collaborates with Clyde & Co for climate liability risks

Global broker WTW has partnered with law firm Clyde & Co to utilise its climate legal and risk knowledge.

The collaboration will enable WTW to use Clyde & Co's climate legal and risk knowledge to support its clients.

WTW says the mandate will help its clients to better understand and manage climate liability risks and respond to the opportunities presented by climate change.

WTW currently provides physical and transition risk assessments through its Climate and Resilience Hub.

To mitigate risks and to aid its clients in their transition to net-zero, WTW will cover three areas of risk: liability, regulatory and contractual.

Commenting on the mandate, Nigel Brook, partner at Clyde & Co, says: "With regulations tightening in the face of increasingly severe and frequent physical climate risks, there are profound implications for all industries.

Governor Lamont signs new Connecticut captive insurance law

Connecticut Governor Ned Lamont has signed Public Act 23-15 into law. The legislation, which will become effective from 1 October, aims to bolster captive insurance companies.

The bill was championed by Commissioner Andrew Mais of the Connecticut Insurance Department (CID).

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CID says the 'bill marks a milestone [for Connecticut] in advancing a business-friendly regulatory environment that encourages innovation and supports the growth of captives to provide more options for businesses to manage their risk.'

The legislation will allow captives to accept and transfer risks through parametric contracts. It will also streamline operations for sponsored captives and provide dormancy benefits for captive owners.

Public Act 23-15 builds upon Connecticut's previous legislative 'achievements' from 2022, during which the state implemented other pro-captive legislation.

CID has reported s a 31 per cent increase in captives in 2022 and is expected to maintain its position as a leading US domicile.

Corvus Insurance adds AI enhancements to underwriting platform

Cyber underwriter Corvus Insurance (Corvus) has added new AI- driven features to its underwriting platform.

These added features will increase the degree of automation of routine tasks in the underwriter's workflow within the platform 'Corvus Risk Navigator'.

The Corvus Risk Navigator adds real-time suggestions into the underwriting workflow based on data including firmographics, threat intelligence, claims and peer benchmarking.

Some of the new features have been built with large language models and natural language processing. Workflow efficiencies added to the platform include automated industry verification, automated application intake and instant guideline validation.

Corvus says the new additions will reduce workload on Corvus underwriters, "increasing efficiency while delivering a loss ratio below 40 per cent".

Mike Karbassi, chief underwriting officer at Corvus, comments: "Corvus aims to equip [its underwriting team] with technology that automates routine tasks and enables each underwriter to spend more time on activities that drive value for their partners, leading to higher growth and greater book value."

Brokerslink adds captive management consultancy Robus to network

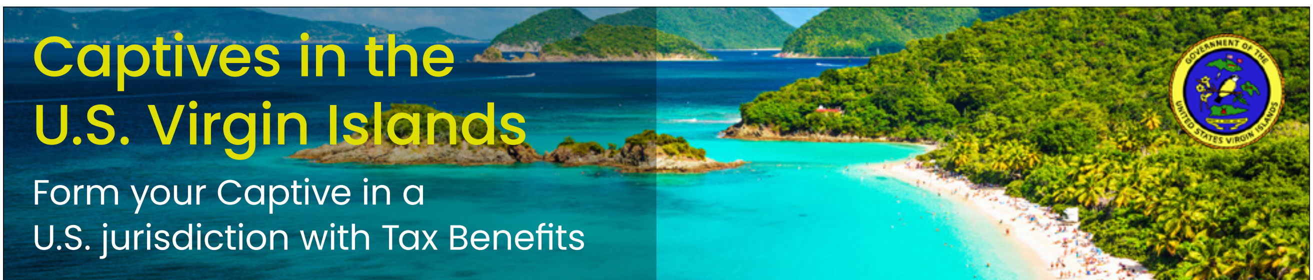
Global broking company Brokerslink has added captive and insurance management consultancy Robus Group (Robus) to its network.

The new affiliate will provide global services to captive insurers, open market insurers and reinsurers along with intermediaries and other corporate entities.

Guernsey and Gibraltar-based Robus offers a range of captive management consultancy services including accounting, treasury management, compliance, underwriting, actuarial and business development.

The business is part of the London-based Ardonagh Specialty group of companies and follows the entry of Price Forbes, Bishopsgate, Inver Re, Besso, and Compass London Markets to the Brokerslink network.

Robus' chief commercial officer Ronan Ryan comments: "Robus prides itself on the strength of service we provide to our customers, and I know we can support Brokerslink's vast network of partners



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and affiliates to explore new avenues for risk transfer.

“Captives are an important tool for organisations to gain greater financial control of their own risk, but they benefit greatly from our specific expertise to get up and running.”

Lemonade renews reinsurance programme and forms new risk-bearing entity

Digital insurance company Lemonade has renewed its reinsurance programme and formed a new risk-bearing entity, Lemonade Re, in the Cayman Islands.

Lemonade, which is ‘powered by AI and social impact’ offers renters, homeowners and life insurance. Its reinsurance initiative is led by its existing partners.

The company says the centrepiece of the reinsurance programme is 55 per cent quota share protection.

The programme covers all Lemonade’s global businesses, including Metromile which was acquired by the firm in 2022.

Through Lemonade Re, the company expects to hold some of its retained risk. It has established a captive cell at a Bermuda transformer, and plans to utilise it to retain most of its windstorm exposure.

Daniel Schreiber, Lemonade co-CEO and co-founder, says: “These partners allow us to operate in a very capital light mode, and focus our resources on expanding our customer base across all of our products and geographies. While harnessing our technologies to get ever more efficient at matching rate to risk.”

Marsh, Aon and Lloyd’s to support Ukraine’s insurance market

Marsh McLennan (Marsh) has announced that it will work with the Ukrainian government to help it access the global insurance market. As part of the support, Marsh will provide services on a pro-bono

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basis to design and deliver a risk platform to allow insurers to assess and underwrite war risks in the country.

The launch of Marsh's initiative follows the launch of the London Conference Framework on War Risk Insurance for Ukraine by UK Prime Minister Rishi Sunak on 21 June.

As part of that announcement, the Ukrainian government committed to sharing detailed information with the insurance industry to enable effective and targeted risk modelling to rebuild its commercial insurance market.

The mandate comes after Marsh published proposals to the Ukrainian and G7 governments to create war risk insurance pools. This would be a multinational public-private partnership based on the existing terrorism insurance pools that currently operate in several G7 nations.

Commenting on Marsh's announcement, John Doyle, president and CEO of Marsh, says: "The announcement by the Ukrainian government, together with the support of the UK government, are important steps towards the recovery of the Ukrainian economy from this ongoing and devastating war. Our support for this important project builds on the work we have been doing with Ukraine this year to evaluate options for war risk insurance."

In addition, Aon and Lloyd's of London (Lloyd's) have collaborated with Vienna Insurance Group (VIG) to provide (re) insurance capacity in Ukraine to support its reconstruction process.

As part of this UK-Ukraine private finance partnership, Aon and Lloyd's will allow Ukraine fast-track access to supplementary foreign (re)insurance capacity.

This will support both international and domestic companies operating in the region with manufacturing and construction risk exposure, excluding war cover. VIG is one of the largest insurers operating in Ukraine.

Commenting on the collaboration, Dominic Christian, global chairman of reinsurance solutions, at Aon, says: "This commitment from Lloyd's, VIG and Aon brings together the insurance industry's proven expertise in innovative risk management and capital solutions. With urgency and energy we will help to restore social wellbeing to citizens, communities and corporations in Ukraine." ■

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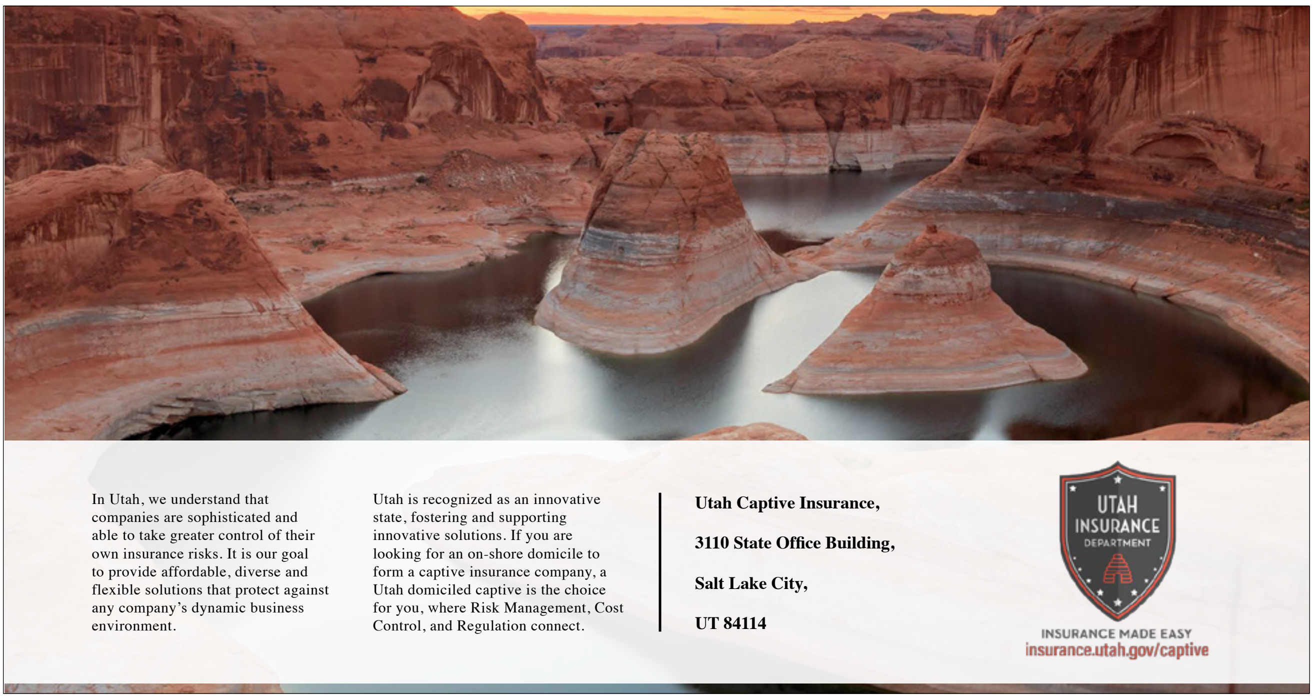

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Kevin Mead
President
VCIA

Meet me in Vermont

President of the VCIA, Kevin Mead talks to Frances Jones about this year's VCIA conference and what the city of Burlington has to offer its attendees

How has The Vermont Captive Insurance Association (VCIA) adapted its conference format or content to address the current challenges and changing landscape of the captive insurance industry?

We have constituted a conference task force of around 35 industry leaders. This selection of professionals has their finger on the pulse in terms of what's happening in the industry.

We reinvent the content every year. In addition to the industry-standard sessions and panels there's a renewed emphasis on discussion groups.

These are discussions centred around a relevant topic with no specific agenda to widen the conversation. There are at least a couple of subject matter experts in each room.

A big part of the pre-conference work is deciding what sessions will take place.

There are so many great sessions proposed that sometimes we have to go back to ideas and create post-conference webinars as there is just too much good content put forward to us. It's a good position to be in.

Are there any new additions or features in this year's event that attendees should look forward to? Will there be any special sessions that attendees should make sure not to miss?

We're always very deliberative about choosing our keynote speakers. They tend not to be from the industry explicitly but they are people that have the ability to elevate and add to the overall content.

This year, we've got Jeff Kreisler, who's head of behavioural science at J.P. Morgan

Our second keynote speaker is Juliette Kayyem, a national security analyst for CNN.

We expect her talk to be really valuable given the emphasis on cyber within the captive industry. Specifically, it will be interesting to see what she has to say about those challenges.

This year we have a new deputy commissioner, Sandy Bigglestone, in the sphere of captives within the department of financial regulation.

She will be hosting a session where attendees can ask questions on relevant topics and she will leverage her extensive expertise to answer questions.

Are there any specific educational tracks or workshops that cater to different levels of experience or interests within the captive insurance industry?

This is one of the aspects that our conference task force deals with. They allocate sessions, ensuring there is a mixture of beginner, intermediate and advanced panels so there is something for everyone.

If you're attending, you will get that balance. Whatever stage you're at in your career you'll be able to cater the sessions based on where you'd like to educate yourself.

For example, if you've come from a background in claims design, you can attend the introductory level sessions, or if you're more advanced in the industry you can go to higher level sessions.

How many exhibitors are expected to participate in the conference, and what types of companies or organisations will they represent?

At the moment, 70, and we've got a waiting list because we've sold out. We have every type of captive company and organisation that you would expect to see.

There will be law firms, actuaries, major captive managers and even some of the minor captive managers.

There is a vast variety of industry participants who will discuss everything from regulation to tax.

There are so many people that we've got hotels in the area providing additional facilities for meetings.

Exhibitors will showcase at the exhibition hall, of course, but there is also a big space at the back of the hall which is always used as a hub.

People will have the ability to meet with regulators on-site and converse about regulatory changes and industry needs. In addition to seeing what new captives are doing and comparing how they are organising themselves.

We have a new partner, the Vermont Captive Insurance Emerging Leaders Group (VCIEL). The group was formed in March 2023 as an affiliate of the VCIA. The VCIEL aims to address the captive workforce challenge by recruiting, training and networking for the long-term success of the captive industry.

Can you share any information about the special awards ceremony and the recipients of the Captive Crusader, Honorary Member and Industry Service awards?

The actual recipients are a closely-guarded secret. But effectively, the Distinguished Service Award is for someone that has provided great support to the VCIA during the course of their career.

The Honorary Member is usually given to someone as they're approaching the end of their career, giving them the ability to attend the conference on a complimentary basis.

Then there's the Captive Crusader which we offer to one of our own — it's for someone that's really advocated on behalf of the industry.

Are there any pre-conference activities or events planned for early arrivals or any post-conference opportunities for continued learning and networking?

The conference will kick off with an immersive introduction to captives on Monday 7 August. It's a comprehensive introductory workshop which will be followed by a networking reception. It's a great way to start the conference especially for those who are new to the industry.

The session will walk through the process of how companies can solve insurance problems. A collective of professionals, including actuaries, will discuss the captive feasibility study process.

Captive managers will advise on management after the captive feasibility study and attendees will gain a holistic understanding of the lifecycle of a captive.

Vermont is the most famous industry for two things — captive insurance and Ben and Jerrys, and we make sure our attendees get to enjoy some ice cream!

We host a golf tournament which is always fun. We also have a captive owners tour of Burlington-based Lake Champlain Chocolates, one of the premier chocolate sellers in the country.

On the facility tour, claim managers will be comparing risk management techniques.

Could you recommend some other local attractions, activities or places to eat that attendees can explore during their stay in Burlington?

I would say the trick is to go to the local and independent places. You can get a Starbucks anywhere. We have great coffee shops — instead of putting sugar in your coffee, try maple syrup, that's what people do here.

Hire a bike, there's an old rail track you can ride on. If you get an extra day, go to the mountains to hike and sightsee, it's only a 30-minute drive away.

For food choices, I'm going to reveal my favourites in an upcoming blog post. Keep your eyes peeled for that.

There's this really great bar where all drinks are US$5. I will be there on the last night of the conference. Anyone who finds me, I'll buy them a beer. ■

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CaptiveGPT

The use of AI platforms such as ChatGPT is exponentially on the rise and there is potential for the captive industry to use the platform. However, the risks shouldn't be taken lightly

Frances Jones reports

Amid public concern about the rapid development of artificial intelligence (AI) platforms, many industries have been left wondering whether AI platform ChatGPT could benefit them.

Insurtech within captive insurance is no exception. In this competitive landscape, it is essential for captive insurers to embrace new tools and methods to increase the efficiency of their business operations.

However, the industry has witnessed a general trend of insurance companies slow to expand their technological capabilities.

OpenAI’s ChatGPT is a chatbot that uses a generated pre-trained transformer (GPT) to absorb massive amounts of data. It then processes natural language to provide users with a human-like response. It has more than 100 million users, according to Reuters (as of January 2023).

Captive insurers can harness new technologies and help organisations innovate, but these efforts must be aligned with the goals of the parent company.

Alex Gedge, senior captive consultant at Hylant, comments: “I’ve not seen much adoption of ChatGPT in the industry as yet, though there has certainly been discussion. Brokers and consulting teams are researching and exploring ways to adapt and adopt new technologies. This research is ongoing, particularly in captives where there is a focus on emerging risks and creating insurance solutions for markets that do not have them yet. For example, where a client has a very specific risk which is not industry wide.”

Going straight to the subject source itself, this writer asked ChatGPT: ‘How can ChatGPT help captive insurers?’. It generated a comprehensive answer in 15 seconds.

ChatGPT gives five examples: risk management, underwriting support, claims processing, customer service and data analysis as areas in which it can help captive insurers.

For risk management, ChatGPT writes that it “can assist captive insurers in assessing and managing risks. It can provide insights on risk identification, quantification and mitigation strategies. By analysing historical data and industry trends, ChatGPT can help captive insurers make informed decisions regarding risk exposure and insurance coverage.”

For claims processing, it “can support captive insurers in claims processing by providing ‘quick and accurate’ responses to common inquiries and automating routine tasks.”

“ChatGPT can assist in the underwriting process by providing guidance on policy terms, conditions, and pricing. It can analyse information provided by applicants, assess risk factors and offer recommendations to underwriters. It can also serve as a ‘virtual assistant’, addressing customer enquiries about policies, premiums and coverage options.”

For data analysis, “ChatGPT can analyse vast amounts of data to enable captive insurers to make data-driven decisions.”

The chatbot’s answer is synonymous with that of Bård Myrstad, CEO of Simplifai, as he describes how insurers can utilise his company’s recently launched platform, InsuranceGPT.

“We’ve been able to automate the first line of case reduction in the claim settlement process for new claims received. The platform is then able to look through and classify them accordingly through looking at the attachments and information submitted. It can then validate the claims against decision criteria.

InsuranceGPT is an AI GPT tool launched by Norwegian tech company Simplifai, designed specifically for insurers.

It claims to be the first of its kind, offering ChatGPT-like enhanced decision-making for automated claims management while maintaining a higher degree of privacy and data security than a general AI platform.

Randy Sadler, principal at CIC Services, considers platform adoption at his company. “We use ChatGPT at CIC Services, and other firms are also using it,” he says.

“We’re currently using it for outreach-related content, but we’re largely only using it in places where errors wouldn’t have severe consequences.”

images by vladdeepstock.adobe.com

> *"For captives, AI may prove particularly useful when drafting unique insurance policy forms with very specific conditions for coverage and exclusions"*
>
> **Randy Sadler, CIC Services**

He adds: "For captives, AI may prove particularly useful when drafting unique insurance policy forms with very specific conditions for coverage and exclusions. In the future, we expect to be able to create much better client interfaces — for example, interfacing with a chatbot that answers questions about a client's captive and can even price, adding new policies on the spot."

A wider outlook

When answering what problem he is trying to solve within the industry, Simplfai's Myrstad takes a wider societal approach: "If you look at the underlying trends in society, it's demography. We're getting older, we're living longer. Some people consider people in their 20s to be children and most of us will live beyond 75; the ratio of workers to retired people is changing significantly.

"This means that to sustain living standards, each worker needs to produce more value. That's even before we start having to free up capacity to tackle all the new engineering challenges we will have to manage climate change and poverty, something that will affect all industries.

"There will be less people, and less people to do what needs to be done. It will be more and more expensive. What we offer organisations is a way to create more value from human employees. It's akin to every employee having a super-efficient assistant in a permanent home office.

"Except you never have to engage this 'assistant'. You receive information from [Simplifai's AI platform InsuranceGPT] and will be able to offload a lot of your routine tasks."

Bottom of the calculus class?

With AI-development still in its early stages, there has been widespread criticism around errors and data accuracy. For example, a factual error from Google's chatbot Bard, rival to OpenAI's ChatGPT, cost the technology company approximately US $100 billion.

In a promotional clip shared by Google back in February, Bard is asked: "What new discoveries from the James Webb Space Telescope (JWST) can I tell my nine-year-old about?" Bard answers with several bullet points, one of which reads: "JWST took the very first pictures of a planet outside of our own solar system." Astrologists online were quick to point out that this was an error. Subsequently, shares for Google's parent company Alphabet fell by 7.7 per cent.

When considering the barriers to insurers adopting InsuranceGPT and how his product addresses problems, Myrstad explains: "First of all, new technology makes a lot of people nervous. The main issue is data compliance. What is becoming more apparent with these large platforms is that with endless innovations and mass amounts of generative data processing, the reliability of the information on individual topics is reduced. One thing we are vigilant on is data privacy. We are partnering with insurers to make our product industry-specific, which allows the platform to be much more accurate and reliable than a generic model. By working with insurance industry partners, we've been able to develop this product with the real needs of the industry in mind and have been able to pinpoint where we can create the most value, weighted against risks."

Giving a captive-specific take, Sadler adds: "Generative AI, like ChatGPT, is still a very recent technology. The biggest barrier is captive insurers not understanding it or seeing how it can help. The second biggest barrier is mistakes. Implementing [generative AI] involves training, new hardware and software and input from technology consultants, especially since it may not be compatible with existing systems.

"There are also regulatory concerns, with the captive industry being heavily variant on different regulatory requirements for domiciles which ChatGPT may not consider. Captive insurers must ensure compliance with applicable laws," Sadler affirms.

Gedge concurs: "With any new technology, the first port of call is always education: making sure people are comfortable enough with it to use it. The second concern is security. Whilst at the moment Chat-GPT is open source, there will be security concerns with tracing and potential breaches, as with any cybertechnology.

"For captives, another issue is that so much captive knowledge is not publically available, so there will be some limited use to machine learning sources that access public data. This means there will be limits, and potential misunderstandings, due to niche industry-speak and with tweaks in phrasing."

Finding the right balance

Sadler notes: "There are risks associated with utilising ChatGPT and it's reasonable for captive insurers to be hesitant to use this technology. For captive insurers, it's important to understand that ChatGPT responses are based on the data it's trained on, which only includes data up until September 2021. If there are developments in the captive insurance industry since then, ChatGPT may not be aware of it."

Data analysis by AI platforms is only as reliable as data inputted by users, specifically captive insurers.

In this highly-regulated industry, it almost goes without saying that industry insurers should avoid using ChatGPT for tasks subject to regulatory requirements. Some captive insurers may need further education and training to use AI models for higher risk functions.

According to the 2021 KPMG CEO Outlook survey, 68 per cent of insurance CEOs say they will focus on customer-centric technologies such as chatbots — evidence that high-level insurance industry participants recognise the vast potential for use in the industry.

Beyond its potential for data analysis, a UK broker working with captive insurers is using ChatGPT's natural language capabilities to streamline their client emails.

Perhaps, for some, it's already performing its role as a 'virtual assistant', freeing up brokers for more time to perform 'higher-value' tasks.

The bot itself, ChatGPT, warns: "It's important to note that while ChatGPT can be a valuable tool for captive insurers, it should not replace human expertise and judgement. It should be used as a supportive tool to enhance efficiency and decision-making processes."

When discussing the potential of ChatGPT to disrupt the industry, Gedge affirms: "Captives run off analytics, and we are increasingly seeing sophisticated use and adoption of new technologies and software. Deriving benefits, and where they will come from, will be dependent on the reliance of the data users input in."

As Sadler warns: "Due to cybersecurity risks, captive insurers must take measures to secure data and mitigate the risk of human error when inputting data. ChatGPT often delivers the wrong answers and sometimes makes up answers if it doesn't know them. So, it definitely needs human oversight — for now."

Sadler reassures his responses were not written by ChatGPT. Neither was this article. ■

Franck Baron
Founding chair
PARIMA

Passing the torch

PARIMA founder Franck Baron reflects on his 10-year tenure as the company's chair, the organisation's achievements and what he hopes his successor Annacel Natividad will bring to the table

Ned Holmes reports

How will you reflect on your 10 year-tenure as PARIMA chair?

It has been a very tiring but super-rewarding journey. I have always looked at the entrepreneurial part of being a risk manager. Therefore, dedicating my time and attention to business risks by creating, running and developing PARIMA has been like running a start-up.

It's been a rollercoaster. It took us a while to work out how to make it happen in a very diverse region such as Asia. Gradually, we found the right people to support us, and the right risk professionals in various countries to help us make things happen.

Why do you feel the time is right to step down from your role?

By year six or seven, I felt like it was time for me to move on and make space for new leadership – after all, PARIMA is not a one-man show.

Unfortunately, the COVID-19 pandemic came along, and finding the right people to dedicate enough time and resources to run PARIMA, which is a demanding machine, was a struggle. It was important to have the right succession plan in place.

Therefore, it was necessary to determine who had the appetite and the bandwidth to take it on. I'm the founding chairman, but this has always been a team effort. Nonetheless, it is time for someone else to lead the association.

What motivated you to take on the role of PARIMA chair? What has been your greatest achievement?

I've always found it useful to be part of a community of risk professionals and when I moved to Asia, I found that the region didn't have something like that in place. There were a few localised initiatives but there was no professional trade association. Given my experience in Europe and the US, I was asked to lead it. We needed it for the professional development of the region, as well as for ourselves.

I'm really proud that it's now a sustainable organisation that is recognised and extremely active — gathering a superb selection of people within the permanent staff and among its board members.

There is a constant focus on making sure we can attract the right people to lead the organisation regionally and locally. We can see that the APAC house of risk management is full of very good people.

What challenges has PARIMA faced during your decade at the helm and how have you met them?

The first challenges were funding and structuring the organisation. We questioned at what point we would be able to hire people to manage these roles.

The main challenge was to align with the markets and the risk and insurance industries on the intent and purpose of PARIMA.

We have to work together. It took us a while to get people on board with the idea that it is not about having an exclusive partnership with one single sponsor or partner; it's about bringing the market together.

We quickly realised it was important to listen and learn. I came with my experience in Europe and the US, and the maturity of the markets is very different there, so I had to adapt my pace to the way the Asia market works.

What have been the major changes in the Asian captive industry over the past 10 years, and what role has PARIMA played in those?

There are approximately 7000 captives around the world and, to my knowledge, less than 2 per cent of them are domiciled in Asia.

Captives are a great way to measure the sophistication of risk financing and the maturity of risk management.

We have a few domiciles across Asia and some of them are more mature than others. For a while, the number of captives were quite stagnant because the companies that were sophisticated and mature enough were the ones setting up the captive. This is what we did with International SOS 10 years ago.

We needed to convince others that this was a strategic risk financing tool. Over the last two to three years, the insurance cycle that we have been in has provided a wake up call, particularly when considering premium increases and restrictions in terms of capacity and coverage.

At PARIMA, every time we have an opportunity to address the captive point to members, we always remind them not to rush things; make sure that with your top management, there is a clear alignment about all the things you can do, and how you can leverage a captive. We are seeing momentum that has encouraged us to create a captives owners' association in APAC.

Given the ever-increasing need for alternative risk management structures, how important is it for the region to have an organisation like PARIMA in place?

PARIMA provides people with visibility on the capabilities of the market and the alternatives as well as parametric solutions, captives and the way you can manage your conversation with a chief financial officer.

Insurance across Asia is still at quite a basic standard. For a lot of people, insurance procurement is not that sophisticated and is still seen as a compliance exercise. However, we are moving to a higher degree of sophistication where the ability of insurance buyers has elevated the strategic aspect of risk financing within organisations.

There is still a lot to do but I can see maturity in Singapore. To an extent, it is also taking place in Malaysia, India, Philippines and Japan. It is already strong in Australia and New Zealand.

Looking ahead, what opportunities and emerging trends do you see in the field of risk management, and how can organisations effectively adapt to stay resilient in the face of uncertainty?

There are a few evolutions that need to happen and PARIMA will be very involved in them, but it is no different from what we have seen in Europe and the US. Firstly, how do we make sure that risk managers are stepping up to meet new or emerging risks?

With climate change, there is a role to be played by the risk manager: How can you influence your organisation to be better at developing sustainable initiatives?

We were the first association to globally develop a climate risk management school (in partnership with AXA Climate), which provides certification. We are now partnering with other associations to do the same.

It provides a fascinating example, because it's the first time that PARIMA has initiated something that others are getting inspired by. We're catching up with the other associations.

Climate change involves helping risk managers to cope with new risks and geopolitical uncertainties. The risks are not necessarily new but their impact is a very vivid and new concept. People-related risks and the health industry have become more important in the captive sphere post-pandemic. APAC risk managers will need to address those areas at the right level in the organisation.

As you prepare to pass on the torch, what are your hopes for the future of PARIMA and its role in shaping the risk management landscape in the years to come?

There are a few evolutions that are going to happen, but I'm not expecting any revolution. Thanks to Annacel Natividad, the newly elected president, who will take up her role at the start of 2024, there will be a new vision and energy. She's going to build on what I have achieved.

It's good to pass the baton and I think that it's a reflection on the growing maturity of Asia that I'll be succeeded by someone from the region. I'm expecting PARIMA to grow from strength to strength. We are in the process of creating legal structures for local chapters in the different countries. From there we will develop more localised capabilities.

We will make sure that our educational offering is solid and substantial. We signed a strategic partnership with RIMS, the US organisation, to distribute the risk management education and certifications that they have developed across Asia, with the prospect of adapting this to the APAC environment.

What message of advice do you have for your replacement, Annacel Natividad?

My only advice would be: please display the qualities you show in your organisation in your new role at PARIMA. Annacel is a fantastic leader and I'm pretty sure she's going to bring PARIMA to the next level, which I'm thrilled about.

One more nugget of advice would be: be yourself. Annacel is a great risk professional and I have enjoyed working with her over the last seven years. She will be a great leader and by having her at its helm PARIMA will benefit greatly. ■

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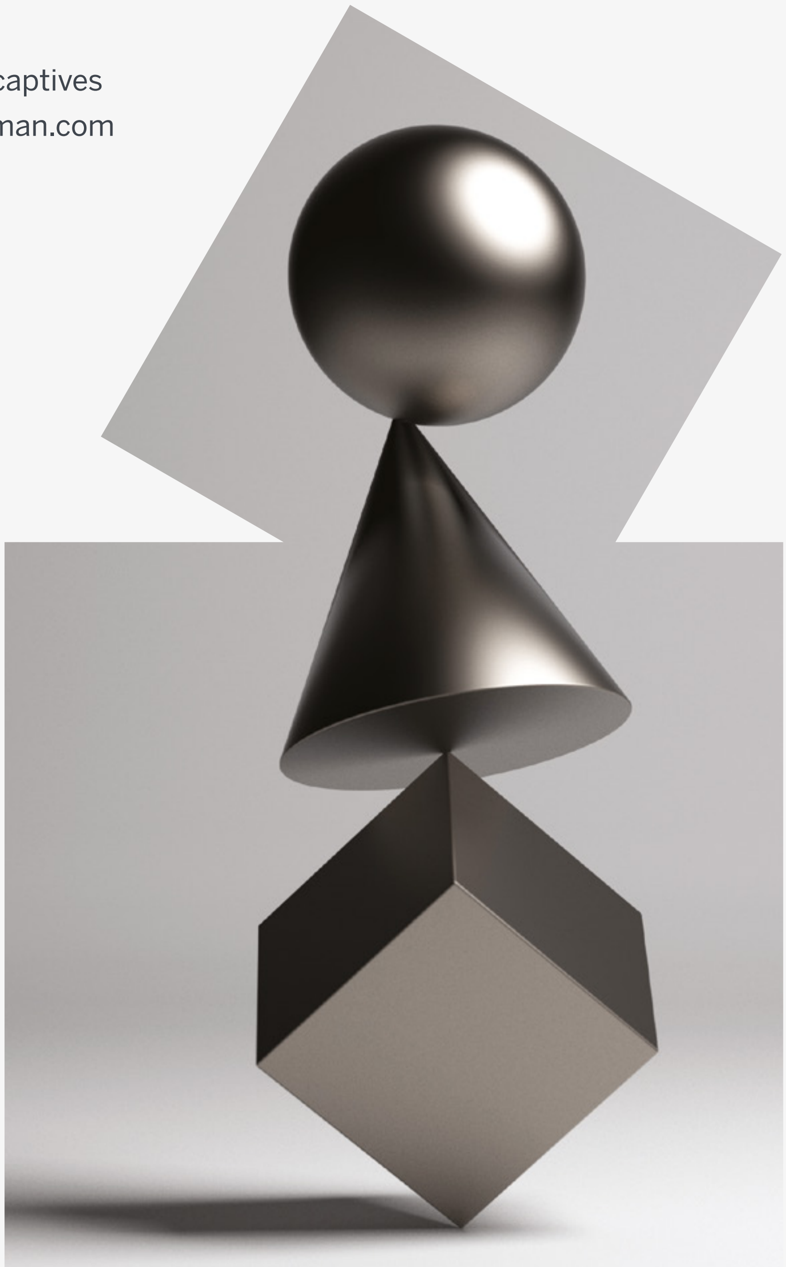

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Up and Up it rises

Hiked up inflation has affected all industries, but how is it affecting the employee benefits world? Generali's Damian Ross interviews MMB Multinational's Barry Perkins and Willis Towers Watson's Mark Cook to find out more

Damian Ross: “How is inflation affecting the employee benefits world?”

Mark Cook: Before we talk specifically about employee benefits (EB), let’s start with wider inflation. Inflation affects the organisations we work with, the employers, and the employees.

On top of this, there’s the macroeconomic aspects to consider. On the macroeconomic side, there’s a number of pushes: the interest rate impact, the state of economies, the currency aspect and the actual value of the currency. For us in our day jobs it’s more about how all these pushes impact the employer and the employee.

For employers, costs are obviously going up, in terms of supply chain, inputs and raw materials; all costs associated with what organisations produce and service are increasing. Subsequently, this cascades down to “the person on the street”; affecting the cost of what people buy – because of the inflation price.

So, in our world, you’ll see the use of artificial intelligence (AI) automation increasing and being used to supplement business processes. This will put a huge squeeze on people and jobs.

If we look at the employee side, on top of job insecurity mentioned above, net pay is going down while the cost of essentials such as food and utilities is going up.

Barry Perkins: For EB managers there’s been a lot of concern and uncertainty about how this is going to impact them, including how that will flow through to employees.

Many of these EB managers have probably never experienced the high levels of inflation we’re currently experiencing. It’s a new challenge for a lot of people.

However, employers are still very keen to protect employees, particularly vulnerable groups of employees such as lower paid workers. In addition to this, especially with regards to access to healthcare, we’re seeing employers doing what they can to ensure those vulnerable groups can continue to afford healthcare and have access to it. But they obviously need to balance that with the economics of their business and keep benefits sustainable.

Cook: We’ve noticed that lots of clients, particularly those headquartered in the US, have paid an allowance, or one-off payment to employees in the last pay cycle, particularly to lower paid workers. It’s become a bit of a theme for this year.

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> *"We need more commitment from employers to move to a minimum living wage, fair pay, and equitable pay. Start with the basics. That's what's going to really move the dial for employees"*
>
> **Barry Perkins, MMB Multinational**

Ross: From what I've seen, the rate of inflation is expected to drop down to around 2.5 per cent globally by 2025. Is it a 'wait and see' type of situation? Would temporary measures, such as one-off pay allowances, as opposed to making changes to benefits, suggest so?

Cook: Companies are doing things that they think will help their people and they want people to see that they are — it's become a brand communication push. For multinational companies it's important to be doing something, but it's equally important to be seen to be doing something.

Companies also need to be more agile in their responses because talent retention is a big problem for organisations currently. So, one-off pay allowances are an example of companies responding quickly to something that is happening macro-economic wise.

Perkins: Yes, no one wants to make knee-jerk reactions. During the height of the pandemic we saw a lot of companies expanding medical coverage to lower paid employees. They don't want to renege on those commitments now. However, most of the companies we work with are commercial enterprises, so they need to work to short-term targets.

This means they'll look at different levers they can pull to manage costs.

Concerning medical benefits, you've got the design of benefits, the delivery of benefits and financing. Nobody really wants to play around with the design of benefits because that's the aspect that would impact employees the most. It feels like companies are trying to ring-fence and protect that piece.

That leaves you with financing and that's where captives come in, as well as delivery mechanisms. We're still seeing employers focusing on how they can deliver the same level of benefits, but increase efficiency of networks, claims management and condition management. I think that's where you're going to see companies doing something to mitigate costs in the short term, without rolling back on benefit promises too much.

Cook: I agree that companies are primarily looking at delivery and financing. I also see pressure on the design though. Even with a preferred provider model and captives, I do still see stresses on local businesses with regard to budgets and an associated need to tinker with designs; especially on medical, because of medical inflation. Medical aspects limits on different treatments, overall plan limits, eligibility and co-sharing costs.

Perkins: Is it fair to say that employers want to protect their benefits more than we've seen in previous economic crises? Post-pandemic, benefits are higher up the agenda for both leaders and employees. Employees want and expect better benefits. Due in part to talent shortages, there may be more reluctance to mess around with benefits than there was in the past.

Ross: Considering the stress that inflation is having on employees – the fear of redundancy and not being able to pay the bills – what can employers do to assist?

Cook: Five years ago, wellbeing really wasn't visible in the marketplace. But there's been lots of investment since particularly in workplace mental health. The difficulty faced by multinational companies is having a global programme for this. I see local and regional vendors, but not global vendors to monitor and record everything. As you are already aware, a lot of it is app-based.

Perkins: We need more commitment from employers to move to a minimum living wage, fair pay, and equitable pay. Start with the basics. That's what's going to really move the dial for employees. In some markets, where premium levels for medical are going up due to inflation, and you have cost sharing with employees, there's a significant impact where benefits are concerned. When employees are paying 50 per cent of the premium and the premium is going up by 50 per cent, that's going to have a direct impact. It could possibly result in people not enrolling in healthcare plans and no longer having access to such benefits. So, again, more focus is needed on lower paid groups and perhaps insulating them from those cost share increases — the employer takes more of the burden, putting money back in the employee's pocket.

Cook: We've recently had a number of clients changing their pricing philosophy on their captive, for the reasons Barry has just mentioned. They're trying to use some of the retained earnings in the captive over the longer term to quell the increases that the employees are getting on their premiums, in particular medical in some countries. They're looking at more portfolio pricing rather than individual line pricing.

The EB captive model is stepping in to help the business in a time of need, like it did in the pandemic. This is a financing piece to smooth out premiums for employees. A number of captives have done this.

Perkins: Captives have a role to play, especially if there's a surplus there and a willingness to keep premiums at a lower level, at least for the short term. You're essentially playing around with the margin that would otherwise be in the premium if you were to use an insurance company.

Using a captive doesn't allow employers to avoid the impact of inflation; most of the elements of inflation are just structural. So, unless captives start playing around with the end delivery of healthcare – negotiations with doctors and hospitals and other similar activities, which generally doesn't happen outside of the US – then you can't avoid inflation. But there are ways to mitigate the impact of it, which is partly what Mark addressed when discussing profit margins.

There's going to be more focus on fronting providers and making sure you've got the best fronting partner in markets to help you mitigate cost impact. Going back to the point around network management or the delivery mechanism of healthcare, it's about making sure you have a partner who's very capable at negotiating deals with hospitals and doctors. Providers that have a larger scale will have advantages in that area. It's also about focusing on the balance between the cost of healthcare and the quality of healthcare — potentially stripping out high-cost hospitals and other vendors that maybe don't deliver better quality. This is a way to create efficiencies in healthcare programmes and, in turn, mitigate some of the inflationary pressures. None of this is unique to captives. Employers will do that anyway, but it's a key topic for clients that use a captive.

"The EB captive model is stepping in to help the business in a time of need, like it did in the pandemic. This is a financing piece to smooth out premiums for employees. A number of captives have done this"

Mark Cook, Willis Towers Watson

Ross: Inflation is clearly affecting the medical side, but not to the extent that we initially thought. A lot of companies will have two- to three-year deals already built in. Therefore, there's likely to be a delayed reaction on medical, which will be interesting to see.

Ross: The impact it may have on the captive insurance industry. Do you think the current environment we're in could represent a wake-up call for captives that have access to the data but aren't really digging in to it?

Cook: This has been a topic for a number of years, but I've only seen increased interest fuelled by the pandemic. The infrastructure isn't there to do anything in an efficient, automated way. Collecting data from local insurers and looking at utilisation remains difficult. However, there has been an increased interest from the industry, underpinned by what's happening in the economy around us.

> *“Don’t just look at utilisation numbers on medical and disability and categorise that, look at other pieces as well: employee assistance benefits, absence data, occupational health and disability cases, as well as other data sources”*
>
> **Mark Cook, Willis Towers Watson**

Don’t just look at utilisation numbers on medical and disability and categorise that, look at other pieces as well: employee assistance benefits, absence data, occupational health and disability cases, as well as other data sources. This will provide a more balanced and holistic view of a person’s absence or health risk, putting the employee in the middle. That’s what companies and people should be doing, but these practices are not far-reaching at the moment.

Perkins: All companies want to find out what’s driving the medical claims and how to avoid some of those medical conditions. All this should be data-driven. Circling back to understanding inefficiencies in the way healthcare is delivered, has got to be data-driven and it comes from the claims experience as well.

Companies looking at utilisation of some of the health and wellbeing add-ons are realising they are being well received by employees, and they will continue to invest in these.

However, some of them are not being used and employees don’t always care about them, opportunities must be taken to trim things out of insurance coverage. This is about moving away from a scattergun approach and focusing on what makes sense and what adds value. ■

Damian Ross
Regional manager UK, Ireland and Nordics
Generali Employee Benefits Network

Barry Perkins
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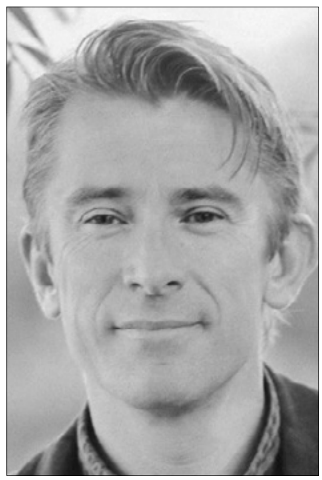

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Shaping the future of global employee benefits

Simon Pickering, head of insurance and pensions at Finance Isle of Man, explains how his company is taking a captive approach

In a multinational era, in which the geographical boundaries of businesses are increasingly blurred, demand for a sophisticated and flexible approach to employee benefits is growing. Companies are seeking to consolidate their benefits provisions across diverse markets and jurisdictions, harmonising them into one coherent and efficient system. A captive approach to employee benefits is fast emerging as an effective answer to these demands. As a jurisdiction renowned for its captive and general insurance expertise, the Isle of Man stands ready to meet this challenge head-on, leading the way in providing a competitive captive solution for employers around the world.

The international employee benefits landscape has long been lacking a unified hub, particularly for multinational corporations that have a globally spread workforce. It is here that the Isle of Man is stepping up – last year a new branch of the International Employee Benefits Association was launched and we are in the process of creating an economic cluster, ‘Employee Benefits Isle of Man’.

This is part of a sustained initiative aimed at harnessing the diverse range of employee benefits expertise available in the Isle of Man, creating a comprehensive one-stop shop for multinational companies.

The benefits of taking a captive approach to employee benefits provision are numerous, particularly when it comes to flexibility. This approach enables companies to tailor their insured benefits packages to cater to the diverse needs of employees spread across different markets and jurisdictions. More than just providing customisation, an effective employee benefits captive can deliver commercial benefits for the employer company, firstly by converting insurance expenditure into a potential profit centre. And secondly, for businesses with existing property and casualty captives, the more stable nature of insured protection benefits for employees can also contribute positively to solvency and capital efficiency.

The Isle of Man stands out as the ideal choice for captives, thanks to its unique blend of attributes. Its status as a financially stable and well-regulated jurisdiction, paired with well-established financial services and insurance sectors, provides a strong foundation. This is complemented by the presence of leading law firms and a highly skilled workforce. Additionally, a straightforward licensing model and a supportive, pro-business government bolster its appeal.

Looking forward, we aim to make the Isle of Man the preferred choice for multinational companies offering employee benefits.

This ambition is supported by our vast experience in captive insurance, and our ability to interact with other employee benefit services and expertise available on the island – from global employment companies to international pension companies and providers of employee incentive plans.

We stand on the cusp of a new era in the delivery of employee benefits, and the Isle of Man is excited to be leading the way. As we continue our journey, we look forward to reaching new milestones and solidifying our position as a world-leading hub for the captive approach to employee benefits. ■

> *“The benefits of taking a captive approach to employee benefits provision are numerous, particularly when it comes to flexibility”*

Simon Pickering
Head of Insurance and pensions
Finance Isle of Man

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Parametric view

Parametric insurance is predicted to generate nearly US$30bn per year by 2031. Ned Holmes looks at the impact it may have on the captive insurance industry, and why huge growth is expected

Parametric insurance has become an established part of the captive lexicon in recent years – a regular talking point at captive conferences and, increasingly, in board rooms.

While traditional insurance functions by indemnifying the actual losses sustained by a policyholder during an event, parametric insurance is linked to predetermined index-based triggers that lead to pre-agreed payouts.

If the index threshold is reached (a certain wind speed for hurricane cover or a length of downtime in cyber cover, for example) then the policyholder receives the payout – whether or not the actual losses are sustained.

A hot topic

The captive industry may have been late adopters, indeed the structures have been utilised elsewhere since the 1990s, but there is now a growing acceptance of the three-fold advantages these solutions can offer.

This includes certainty, (as the pay out triggers are predetermined and index based), speed, (as it removes the need for a lengthy loss adjustment process), and cost efficiency, (as there is no requirement to employ technical specialists like claims managers and attorneys to assess actual losses).

Marcus Schmalbach, CEO of RYSKEX, believes that parametric solutions are "a great thing for a captive manager to have in their toolkit" and predicts we will see them used much more frequently in the industry in the next decade.

"Parametrics is not adopted by everyone, but I see that the big brokers are working hard on adopting these solutions.

The new thing always becomes popular as soon as the clients need it, and we have the clients' need because the markets have a lack of capacity. We needed to change our strategy and our indemnity coverages into parametrics.

"In five years time, we won't be talking about it as something new, but as an established solution."

"This is an area that is growing," notes Jan Bachmann, head of innovative risk solutions EMEA, director at Swiss Re Corporate Solutions. "In a couple of years, buying parametric for a captive will be a normal business, but there is still a way to go."

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> *"Parametrics are an opportunity to find capacity in the capital market"*
>
> **Marcus Schmalbach, RYSKEX**

Parametric boom

It's not just in the captive market where a parametric boom is expected. Swiss Re has predicted that the parametric insurance industry could generate nearly US$30 billion p/a by 2031 – up from $11.7 billion in 2021. As Swiss Re's Bachmann says: "The numbers are expected to be significant. Why? Because it's more than just what has been covered in the past by traditional insurance. You can insure more on a parametric basis due to the flexibility of the covers.

"It all started with natural catastrophes 30 years ago, when Swiss Re sold the first parametric covers for earthquakes and wind perils. Initially, it was only about natural perils but this principle of systemically looking for parameters on which the client depends, can also be applied to non-natural catastrophe risks."

He adds: "It's a useful tool for non-physical risks. As an example, a terror attack may cause loss of attraction in certain areas – people stop going there because it has become dangerous. There is no physical loss per se, but it could impact the revenue stream of the client because people will stop coming.

"There are plenty of ways to track it – such as airport data, lack of footfall or attraction, mobile data, credit card usage – and a difference from the average could expose the client to a loss-making situation."

The hard market

A key factor in the predicted growth of parametrics is the current market condition.

"It's because it's a hard market that we need to get capacity and parametric is the only way the capital market understands to assist," adds RYSKEX's Schmalbach. "With insurance-linked funds, for example, we need a lot of capacity but they do not understand or do not like indemnity, so parametrics are also an opportunity to find capacity in the capital market.

"There's momentum. It's a new way of underwriting lines to help address systemic risks, such as hurricanes and floods. A lot of insurtechs are coming into the market that don't offer any indemnity solutions and are just focusing on parametrics as a way to help out companies with climate change or pandemic risk. It's the new boys in town that offer it. There is need and then you create a market. This is happening right now because of the hard market."

Nils Ossenbrink, managing partner, head of distribution and products at Twelve Capital, offers a capital market perspective. He says parametric insurance could be a way of consolidating the mismatch of investors' demands and the demand for reinsurance capital as it offers more clarity in terms of expected pay-outs. After an event, the size of the loss is known which can be beneficial from a structure perspective.

Ossenbrink notes that the industry is currently confronted with very high rates. The insurance industry is calling it a 'hard market' offering interesting opportunities to investors. Elevated rates are an indication of a lack of capital, which is also a result of the growing number of medium-sized, partly climate change-induced natural catastrophe disasters.

"We have clearly seen what climate change means costwise in recent years, and even this is going to increase," he explains. "Institutional insurance-linked securities (ILS) investors had to face issues, for example: trapped collateral, side pockets, intransparency — all clearly below return expectations.

"These underlying issues cannot be solved by parametric solutions, but if the risks are structured in the proper manner, parametric solutions can support closing the global protection gap."

Ossenbrink also believes that the growth in the catastrophe bond market hints that the predictions for the parametric industry may be on the money. He says: "The cat bond market has grown to around $38 billion, up from $5/6 billion in 2002, and from $11/12 billion between 2008 and 2012 — so it more than tripled in the last 10 years.

"From our point of view, it would be realistic to project that the parametric industry could grow to $30 billion if the relevant structures are available."

New solutions for new risks

Natural catastrophe-related perils are the number one risk covered by parametric insurance and will continue to be so for some time. However, there is a growing confidence that the structures can be used elsewhere as well. In some places that is already the case.

"There are interesting solutions by start-ups and incumbents from the reinsurance and traditional insurance space where they use parametric for cyber and pandemic coverage," says RYSKEX's Schmalbach on the topic of emerging coverages.

"Wherever you need new solutions when new underwriting comes in, or new perils come to the market, you see a lot of companies that want to seek new ways and adapt new solutions for those new perils.

"Intangible assets is a currently underdeveloped market where I see parametric as a good fit. It's a very important part of a company's balance sheet. There aren't too many coverage lines that already exist, but I think it could fit perfectly with parametric as it could be linked to stock price.

"It's something interesting for captives to consider: to get new lines of underwriting within the captive. It's an important market for the reinsurers themselves as well."

Twelve Capital's Ossenbrink highlights business interruption, cyber or casualty as other ILS areas of interest beyond natural catastrophe.

"We will likely see developments in business interruption. We may also see cyber risk connected with business interruption as well as an increasing demand from insurance companies to transfer casualty risks to financial markets," he suggests.

"However, the capital market is still not fully comfortable with cyber risks yet. This means that in terms of perils covered by parametric, the focus is still likely to be natural catastrophe-related issues, which are generally well-modelled and known."

Swiss Re's Bachmann also emphasises the opportunity for other parametric solutions but warns that many of the new risks that the policies might cover in the future are not known yet.

"They're usually the black swans – we may not know them today, but they might have a big impact tomorrow. In an emerging risk landscape, parametric can facilitate the response to a loss situation and speed up the claim payment.

He adds: "There are some good examples where parametric is still in its early stages, such as cyber or liability risks, but there is also some promising potential in these fields."

Industry 4.0 and AI

Looking ahead to the future of captive insurance, artificial intelligence (AI) and the digitisation of the industry are two topics that are impossible to ignore.

"AI is going to affect many industries including the insurance industry," says Twelve Capital's Ossenbrink.

"The way of modelling risks will change in the coming years, whereas speed will increase. The value chain, if you take parametric solutions as an example, can be more easily digitised than an indemnity structure. New business models, RYSKEX for example, might boost the industry by disrupting or breaking up the traditional industry. The predicted growth of the parametric market to $30billion by 2031 is not necessarily based on replacing other structures.

"It will likely replace existing structures while also allowing new models to provide insurance protection — where you have a straight-through process from the insured to the capital market."

RYSKEX's Schmalbach says the growth in parametrics will be boosted by the digitisation of the captive industry and the introduction of AI.

"ChatGPT has meant there is now lots of attention on how AI works," he says.

"If we're talking about the digitalisation of the captive industry, I would say parametric is a wonderful fit.

"With AI, you can make wonderful predictions on potential risks and claim events, as we know, parametric is based on triggers.

He concludes: "The more the captive and insurance industry develops the willingness to digitise and optimise their process to make 'industry 4.0' happen, the more parametric solutions will be used. Parametric will grow even further when we start to digitise our industry." ■

BHSI names Dimitry Zilberud head of US marine

Berkshire Hathaway Specialty Insurance (BHSI) has appointed Dimitry Zilberud to the additional role of senior vice president, head of marine for retail for the US.

Based in Sydney, Zilberud currently serves as the company's head of marine for Australasia.

Zilberud has more than 25 years of insurance industry experience. He joined BHSI in 2015 as head of marine in Australia.

He will continue to report to Mark Lingafelter, head of BHSI Australasia.

In his new role, he will also report to Cathy Miller, the company's head of property for US and Canada.

BHSI provides lines of coverage including commercial property, casualty, healthcare professional liability, marine, travel and medical stop loss.

Commenting on Zilberud's appointment, Miller says: "To recognise the opportunity in the marine market in the US, going forward we will focus the business separately on the wholesale broker and retail broker channels." ■

Broker Marsh, part of Marsh Mclennan, has appointed Kelly Butler as UK cyber leader.

Butler will be based in London and will report to Beth Thurston, Marsh's CEO of UK financial and professional lines. In her new role, Butler will be responsible for the development and delivery of the company's UK cyber insurance and placement capabilities. She will also work closely with Marsh McLennan's cyber risk experts to develop integrated risk and advisory services that support clients to manage rapidly-evolving cyber threats.

Butler joined Marsh in 2016 and has held a variety of senior cyber insurance roles.

Based in Melbourne, Butler most recently served as Marsh's chief client officer and cyber practice leader for the Pacific region.

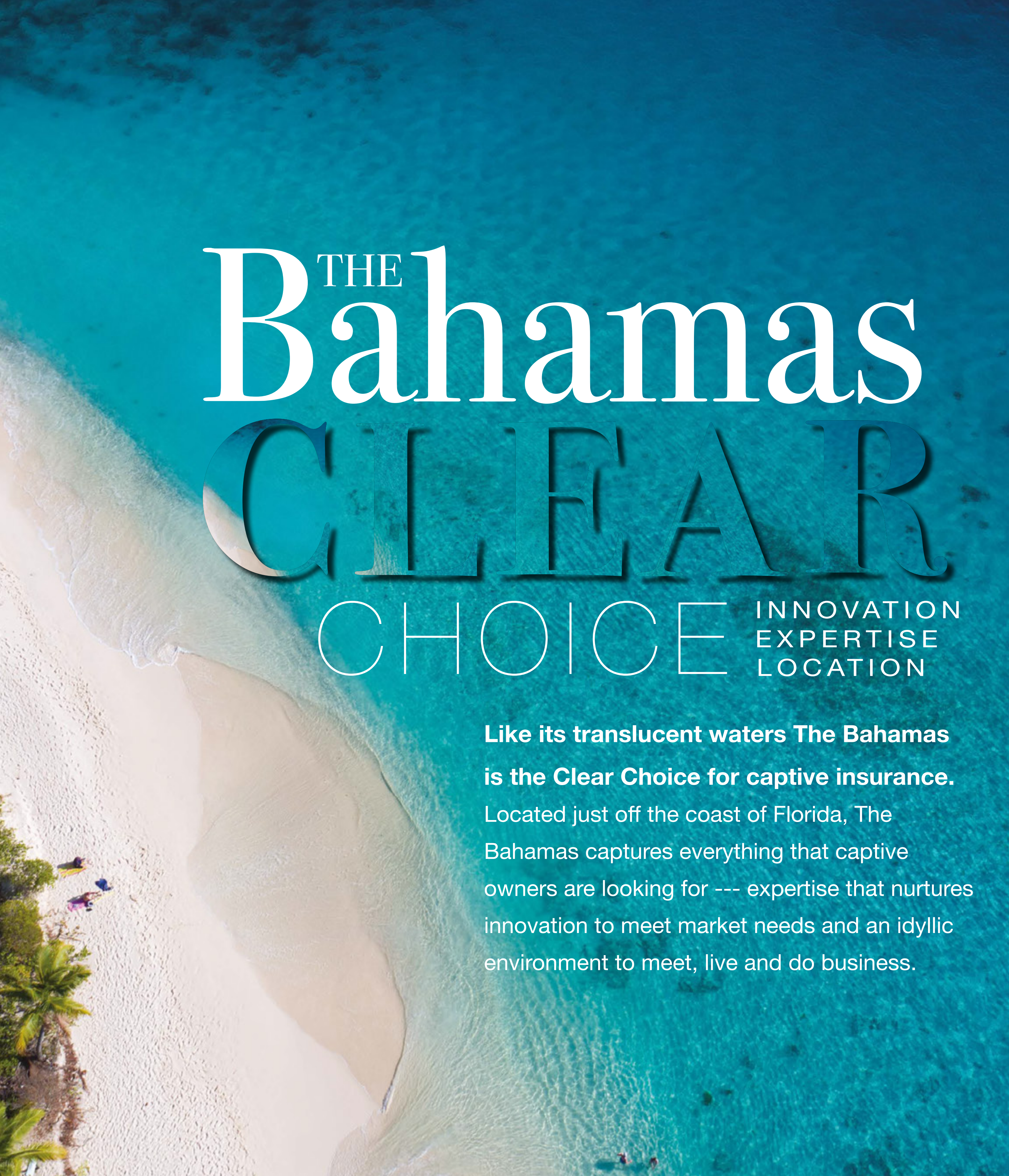
Global broker Howden has appointed Rowan Douglas as CEO of climate risk and resilience.

In his new role, Douglas will build functions to embed climate and resilience across the company's specialties and regions. He will be based in London and will report to David Howden, CEO.

Douglas has more than 30 years of experience in the (re)insurance industry with knowledge of climate-related risk. Prior to joining Howden, he led the climate and resilience hub at British-American insurance company Willis Towers Watson.

Howden says the appointment is 'an important step in accelerating the growth of its climate and resilience capabilities.'

Charlie Langdale has also been appointed as Howden's chair, climate risk and resilience.



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Aon has bolstered its Global Reinsurance Clients (GRC) team with a series of internal promotions.

GRC uses the insights from Aon's global platform to navigate volatility, optimise capital and drive performance for the firm's largest insurer clients.

Dave Nicholson has been named head of GRC. Based in Boston, he will be responsible for ensuring GRC clients continue receiving tailored insights and solutions.

Nicholson has worked at Aon for more than 15 years, and currently serves as senior managing director. Nicholson will continue to perform the responsibilities of this role alongside leading GRC.

Jack Snowden has been appointed to lead the GRC London team. He has supported GRC clients for 14 years while serving as an account executive for Sydney-based QBE Insurance.

Based in Minneapolis, Sarah Rausch will lead catastrophe analytics for GRC.

Based in Edinburgh, Chris Higgins will serve as insurance industry leader for GRC, working with industry specialists across both risk capital and human capital.

Aon's GRC segment sits within its reinsurance solutions department.

Commenting on his new role, Nicholson, says: "The team has shown enormous resilience in a dynamic market and through the untimely passing of our beloved colleague James Buchanan. Carrying on this legacy is a humbling responsibility and I am grateful for the guidance of our GRC chairman, Bruce Selby Bennett, as the GRC generates new opportunities for our clients and colleagues."

Specialty (re)insurer Everest Re Group has appointed cyber veteran Don Good as chief information security officer.

Based in New Jersey, he will report to Srini Maddineni, the group's chief information officer.

In his new role, Good will lead all aspects of Everest's information security. He will oversee the company's programmes, policies and operations to safeguard its data, systems and digital assets.

Good has more than 30 years of cybersecurity, fraud prevention and risk management experience. This includes a 21-year tenure at the U.S Federal Bureau of Investigation, where he was most recently deputy assistant director of its cyber division.

Jim Williamson, Everest Group's chief operating officer and head of reinsurance, comments: "In an increasingly complex risk landscape, Don's expertise and leadership track record will ensure we remain vigilant and at the forefront of information security best practices for the clients we serve."

Property and casualty insurer Chubb has appointed Micheal O'Donnell as CEO of global reinsurance.

O'Donnell currently serves as division president of Chubb Tempest Re US, Chubb's reinsurance business.

In his new role, he will continue to have responsibility for the US operations of Chubb Tempest Re while expanding his remit into the company's global reinsurance operations.

O'Donnell will continue to report to Jim Wixtead, senior vice president, Chubb Group and president, Chubb Tempest Re.

O'Donnell has more than 30 years of experience in the insurance industry. He joined Chubb Tempest Re Bermuda in 2006 as a casualty treaty underwriter.

Since 2014, O'Donnell has been responsible for Chubb's US property and casualty assumed reinsurance operation. Prior to Chubb, he served at General Reinsurance Corp, where he underwrote the casualty facultative business.

The Federation of European Risk Management Association (FERMA) has elected Charlotte Hedemark as its next president.

Her election was announced during the meeting of the FERMA board following the Annual General Assembly in Brussels on 27 June. Hedemark's tenure as president will commence on 17 October. She will succeed the current president Dirk Wegner following the completion of his four-year term.

Hedemark is a risk management expert at SAP and currently serves as vice president and board member of FERMA.

She has more than 15 years of global risk and assurance experience at SAP. Prior to joining SAP, Hedemark was a risk manager at IBM Denmark for four years.

Commenting on her new role, Hedemark says: "During a period of unprecedented challenges for corporations across Europe, the criticality of FERMA's role in representing the interests of its member associations and raising the profile of the risk profession has never been greater.

"In my [new] role, I will work to ensure FERMA continues to be a rallying point for our members as we all strive to be risk leaders." ■


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