

PCCs on the rise

The proliferation of PCCs in the industry

Going for gold
2023 in review

Opportunity knocks
Singapore domicile profile

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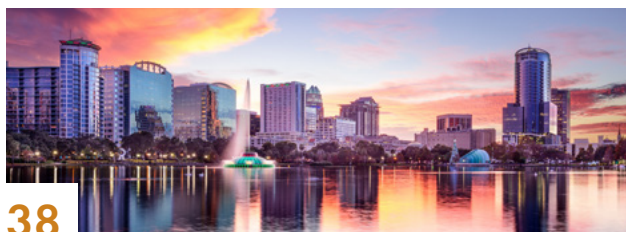
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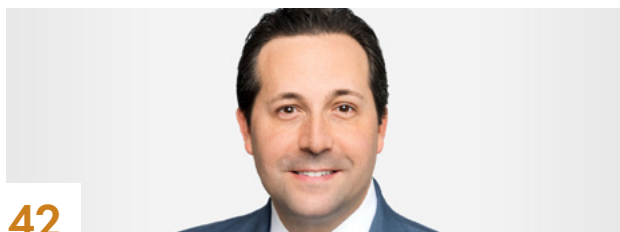
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AM Best removes Clear Blue from under review

AM Best has removed Clear Blue Insurance Group from under review with negative implications.

The ratings company has also affirmed the insurance company's financial strength rating of "A-" (Excellent) and the long-term issuer credit rating of "a-" (Excellent).

Clear Blue's ratings were placed under review with negative implications in July, due to the uncertainty surrounding Clear Blue's reliance on certain letters of credit (LOCs). The LOCs were posted to back reinsurance placed by the company with certain reinsurers in Vesttoo-related transactions.

Vesttoo offered access to capital markets through insurance-linked securities as an alternative form of reinsurance. Captive Insurance Times investigated the allegations of fraud in September.

The ratings company had concerns with potential balance sheet implications, in addition

to the execution and timing risk associated with replacing capacity or letters of credit.

However, the new ratings of Clear Blue reflect the group's balance sheet strength, assessed by AM Best as "very strong". The ratings also credit Clear Blue's adequate operating performance, limited business profile and appropriate enterprise risk management.

Justifying the rating, AM Best says: "To solidify its balance sheet, Clear Blue was recently infused with US\$25 million, US\$15 million of which was funded by a line of credit at the holding company and an additional US\$10 million funded by an equity infusion from Pine Brook.

Given these capital initiatives, Clear Blue's ability to replace capacity on active programmes and the relatively modest financial losses, AM Best continues to assess the company's balance sheet strength level as "very strong". ■

Redline Underwriting adopts Moody's RMS risk modeller platform

Redline Underwriting (Redline) has entered into a long-term agreement with Moody's RMS to adopt its risk modeller application, available on the Moody's RMS Intelligent Risk Platform (IRP).

Redline is a Lloyd's coverholder specialty underwriting firm.

As part of the mandate, Moody's RMS will work with Redline to help onboard the platform and application.

The modeller will streamline Redline's processes, creating a workflow from account underwriting, to portfolio management, aggregation and reinsurance catastrophe treaty analysis.

Moody's will train its team to implement the application in-house.

Additionally, the agreement will allow Redline to continue its expansion into the Latin American market.

It will also assist with its investment into new locations.

Commenting on the partnership, Adriana Cisneros, head of underwriting at Redline, says: "This represents a significant step for Redline as a startup MGA. Engaging in a cat modelling capability at such an early stage underscores our commitment to offering the best underwriting platform to our capacity providers.

"Implementing the IRP will improve our understanding of underwriting criteria for placing profitable business and end-to-end workflow for account-level metrics."



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AXIS closes market's first 144A cyber catastrophe bond

Insurer AXIS Capital has closed the market's first 144A cyber catastrophe bond, a US\$75 million transaction.

It provides several of the company's subsidiaries with fully collateralised indemnity reinsurance protection for systemic cyber events on a per occurrence basis.

Bermuda-based special purpose insurer Long Walk Reinsurance issued US\$75 million of Series 2024-1 Class A notes, maturing January 2026, to investors to support the reinsurance agreement with AXIS.

This is the first issuance of notes for Long Walk Reinsurance covering the AXIS insurance and reinsurance companies, including

its Lloyd's syndicate AXIS' Syndicate 1686.

The Long Walk catastrophe bond transaction was structured and distributed to investors by Aon Securities. Risk analysis was provided by CyberCube's portfolio manager platform.

Peter Vogt, chief financial officer at AXIS, says: "We expect Long Walk to provide support for the growth of our cyber insurance portfolio in the future.

"More broadly, we expect that this transaction will serve as a template that the catastrophe bond market will use to support the availability of cyber insurance capacity in the years to come." ■

Marsh McLennan launches Gen AI tool

Marsh McLennan, and its management consultant business Oliver Wyman, have launched a new Generative AI tool for its colleagues.

The tool, named LenAI, was developed by Marsh McLennan's Dublin Innovation Centre in collaboration with Oliver Wyman Digital.

The tool is built on technologies from Microsoft and Open AI.

It aims to enhance colleague productivity, allowing more focus on client work. The firm says early adopters at Oliver Wyman reported that they had saved an average of eight hours per week when they used the tool.

Additionally, they reported spending 20 per cent less time on simple, repetitive tasks and reallocating that time towards more complex tasks.

The tool is now available to more than 85,000 Marsh McLennan colleagues.

Paul Beswick, senior vice president and global chief information officer at Marsh McLennan, says: "When it came time to introduce the tool, we were able to deploy it quickly and securely. Since its full launch recently, LenAI has been a game changer for our teams, enabling them to work smarter for the benefit of our clients."



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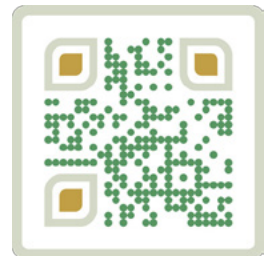
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WHY VERMONT?



Consultation for UK captive regime set to launch in spring 2024

The UK Government is to consult on a UK captive regime, set to launch in spring 2024. According to Treasury chancellor Jeremy Hunt's Autumn statement, released today, the UK captive regime aims to "encourage the establishment and growth of captives in the UK."

The London Market Group (LMG) has been working with the Treasury to achieve this. This follows a roundtable considering the benefits of a UK captive insurance regime, led by city minister Andrew Griffith in September.

The creation of a UK captive framework is a key pillar of the LMG's roadmap to improve the business environment for risk transfer in the UK. It is also part of its latest 'Plan for the Future'.

Caroline Wagstaff, CEO of the LMG, comments: "The London Market Group is delighted by the announcement by the Treasury that it will consult on the creation of a UK captive regime by spring next year, taking on board the recommendations within our Plan for the Future." ■

Arbol appoints Pro MGA for UK launch

Arbol has appointed Pro MGA Global Solutions (Pro MGA) to support its UK launch and international MGA expansion strategy.

Arbol is launching a new London-based MGA which will serve international markets outside the US.

Based in New York, it is a technology-led underwriter of parametric risk transfer, climate and weather reinsurance.

As part of the mandate with Pro MGA, Arbol's UK MGA will offer a range of products for the agriculture, renewable energy and construction industries.

Pro MGA will offer full incubation services including its unique turnkey solutions as an appointed representative.

This will provide Arbol with the necessary strategic and regulatory oversight, as well as back-office services.

Arbol will also use its UK partnerships with capacity providers and brokers to broaden its global network.

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Commenting on the expansion, Sid Jha, CEO and founder of Arbol, says: “Our expansion into the UK is a key moment for Arbol as we continue to provide businesses with straightforward and practical tools to manage climate risks.

“Our London-based MGA combines the proprietary technology, data, and underwriting tools of the Arbol ecosystem with our team’s global expertise in structuring climate solutions – thereby offering businesses a reliable shield against seasonal and catastrophic climate risks.”

State of California and the IRS targeting taxpayers claiming captive insurance deduction

The state of California is working with the Internal Revenue Service (IRS) to target taxpayers who are understood to have claimed large conservation easement or captive insurance deductions.

This is because of concerns related to the abuse and misuse of these tax benefits.

Both agencies are investigating schemes where taxpayers engaged in transactions

that were viewed as “exploiting the tax code for financial gain”, as opposed to the intended purposes of promoting conservation or acquiring legitimate insurance coverage.

To address potentially abusive micro-captive insurance and syndicated conservation easement transactions, the California Franchise Tax Board introduced Notice 2023-02 in May 2023.

This notice allows eligible taxpayers to stop their involvement in these transactions, reverse their deductions and mitigate potential penalties by entering into a closing agreement. ■



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Labuan IBFC Inc. Sdn. Bhd. (817593-D)

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Guernsey-based IC to reinsure £2 billion pension fund

MMC UK Pension Fund's first longevity swap transaction will cover approximately £2 billion in liabilities for 14,500 pensioners, deferred and active defined benefit members.

The swap will include active members, under Guernsey-based incorporated cell (IC) Fission Gamma.

Fission Gamma was created to insure the longevity risk of the fund and to reinsure this risk with (re)insurer Munich Re.

The fund was advised by Mercer, a wholly-owned subsidiary of Marsh-McLennan. This transaction is the third longevity swap structured through the Mercer-incorporated cell company.

Using special-purpose insurance companies in the form of an IC to transfer longevity risk to the reinsurance market is becoming standard practice in Guernsey, with IC cells used in all longevity transactions structured through Guernsey to date. ■

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PCCs on the rise

Frances Jones reviews the proliferation of PCCs in the captive industry and across key domiciles

Modern technology replaces old. Cars overtook horses, ovens displaced fires and mobile phones surpassed landlines. Now, in the captive insurance industry, are protected cell companies (PCCs) set to eclipse single-parent captives?

PCCs can offer the benefits of a single-parent captive without the need — and necessary time and expense — to create a separate legal insurance entity.

Put simply, a PCC is a single company that has separate and distinct 'cells', with each cell operating like a stand-alone company. The cells are connected to a singular core which manages the insurance activities of the other cells.

PCC legislation was introduced in Guernsey in 1997 with the intention of enabling the island's licensed insurance managers to offer cells to third parties as 'rent-a-captives'.

Since its inception, the concept has mutated and expanded worldwide, with different domiciles producing their own, although mostly similar, variations. They now exist in more than 40 jurisdictions.

Key domiciles for PCCs include Guernsey, Malta, the Isle of Man, Barbados, Bermuda and the Cayman Islands and, in the US, Delaware and Washington DC.

The names vary, depending on the domicile, including SPCs, segregated account companies (SACs), and incorporated cell companies (ICCs).

For example, the Cayman Islands refer to them as segregated portfolio companies (SPCs), and Vermont calls them 'sponsored captives'. These are a lot of terms, in essence, for the same concept.

A PCC revolution

Marsh Captive Solutions' 2023 benchmarking results found that interest in PCCs continues to grow. It says one in four of Marsh's new formations are cell captives. The company explains that cell captives are cost-effective for its clients, touting up to 50 per cent operating costs compared to a single-parent captive and a set-up time that takes days instead of months.

Considering the numerous benefits, it's no wonder that the number of PCCs is proliferating worldwide.

Digital insurance companies are launching PCCs. For example, New York-based digital insurance platform Boost launched Boost Re, a US-domiciled PCC, as the latest component of its insurance-as-a-service stack.

For alternative risk capital providers, Boost Re can provide a passage to deploy reinsurance capacity across Boost-powered insurance programmes through dedicated captive cells.

Boost says that these benefits will be attained at a fraction of the traditional cost that comes with building a full-stack insurance business.

In Vermont, Tracy Hassett, president and CEO of edHEALTH, recently converted her group captive edRISK to a sponsored captive for cost benefits.

The drawbacks of PCCs, however, must also be considered. Due to their structure, insurers may have less or no control over the captive cell's governance, coverage and limits.

The 'cost-effective' benefit is not guaranteed and, in some cases, expenses can even be higher than other more traditional alternative risk funding programmes.

Cell captives are cropping up in all regions of the world, including Latin America. Tom Morante, senior counsel at law firm Carlton Fields, explains: "While single-parent captives have historically seen the most growth, there is a gradual interest in cell captives, which are proving particularly attractive as a captive entry-level strategy."

Legislation for cell captives is fast becoming a key consideration for a captive domicile, with numerous industry participants listing a lack of cell legislation as a drawback.

Guernsey, Bermuda and Malta stand out to CIT as exemplar domiciles for PCCs.

Guernsey

Guernsey is the number one among European captive domiciles, according to AM Best's 2022 market segment report.

Its pioneering of cell legislation, resulting knowledge and innovation are certainly contributing factors.

Evidence of cell innovation can be seen in 2010, when Heritage Insurance Management (now Artex Risk Solutions) achieved a world first by amalgamating two PCCs — with 17 cells between them — into one.

William Lewis, the UK business development representative for We Are Guernsey, says: “The uses of Guernsey PCCs are incredibly versatile and with Guernsey’s breadth and depth of expertise, the island is the choice of many looking to set up a PCC.

“I continue to see great interest in and field regular enquiries about the use of PCCs for a variety of functions. Having recently become the largest captive domicile in Europe, I hope this trend can continue,” asserts Lewis.

An Appleby publication, ‘Cell Companies in Guernsey’, outlines the developments of Guernsey PCC legislation.

Authors of the report, group partner for Guernsey Jeremy Berchem and partner Stuart Tyler, note: “Nearly a decade later [from its introduction] in 2006, Guernsey introduced a second type of cell company, the incorporated cell company (ICC) to further enhance innovation.”

ICC legislation distinguishes itself from the PCC. Its cells (ICs) are separately incorporated and are therefore separate legal entities with their own board, share capital, memorandum and articles of corporation.

Berchem and Tyler highlight that, crucially, on the board, any director of an ICC must also be a director of each of its ICs; the two are synonymous.

The island has had cellular structures for more than 25 years and subsequently has an adaptable and conducive legal environment for them.

Giving an example, Appleby’s Berchem and Tyler, say: “A minor amendment to the Protection of Investors (Administration and Intervention) (Bailiwick of Guernsey) Ordinance, 2008, made it very clear that the power under the Ordinance to make orders on an application for directions is subject to that part of the law which deals with PCCs.”

We Are Guernsey’s Lewis notes: “Guernsey regulators have a reputation of being ‘user-friendly’ and open to innovative ideas. This environment aids the continued evolution of PCCs and attracts more companies to Guernsey.”

“Following the Vesttoo event, relating to fraudulent LoCs, people are looking more closely at the small print of legislation surrounding PCCs and their equivalent in other jurisdictions,” he adds. “They are discovering material differences, which appears to be another advantage for Guernsey.”

Bermuda

In Bermuda, where PCCs are known as SAC structures, recent legislation updates have incorporated segregated accounts companies (ISACs) into the equation.

The SAC structure was formalised in 2000, replacing Private Act structures, but Bermuda’s ISAC only came into operation on 15 January 2020.

Walkers law firm deems the SAC to be “well-known and widely accepted Bermuda vehicle, both as a standalone structure and as a ‘rent-a-captive’ model.”

It lists the advantages to include “statutory ring-fencing of assets and liabilities, which has been upheld by the Bermuda courts, a tax-neutral environment, and a cell structure familiar to many onshore clients.”

Partners — Sarah Demerling, Peter Dunlop — marketing and business development manager Madison Petty and senior associate Shaela Rae at Walkers elaborate further:

“The SAC remains a popular and common vehicle in Bermuda, particularly for captive and commercial (re)insurers as well as collateralised insurance. The ISAC, while still relatively new, is starting to gain more popularity as the advantages of hybrid structures in the same vehicle become more apparent in practice.”

The ISAC Act is an independent but complementary statute from the pre-existing SAC Act which aims to enhance Bermuda’s offering for segregation accounts.

Fundamentally, the ISAC is Bermuda’s equivalent to Guernsey’s ICC legislation.

Walkers’ Demerling says: “The uptake of ISACs has been mostly outside the captive space, for now.”

This suggests that there is untapped potential for captives to take advantage of Bermuda’s updated legislation.

Malta

Located between Sicily and the North African coast, Malta launched its PCC legislation in 2004 through the Companies Act (Cell Companies Carrying on Business of Insurance) Regulations.

Notably, the country is the only EU member with PCC legislation. The PCC offers benefits under Solvency II with reduced costs due to shared governance, risk management and reporting.

Ian-Edward Stafrace, chief strategy officer at Atlas Insurance PCC, says: “A significant advantage for Maltese insurance cells is direct EU market access, bypassing fronting requirements. Atlas’ recent UK branch licensing extends this reach to the UK market, offering unmatched access from a single cell structure.”

Fronting requirements involve using a fronting insurer which can incur fronting fees and the cost of letters of credit requested as support by the fronter.

Malta also has EU and OECD-compliant requirements attracting an increasing number of insurance and captive insurance operators. The granting of a licence by the Malta Financial Services Authority enables a Maltese captive to write business for EU states for which they have been authorised.

This differentiates Malta from other EU member states, as most EU countries otherwise require domestic risks to be insured by a local insurance company or one based in the EU.

Stafrace comments: “Cells can also be capital-efficient, with EU Solvency II recognising cells as ring-fenced funds. There are no absolute floor minimum capital requirements for individual protected cells having recourse to the core, as these apply at an overall company level.”

Developing the cell concept, Malta has introduced new legislation and structures including reinsurance special purpose vehicle legislation and securitisation cell companies. This has enabled Malta to position itself as a key onshore domicile for insurance-linked securities and cat bonds.

Looking ahead

While PCCs don’t appear to be on track to fully replace single-parent captives, they are still a fast-growing, modern and potentially more convenient option.

Their growth has been aided by strong well-established knowledge in key jurisdictions, and cell legislation has proven to be a point of attraction for domiciles.

The number of jurisdictions with PCC legislation is projected to continue to increase, with Singapore being one of many looking to introduce cell legislation in the region.

Atlas’ Edward-Stafrace considers: “As the world continues to grapple with ESG challenges and opportunities, the role of protected cells in driving positive outcomes is becoming increasingly evident. By leveraging the unique advantages of these structures, organisations can meet their ESG objectives and drive improved risk management.”

A flexible and efficient alternative to single-parent captives, PCCs have the potential to bolster their parent organisations’ ESG strategy. *Captive Insurance Times* has explored how captives can be used as a tool to accelerate a parent company’s transition to net zero.

In Bermuda, the jurisdiction anticipates ISAC structures will continue to grow. The partners at Walkers say: “As the ISAC structure becomes more common, and the structure is eventually tested in the Bermuda courts, we anticipate that the ISAC will become an increasingly popular choice for stakeholders from various industries.”

They add that this will be particularly attractive “for those seeking innovative ways to manage risks and optimise operations. Emerging technologies in the fintech and insurtech sectors may also further shape the way that businesses leverage ISAC structures in Bermuda.”

The uses for the cell structures are almost limitless and there is vast potential for their use. In particular, against the rise of emerging technologies amid challenging market conditions and the looming threat of the climate crisis.

We Are Guernsey’s Lewis concludes: “Due to the versatility of PCCs and the introduction of ICCs, they have developed beyond the original concept of a ‘rent-a-captive’ to being used for anything from insurance transformer transactions to the investment fund sector.

“The general attitude of both Guernsey advisors and regulators continues to be ‘how can we do this?’, as opposed to ‘it cannot be done!’” ■

Going for gold

Industry experts discuss 2023's captive market performance, trends and developments and share predictions for the coming year

Frances Jones reports



Captive Insurance Companies Association (CICA) president Dan Towle hailed this time period to be the “golden age” of captive insurance. Towle made this bold statement in Luxembourg during his speech at the 2023 European Captive Forum (ECF), addressing keen listeners looking to seize their opportunity in this gilded market.

Hard market conditions over the past few years have encouraged a number of companies to turn to captive insurance to provide coverage that is too expensive or difficult to obtain in the traditional market.

These conditions are characterised by diminished capacity, high premiums and stricter underwriting standards, as well as widespread volatility and uncertainty.

(Re)insurer Swiss Re has identified a new higher interest rate era emerging from the economic stresses of the inflation shock and war in Ukraine, which is conducive to hard market conditions, according to 2023 research by the (re)insurance provider.

It touted these findings as positive catalysts for the wider insurance industry.

Although the market is starting to ease in some areas, such as cyber and financial and professional lines, this year has been no exception to market participants turning to captives driven by the hard market.

In 2023, ratings company AM Best reported that with the continued growth in captive surplus and dividends, captives have saved their organisations an estimated US\$9.4 billion over the past five years in comparison to the traditional market.

Taking a wider view, 2023 has witnessed unprecedented changes in technology and the climate crisis, with the rapid proliferation of AI and the world heating up at an alarming rate.

Against these imminent external threats, several industries, including the captive one, have recognised opportunities among the ashes.

“Captive market use included expansion into new areas with the use of AI technology, designing alternative programmes for property risks and arming today’s risk managers with the control they need and require with access to their own data,” according to Anne Marie Towle, CEO of Hylant Global Risk Management and Captive Solutions.

Born in the USA

Diana Hardy, director of audit operations and chief operating officer at RH CPAs, says: “The market has been explosive. More and more middle market companies [in the US] are using captives as a risk financing tool.”

CICA president Towle affirmed this sentiment in his ECF speech, saying: “We are seeing market growth from unparalleled rates of new formations and expansions, and this is not exclusive to large organisations. Middle-market and non-profit organisations are turning to captive insurance in record numbers.”

However, the global market has seen fluctuations of interest in certain areas. The US, already booming, has seen an increase in captives, but some have observed a plateau compared to previous years.

“The market has been explosive. More and more middle-market companies [in the US] are using captives as a risk financing tool”

Diana Hardy, RH CPAs



“This year was very busy with many companies looking for unique ways to leverage their captive to create programmes to benefit their key stakeholders”

Kirk Watkins, Promethean Risk Solutions



Joe McDonald, director of captives for the South Carolina Department of Insurance (SCDOI), says: “Based on the number of formations, we saw early signs of a slowing down of new licences, while existing programmes continued to evolve and expand.”

On the other hand, Michelle Bradley, consulting actuary at SIGMA Actuarial Consulting Group, says: “We observed strong growth in interest in 2022 but we are seeing more interest in 2023, and even more so in the second half of 2023. It’s especially exciting to notice this growth spread across a wide range of industry segments as well as both traditional and emerging risks.”

Looking ahead, SIGMA’s Bradley suggests: “The sustainability of new entrants remains to be seen. One of the biggest challenges is making sure new captives are based on analytically supported strategies. Exiting the traditional market because of the pain of

“We are seeing market growth from unparalleled rates of new formations and expansions, and this is not exclusive to large organisations”

Dan Towle, CICA



a hard market should be based on long-term strategies and not short-term reactions.”

She encourages anyone contemplating the use of captives to spend adequate time reviewing and discussing the guidance offered by their service providers.

Reflecting on the year, Kirk Watkins, president and founder of Promethean Risk Solutions, says: “It was very busy with many companies looking for unique ways to leverage their captive to create programmes to benefit their key stakeholders.”

Promethean’s programmes cover risks including pet insurance, identity theft, electronic devices and legal insurance to tenants and association members.

“When considering programmes for customers, association members and employees, the market is huge. It provides the stakeholder with better coverage for less premium and the captive with low-risk profitable business. It’s a genuine win-win opportunity,” Watkins summarises.

U-turn to traditional lines

Industry experts have noticed a trend of captives returning to placing more traditional lines including property and casualty coverages, a move catalysed by the challenging property market.

Enoch Starnes, a captive and complex risk consultant at SIGMA Actuarial Consulting Group, says: “We are seeing a slight shift back to placing more traditional property and casualty coverages in a captive, but interest remains strong for complex and emerging risks. As expected, cyber risk continues to dominate many alternative risk strategy conversations. The somewhat more surprising development, however, is activity happening in the second half of 2023 relating to property.”

Global commercial insurance prices increased three per cent in Q2 of 2023, down from a four per cent increase in Q1, according to Marsh’s Global Insurance Market Index.

The report found that pricing was relatively consistent across all regions in Q2, although it noted that pricing was offset by property



“We are seeing a slight shift back to placing more traditional property and casualty coverages in a captive, but interest remains strong for complex and emerging risks”

Enoch Starnes, SIGMA Actuarial Consulting Group

insurance increases. Marsh found global property insurance pricing was up 10 per cent on average in Q2, the same as in the previous quarter.

Marsh's most recent index observed that pricing continues to stabilise” and “property lines remain challenging” through Q3 of this year. It also found that global commercial insurance pricing rose by the same amount as the prior quarter. “Property insurance experienced increases in every region, while cyber and financial and professional lines pricing generally decreased or showed moderating increases,” according to Marsh.

Elizabeth Steinman, managing director for risk finance and captive consulting for the Americas at Aon, weighs in: “This reflects the continued difficult insurance market, particularly the property market. In this market, our clients are having to take much higher retentions and premium pricing is increasing all the way up the tower. Which makes putting a high layer in the captive more economical.”

RH CPA's Hardy concludes: “Companies are realising they have the balance sheet capacity to take on more of their own risks, even in the traditional space, which can add to their bottom line. We are fortunate to work with some of the largest companies in the world that are creating captive structures and succeeding in doing so.”

Reverse captive colonisation

The seeds of a captive revolution have been sown this year in Europe. Leading this charge, a new captive regime was launched in France in June.

Daphné Naudy, director of development for continental Europe at London-based insurer Charles Taylor Adjusting, elaborates: “The French government allowed captive insurers and reinsurers to accumulate tax-free reserves of up to 90 per cent of underwriting profits, in the form of a ‘resilience’ provision that can be drawn on in the event of a disaster.”

The year-end saw the UK chancellor announcing the UK government's plans to consult on a UK captive regime, set to launch in spring 2024. According to Jeremy Hunt's Autumn statement, released on 22 November, the UK captive regime aims to “encourage the establishment and growth of captives in the UK”. This year's AM Best market segment report on European captives says: “Captive insurer numbers are set to grow in Europe as more jurisdictions seek to lure companies.” Key takeaways of the report include growth within existing European jurisdictions and new domiciles coming online.

Naudy says: “From a European perspective, we've seen an increase in captive creation in Germany, Italy, Spain and the UK

“One of the biggest challenges is making sure new captives are based on analytically supported strategies”

Michelle Bradley, SIGMA Actuarial Consulting Group



too, following the French lead as governments consult on new captive regimes.”

The rating agency expects both these factors will continue to drive the increase in European captive markets as well as the commercial hard market.

Hylant’s Towle says: “It seems as if Europe closely watched the US states adopting captive legislation and is following suit. It will be interesting to watch domicile options expand, and assess the impact it has on existing long-standing domiciles.”

Traditionally, the main European domiciles for captive insurance are Luxembourg, Ireland and Malta, as well as Guernsey, which sits outside the jurisdiction of the EU.

“It will nevertheless take time for those markets to mature, especially in terms of regulation, structuration and skill set. Therefore, Luxembourg and Malta remain safer options for now,” Naudy advises.

Considering the impact of the macroeconomic environment on the industry, Naudy says: “The geopolitical situation in Ukraine, and more recently Israel, increases in natural catastrophes and the recent evolution of the seismic’s models’ earthquake risk in Europe have combined to stretch the markets, and will continue to do so for years to come.”

Recent natural catastrophes in Europe include major floods in north Italy and storms on the coasts of France and the UK.

“As some risk managers at the recent captive forum in Luxembourg said: ‘this year again, the renewals are a real bloodbath,’” she adds.

“In this market, our clients are having to take much higher retentions and premium pricing is increasing all the way up the tower”

Elizabeth Steinman, Aon



Key events

Elsewhere, in the US, Captive Insurance Times (CIT) tracked the ongoing 'battle' between the IRS and captive insurance. SDCOI's McDonald, says: "Several big topics were the increase in property coverage, caused by challenging market conditions, the uncertainty with respect to pricing cyber coverage, and the discussion surrounding the IRS and the 831(b) election."

In June the IRS targeted micro captives with proposed regulation changes to the 831(b), which could severely limit access to captive insurance programmes for small- and medium-sized businesses in the US. The proposed regulation changes have not been passed.

This prompted the submission of formal comments in refutation to the IRS' proposal by the Self-Insurance Institute of America (SIIA), Oxford Risk Management Group and the Oklahoma Insurance Department to name a few.

Legal proceedings related to risk retention groups (RRGs) in the industry were also tracked by CIT from April to May.

The Florida Senate Bill 516 looked to change the definition of "motor vehicle liability policy", and redefine the term "RRG".

The bill was expected to have a "devastating impact" on every RRG writing commercial liability, including auto, according to the National Risk Retention Association (NRRA)."

"On 5 May, the bill failed to be passed into law and the NRRA accelerated its campaign to challenge "illegal discrimination against RRGs in Florida".

Another noteworthy event was the Vesttoo incident, which sent shockwaves through the insurance industry and highlighted the necessity of regulatory oversight and due diligence. CIT explored the implications of this event on this industry in its October issue.

"The French government allowed captive insurers and reinsurers to accumulate tax-free reserves of up to 90 per cent of underwriting profits, in the form of a 'resilience' provision that can be drawn on in the event of a disaster"

Daphné Naudy, Charles Taylor Adjusting





“Several big topics were the increase in property coverage, caused by challenging market conditions, the uncertainty with respect to pricing cyber coverage, and the discussion surrounding the IRS and the 831(b) election”

Joseph McDonald, SCDol

Looking into the captive ball

Going forward, Aon’s Steinman predicts that some will de-domesticate their captive insurance companies: “We have many clients reviewing their domicile choices due to the potential effect on the global minimum tax from the OECD BEPs Two Pillar solution.”

More than 135 jurisdictions joined the Two-Pillar Solution to address tax challenges arising from the digitalisation of the economy, the OECD says, to update key elements of the international tax system which are no longer “fit for purpose” in a globalised and digitalised economy.

Against the backdrop of the climate crisis, there has been a shift in the way insurance careers operate in heavy-emitting industries. Steinman notes: “With a strong focus on ESG-related risk factors, most industries are now facing increased scrutiny, leading to capacity reductions and restricted terms and conditions.”

She adds: “We expect these companies to have a difficult property renewal in 2024 and will want to explore alternatives such as captives, structured arrangements and parametric trigger arrangements.”

Alternatively, CIT’s article in September analysed how the functions of a captive can be used as tools for a company’s transition to net zero.

The current tumultuous macroeconomic backdrop has led industry experts to observe a keen interest in being able to ‘control your own risk management’. They expect captive financing strategies will be driven by this factor, in addition to increasing data availability and AI.

Hylant’s Towle says: “We are continually watching the global property market and the impact it may have on significant retentions for organisations. Hurricanes and prone-to-wind areas are struggling across all industry sectors to secure cost-effective insurance — we need to assist with developing solutions.”

"A captive can play a large part in addition to reinsurance capacity," she notes. "We are also watching cybersecurity as this will continue to evolve as cyber criminals seek new avenues to hack systems and entry points."

The experts agree that cyber will continue to dominate traditional and alternative risk strategy considerations going into 2024. Participants also predict a greater focus on parametric insurance, which usually covers risks deemed 'impossible to cover'.

Parametric insurance covers the probability of a predefined event happening, instead of indemnifying actual loss incurred. "This is something that will be particularly relevant in the case of natural catastrophes," according to Charles Taylor Adjusting's Naudy.

She predicts: "The captive market will grow in 2024 and the key parameters will be fronting fees, quota shares of risks and claim control. The development of AI will also have an impact on captives' management and transform day-to-day activities, improving efficiency and productivity while reducing costs."

"We are continually watching the global property market and the impact it may have on significant retentions for organisations"

Anne Marie Towle, Hylant



"Compared to 2022, captives are taking on more difficult and emerging risks in a measured way and working with trusted partners"

Steven Bauman, AXA XL



CIT will look to assess how captive insurers can utilise the latest iteration of AI, Generative AI, to their advantage in 2024. It has previously analysed how captive insurers can use AI to their benefit in its July issue.

"This will only increase as it has now been proven that AI can provide superior forecasting accuracy, an optimised variable selection process and richer data segmentation," says Naudy.

Steve Bauman, global programmes and captives director at AXA XL, says: "I predict the captive insurance market will continue its path of growth, innovation and entrepreneurial spirit as it has now for several years. Compared to 2022, captives are taking on more difficult and emerging risks in a measured way and working with trusted partners."

He concludes: "Global risk management will continue to be challenging in 2024. This affords captives greater opportunities to be more involved in so many areas of risk assumption." ■

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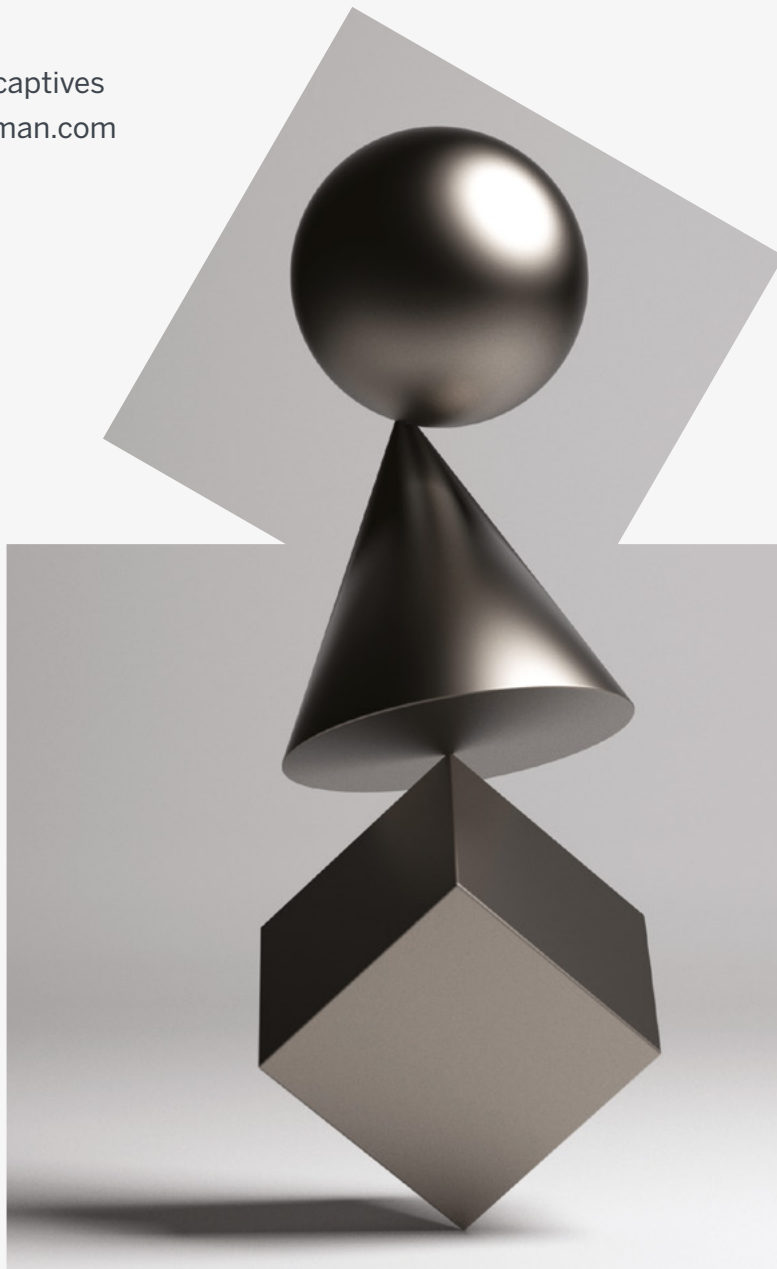
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Opportunity knocks

Market participants consider the captive growth in Singapore, while identifying its barriers and opportunities

Frances Jones reports



Singapore is home to the largest port in Southeast Asia and some 82 captive insurers, according to the Monetary Authority of Singapore (MAS). The 82, with their gross premiums rising to US\$2.2 billion, make Singapore the largest Asian captive domicile. Singapore also enjoys a long-standing partnership with the US, underpinned by the US-Singapore free trade agreement. The nation is known as the 'City in a Garden', as nearly 50 per cent of the island is green space.

"It's a well-recognised choice of domicile for many reputable international companies to set up their captives, especially among corporates from Australia," according to Aon Insurance Managers - Singapore.

James Wong, director of risk and analytics for Asia Pacific at WTW, affirms: "The majority of Singapore-domiciled captives continue to be owned by Australia-headquartered companies."

For example, Australia's largest retail bank Commonwealth Bank of Australia (CBA) has a Singapore-domiciled captive, CBA Captive Insurance. The captive is a wholly-owned subsidiary of CBA and its captive manager is Marsh Management Services Singapore.

Observing changing tides, Wong says: "Over the last 10 years, we have seen greater diversification including captive owners coming from Southeast Asia."

Michael Dunsire, regional director of captive and insurance management for Aon in the Asia Pacific region, adds: "We have seen an uptake in companies from around the Asian region due to their greater awareness and maturity of the market."

Domicile on the map

In a previous edition of Captive Insurance Times, International SOS' chief strategy officer Franck Baron touted the region's benefits as a captive insurance domicile in his captive owner's interview.

When explaining why his company chose Singapore as a domicile for their captive, Odeon Re, Baron said: "The ability to develop and gain approval for a holistic business plan for (re)insurance, life and non-life avoids delays in our underwriting decisions."

Giving a regulatory perspective, he added: "the local regulator, MAS, is providing a very stable environment and is committed to developing the captive platform."

“Singapore is continuing to invest in specialist underwriting capabilities and a strong network of professional service providers to support the evolving needs of captives”

Ravi Menon, MAS

Singapore’s captive insurance business is governed by the Insurance Act and administered by MAS.

Ravi Menon, managing director of MAS, gave the opening address at the 19th Singapore International Reinsurance Conference on 30 October.

In it he stated: “Singapore is continuing to invest in specialist underwriting capabilities and a strong network of professional service providers to support the evolving needs of captives.”

Aon’s Dunsire notes: “Singapore is generally considered a well-rounded option due to accessibility and convenience, though it tends to favour simple captive structures due to its single class of captive licence.”

Currently pending is the introduction of the OECD’s base erosion and profit shifting (BEPS) Pillar 2 rules in various jurisdictions. With this, “Singapore’s extensive network of double tax agreements would be an advantage for corporates in minimising double taxation risks,” according to Dunsire.

Singapore will also be implementing the Global Anti-Base Erosion (GloBE) rules of the OECD and BEPS two-pillar plan, taking effect from 1 Jan 2025.

The rules dictate a domestic top-up tax will be introduced that will top up the effective tax rate of qualifying multinational enterprise groups in Singapore to 15 per cent.

WTW’s Wong notes there are two main considerations WTW typically looks at when assessing a captive domicile. These are “synergy with the insurance and risk capital market, and the talent pool — the right people with relevant skill sets on the ground.”

Additionally, political stability is important for all businesses.

Wong says: “From an Asia Pacific perspective, Singapore ticks all the boxes. It has many accounting professionals and graduates. There is both good quality and quantity of talent in Singapore. Another factor, which people typically don’t pay enough attention to, is that most Singaporeans are multilingual.”

Demonstrating Singapore’s fertile soil for captive growth, Marsh Captive Solutions found that captive premium growth increased in Singapore by 46 per cent, the highest globally. This was followed by Luxembourg, by 36 per cent, and then North America by 15 per cent.

These figures are based on cumulative growth over the past two years (2020 to 2022) and were published in Marsh’s ‘2023 Captive Landscape’ report.

It should also be noted that the uptick in captive insurance companies in Singapore is partially due to recent market conditions, reflecting the wider global trend that captive insurance companies are on the rise as hard commercial markets are pushing companies to seek alternative risk transfer methods.

Application filed

In response to these rising captive figures, International SOS’ Baron has filed an application with MAS to create a new captive owners’ association. The association will “represent the interests of the growing captive sector in the territory,” according to Baron.

Baron is the founder and former-chair of the Pan-Asia Risk and Insurance Management Association (PARIMA). The Singapore-headquartered association has members in 23 countries across the Asia Pacific region and has grown exponentially since its inception in 2013.

Now, he has turned his attention to co-establishing a representative body for the captives exclusively registered with MAS in Singapore, along with Steve Turnstall, Tunstall Associates and Kelvin Wu, Weybourne Holdings.

International SOS' Baron says: "Currently, there is no formal dialogue with the regulator on captives and this is needed. An official dialogue is really important if you want to spread the concept out to organisations that do not have a captive yet."

There is high interest from Singapore-based captive owners and organisations in the association.

Baron exclusively tells CIT: "As a dedicated home for the owners of captives, the association will be uniquely positioned to foster collaboration, promote understanding of the business reasons for captive insurance, and develop a strong and impactful voice for the captive industry in Singapore and across Asia Pacific."

Its key objectives are to represent captive owners in discussions with regulatory bodies including MAS, to rally the industry to focus on attracting and retaining the next generation of captive professionals.

Hinderers to captive adoption

It is to be expected that Asian companies remain behind their global peers, such as the US, Bermuda and Cayman Islands, on captive adoption.

WTW's Wong says: "Part of this is due to commercial insurance capacity being less expensive in the region", compared to countries with higher captive adoption rights, such as the US.

Wong lists another, more important, factor as risk retention. "Risk retention and risk financing concepts are not as well understood in this region," he says. "This leads to missed opportunities where insurance buyers — with capacity to take substantial risk — continue to stay with the traditional approach, therefore subjecting themselves to market-driven capacity and pricing uncertainty."

Additional drawbacks are sizeable data gaps. MAS' Menon said in his speech: "With healthy economic growth, additional urban centres and industrial centres have emerged in Asia, and risks have evolved. There is not enough up-to-date, high-resolution data on economic exposures to key perils in Asia..."

"Risk retention and risk financing concepts are not as well understood in this region. This leads to missed opportunities where insurance buyers — with capacity to take substantial risk — continue to stay with the traditional approach, therefore subjecting themselves to market-driven capacity and pricing uncertainty"

James Wong, WTW

AM Best 2022 Global Reinsurance market segment report notes that: "After the last five years, heightened catastrophe and secondary peril activity have put investors' risk tolerance levels to the test, and recent fears about sustained inflation and a potential recession may point to decline in overall available capital."

The rating company's outlook on the global reinsurance market remains stable, despite lingering economic and operational challenges stemming from the COVID-19 pandemic.

Specific to South and Southeast Asia markets, technical underwriting performance improved in 2021, but returns on equity declined owing to weakened investment returns.

MAS' Menon said at the opening address: "The reinsurance industry is an important partner to captives. While captives manage much of the risk of their parent group, they need to transfer certain risks that the captive sponsor is unable to retain."

“As a champion for sustainable development and an international financial hub, Singapore has a strong focus on ESG agendas”

Michael Dunsire, Aon

Garden of captive opportunities

Aon’s Dunsire says: “Captives in Singapore are not permitted to write unrelated business and may not be able to accommodate certain corporates with unique ownership structures.”

For example, Singapore currently does not offer any form of cell legislation for the insurance sector, although MAS is looking at introducing cell legislation in the near future.

In his speech, MAS’ Menon said: “The development of segregated cell structures can potentially streamline the costs and processes involved in incorporating and managing captives.”

This area is certainly one to pay attention to as MAS commits to expanding its insurance capacity.

The association is focusing on three alternative risk transfer initiatives to expand capacity: insurance-linked securities (ILS), captive insurance and catastrophe risk pools.

For ILS, AM Best’s 2022 global reinsurance market report finds that: “The Singapore government is keen to leverage its position as a financial powerhouses to develop their respective alternative capital markets.”

Additionally, in 2018 Singapore introduced a grant scheme to subsidise upfront ILS issuance costs up to SG\$2 million (US\$1.5 million).

The rating agency elaborates: “The grant scheme has proven to be successful in attracting international sponsors to choose Singapore as an ILS domicile, subsequently leading to the provision of convergence for perils in Australia, Japan and North America.”

Industry participants agree that current trends are only going to extrapolate and expect Singapore to be at the fore for Asia.

Baron says: “Captives will only become more significant over time as the commercial insurance and reinsurance market retreats from the trickiest and most systemic risks, such as those related to climate change, health and cyber.”

Wong adds: “Captives can certainly be solutions to complement commercial insurance capacity or unlock new insurance capacity. Given the sizable protection gaps in Asia, we need to tap on alternative risk transfer solutions to expand capacity.”

Life Insurance Association Singapore (LIA) estimated Singapore’s protection gap to be a mortality protection gap of SG\$373 billion (US\$278 billion) and a critical illness protection gap of SG\$579 billion (US\$413 billion) in Singapore in 2022.

This translates to a 21 per cent mortality protection gap and a whopping 74 per cent critical illness protection gap in the country for the year 2022.

When estimating this amount, the LIA calculated the difference between insurance coverage that’s economically necessary and beneficial for society, and that which is actually required.

This estimate demonstrates how profitable the industry could be for insurers and captive insurers alike.

The association notes that while gaps persist, there has been progress since its last assessment of the gap in 2017, which reflects the ongoing improvements in the domicile.

Aon’s Dunsire has identified vast potential for Singapore in regards to ESG risks. He says: “As a champion for sustainable development and an international financial hub, Singapore has a strong focus on ESG agendas.

“It has introduced guidelines and consultation papers in the areas of environmental risk management and transition planning for the insurance sector.” ■

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To ACI and beyond

Emerging talent Noah Miller talks to Frances Jones about his experience working at CIC Services and his future aspirations working in the captive industry

How did you end up in the captive industry? How has your previous experience prepared you for your current role?

I grew up in the life insurance industry. My father owned a life insurance agency for 25 years. From a very young age, I was involved in insurance in some way, shape or form. This ultimately led me to my career at CIC Services.

Before I joined CIC Services, I was a Medicare and life insurance agent for a little over a year and a half.

I've always been very interested in insurance in general. After working as a Medicare and life insurance agent, I reached out to CIC Services through some of my family's connections. I saw that they had excellent corporate governance. I loved the way they went about their business and how they assist business owners in forming their captives.

From your experience, what would you say are the key benefits of captives?

I think there are several potential benefits. I think the main benefit is a strong risk management programme for business owners. Comprehensively, it creates a much stronger risk programme for those businesses with captives, compared to those without.

A captive ensures that businesses are adequately protected. Many businesses in the US and beyond are either uninsured or underinsured.

We saw evidence of this during COVID-19, in particular. There are a lot of different claims that come up within a business's

operations. Unfortunately, we see a lot of instances where they're not adequately protected.

It's my job to make sure that these firms are protected and are subsequently able to build reserves if they have a favourable claims experience. The reserves can be built up over time to pay future claims.

If they don't have future claims, a captive can be a very powerful financial vehicle.

Can you name your main influences in the industry?

I think the 'who' is one of the principals at our firm, Randy Sadler. He's been involved with our firm for more than 15 years now; he's very experienced in the captive industry.

Randy has done an amazing job mentoring me. During my first two years in the captive's industry, Randy gave me great insight into his knowledge and experience.

The 'what' must be the ACI programme. I recently completed my ACI designation. It was invaluable and I learned a great deal from the experience.

What are your aspirations for your future career?

I want to continue to strive for excellence at CIC Services.

As I've become more integrated into the firm and the captive space, I want to ensure that I can do everything I can to really help these mid-market firms protect their businesses by forming their own insurance companies.

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

I think anyone considering entering the captive space should go through the ACI programme. It gave me a solid baseline knowledge for understanding what captives are, their benefits and their regulations.

There's a variety of different classes that are very educational, and it's really a rigorous programme too. It helps you grow and be challenged. I highly encourage anybody considering a career in the captive industry to participate in the ACI programme.

Personal biography:

I've lived in Urbandale, Iowa for most of my life. I married my wife, Abigail, in the summer of 2020. Together we enjoy sporting events and training our new puppy, Millie. In my spare time, I enjoy playing golf and watching football. I received a Bachelor of Science Degree in Business Management and Marketing graduating Magna Cum Laude from Taylor University in 2020. Before joining CIC Services, I earned my Accident and Life Insurance Licence in the State of Iowa and sold Medicare and life insurance.

Recently, I completed my Associate in Captive Insurance (ACI) from the International Center for Captive Insurance. Additionally, I've co-authored a new book with Randy Sadler, a principal at CIC Services, 'Fortune Favours the Insured: The Definitive Guide to Captive Insurance for Middle Market Companies.' ■

"Noah Miller's contributions to our team have been invaluable, as he leverages his business and insurance education to guide our clients. The successful completion of the rigorous ACI programme showcases his dedication and will undoubtedly elevate his ability to assist mid-market companies to realise their enterprise risk management objectives through captive insurance. A promising trajectory lies ahead for him."

Bryan Ridgway

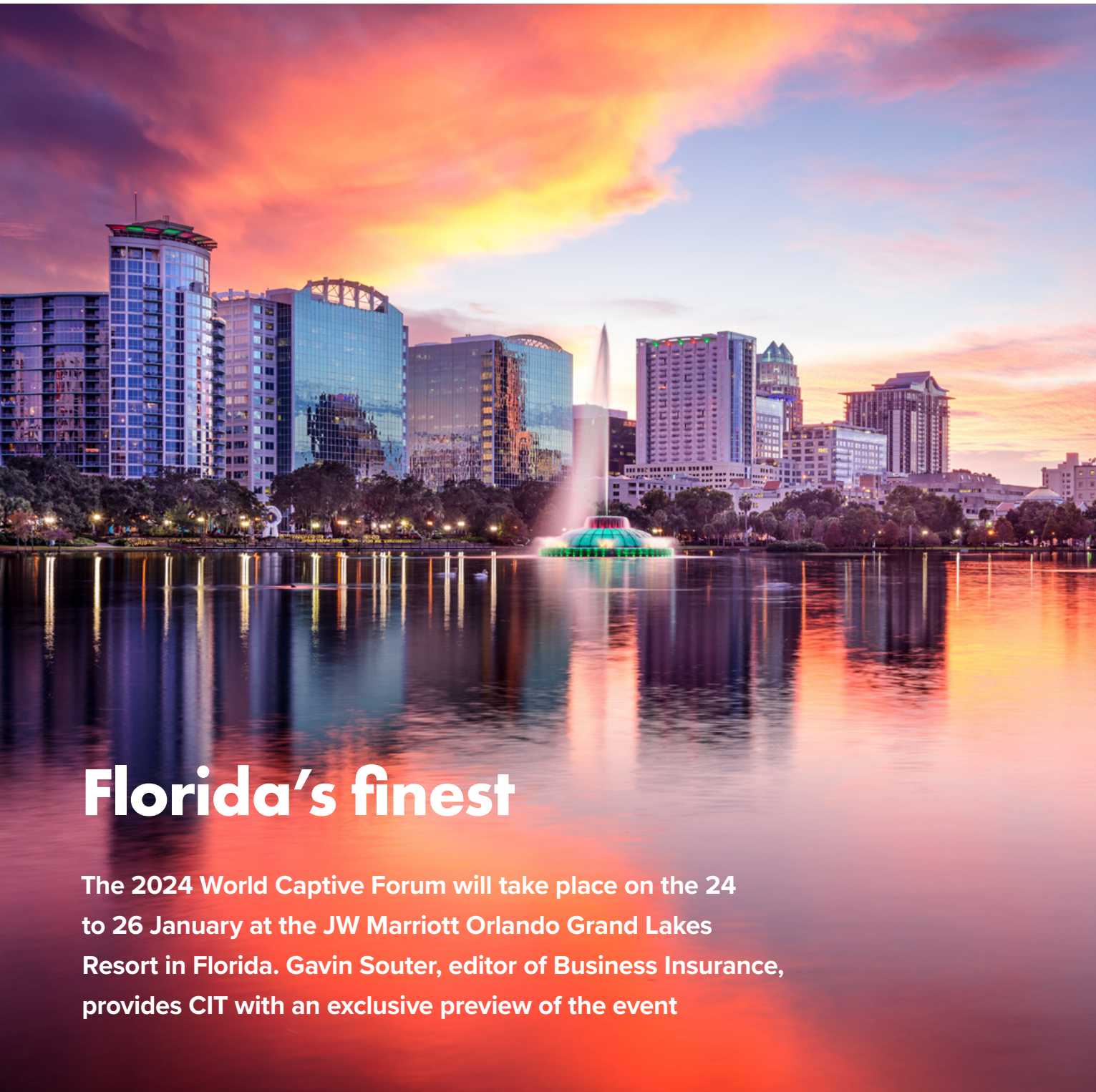
Principal and chief operating officer
CIC Services

"I think anyone considering entering the captive space should go through the ACI programme"



Noah Miller

Risk management consultant
CIC Services



Florida's finest

The 2024 World Captive Forum will take place on the 24 to 26 January at the JW Marriott Orlando Grand Lakes Resort in Florida. Gavin Souter, editor of Business Insurance, provides CIT with an exclusive preview of the event



How has the World Captive Forum grown and evolved over the past 33 years?

Held in New York in October 1990, the first World Captive Forum (WCF) drew approximately 300 attendees from around the world.

Designed as a domicile-neutral conference, the event soon moved to resort-based conference centres in Florida.

Since then it has consistently focused on the concerns of captive owners in the US and internationally.

During the pandemic, WCF offered virtual sessions for attendees but has since returned to a largely in-person format because attendees highly value the networking opportunities that the conference provides.

This year we are expecting an estimated 450 attendees and 50 exhibitors.

What key topics and discussion points do you expect will come up at the event?

The 2024 conference will include coverage of issues of perennial concern to captive owners, such as updates on tax developments and the captive reinsurance market.

The forum will also explore emerging topics, such as cyber risk in captives and potential liabilities arising from the use of AI.

Additionally, there will be small round table discussions where participants can raise their own concerns and interests.

What are some of the highlights captive owners and service providers can look forward to at the 2024 World Captive Forum?

The conference will begin with a golf event and the first session will, as usual, be a 'Captives 101' panel to get everyone up to speed.

In addition to sessions focusing on captives, we have a session on the benefits of diversity, including details on how diversity can drive innovation in captives.

"The advisory board — which includes captive managers and captive owners — meets to discuss what topics would be of interest each year and reviews session topics submitted by other captive experts"

How does the advisory board ensure a balanced, unbiased agenda?

The advisory board — which includes captive managers and captive owners — meets to discuss what topics would be of interest each year and reviews session topics submitted by other captive experts. Only after they have been independently reviewed by the board are session topics selected.

What are the key benefits for attendees?

Learning about the latest trends in the industry, networking with other captive owners, potential captive owners, regulators, managers and other experts and utilising the event to hold business meetings with captive owners and services providers.

What advice would you give first-time attendees to make sure they get the most out of the conference?

For newcomers, the 'Captives 101' session would be a great place to start. Practical sessions, such as one on off-the-shelf captives and another on cell captives, would also likely be of interest and the round table discussions would give them the opportunity to address specific questions with experts.

Review all the session tracks and make sure you keep your schedule clear for the sessions that will be most beneficial to you. Take some time to organise some meetings in advance, if you can.

Finally, visit the booths in the exhibit hall to get face-to-face time with captive experts and make the most of networking events throughout the conference. It's a relaxed and friendly environment, with plenty of opportunities to make new business contacts. ■

"It's a relaxed and friendly environment, with plenty of opportunities to make new business contacts"

Gavin Souter
Editor
Business Insurance



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Greg Habay joins Arch Re as head of BD and ILS partner relations

Greg Habay has joined Arch Reinsurance (Arch Re) as managing director, head of business development and insurance-linked securities (ILS) partners relations.

Based in New York, Habay will be responsible for leading Arch Re's ILS business development efforts, including outreach to investors in support of ILS and third-party capital strategies.

Habay brings more than 20 years of leadership and business development experience. He was most recently managing director of business development and investor relations at Third Point LLC.

Previously, Habay held ILS business development roles at capital market firm AQR Capital Management and reinsurance broking positions at JLT Re and Guy Carpenter North America.

Maamoun Rajeh, chairman and CEO of Arch Worldwide Reinsurance Group, comments: "I am delighted to welcome Greg to Arch Re. As our ILS platform has matured, our partners and investor base have grown in concert.

"Greg's addition marks the next stage in our evolution, as we continue to build and service both new and existing relationships." ■

BevCap appoints Slocum as executive vice president for healthcare captives

BevCap Management has appointed William Slocum as an executive vice president within its healthcare captives division.

He will focus on self-funded plan cost management and reference-based pricing to bring BevCap's clients cost-focused captive benefits solutions.

Slocum has more than 30 years of experience in sales leadership, most recently serving as senior vice president of business development at Oregon-based 6 Degrees Health.

He also has knowledge of the direct contract and reference-based pricing markets.

Lance Abbott, CEO of BevCap Management, comments: "As we grow our presence in the medical stop-loss captive market, Will can help us reach more customers with new cost management solutions."

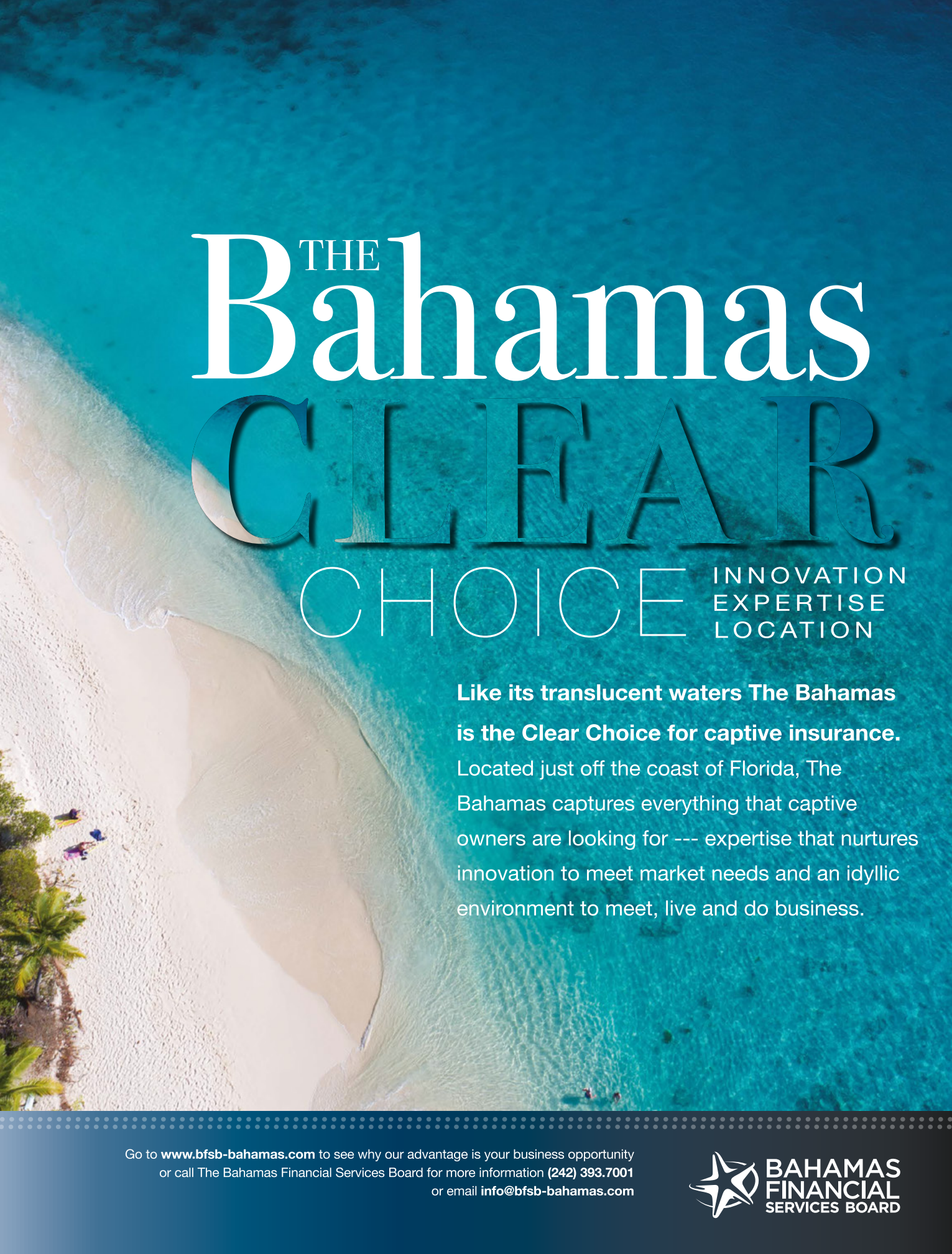
Joe Rosenberger appointed as chief captive analyst at the NCDOL

The North Carolina Department of Insurance (NCDOL) has appointed Joe Rosenberger as chief captive analyst of its captives division.

He succeeds Michael Arcangel in the role, who joins Strategic Risk Solutions as a consultant.

Rosenberger has been with the department for more than five years, starting as a financial analyst before being promoted to senior financial analyst within its captives division.

He is an ambassador for North Carolina's captive programme, representing NCDOL at a number of captive conferences.



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Liz Stelly named senior vice president of healthcare at CAC Specialty

CAC Specialty has named Liz Stelly as senior vice president of healthcare.

In her new role, Stelly will identify client opportunities to help build stronger risk management programmes, specialising in professional liability and medical malpractice.

Stelly has more than 20 years of risk management experience with knowledge of auditing, captive

management and insurance-linked securities

She joins CAC Specialty from Lockton, where she was senior account executive for healthcare and higher education.

Prior to that Stelly held a number of leadership and consultancy roles at California-based Alliant, medical non-profit CanCare and Aon Risk Solutions, based in the Cayman Islands. ■

NCDO's commissioner Mike Causey says: "His ability to connect with industry professionals and to understand complex captive insurance concepts makes him a valued team member."

Rosenberger comments: "I am thrilled to be given the opportunity to help guide the successful captive insurance programme that North Carolina has built throughout the last 10 years."

Richards Woods joins Alliant as vice president

Richard Woods has joined Alliant Insurance Services (Alliant) as vice president within its Americas division.

Based in Dallas, Texas, he will provide strategic risk and insurance solutions.

Woods brings more than 13 years of experience in risk management, with specialisms in property and casualty insurance.

He joins Alliant from Lockton Companies where he was a risk management consultant for over five years.

Commenting on Wood's appointment, Bob Bennetson, executive vice president and senior managing director for Alliant, says: "Richard has experience working in the middle market and with large, global corporations, making him a strong addition to our team in the Southwest." ■

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