captive insurance times
The primary source of global captive insurance news and analysis
January 2024 - Issue 263

Captive, c'est chic

A review of industry growth in Europe

All aboard

Verve Risk Services' Scott Simmons discusses navigating captive board duties

Emerging Talent

Capterra Risk Solutions' Alyssa Preidt speaks to CIT

captive insurance times

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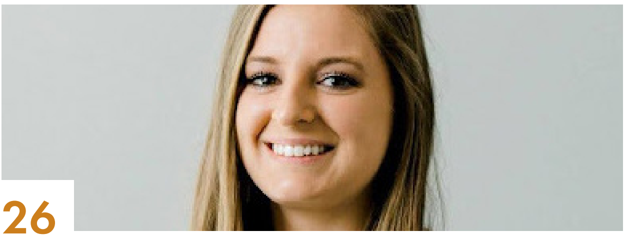

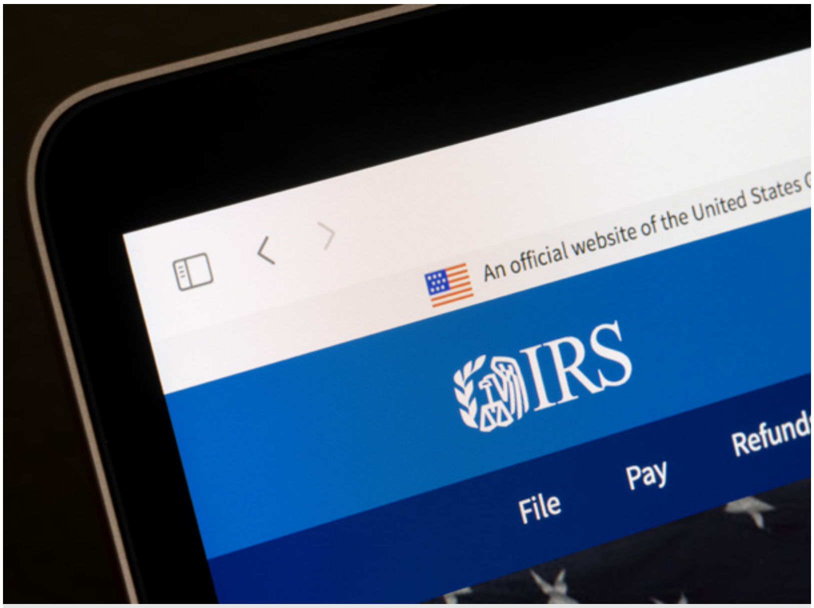

House Ways and Means Committee sends letter supporting microcaptives to IRS

The US House Ways and Means Committee has sent a letter to Internal Revenue Service (IRS) commissioner Daniel Werfel, expressing their support for microcaptives. The 831(b) Institute benefit recognised committee representatives Van Duyne, Mike Carey, Ron Estes, Randy Feenstra, David Kustoff, Carol Miller, Greg Stuebe and Brad Wenstrup as supporters of the letter.

The institute is a group, led by Matthew Queen, owner of Queen law firm, promoting guidance, education and compliance of 831(b) electing microcaptives.

Legislative awareness and action is necessary to provide clarity and ensure compliance with the 831(b) tax code, says the institute.

It adds that the lack of guidance provided by the IRS on 831(b) plans is 'unfair', and targets small business owners acting in good faith on the laws Congress passed.

The letter states: "The IRS may not eliminate laws that it finds inconvenient to administer or somehow troublesome, nor may it legislate via regulation. The Treasury and the IRS are harming the US economy by their 'misguided' effort to eradicate small captive insurance."

Peter Dawson, advisor to the 831(b) Institute, comments: "The letter written by the House Ways and Means Committee points out the duty the IRS has in implementing the will of Congress and acknowledging the flaws in their current approach to regulating microcaptives." ■

Utah captive fined by Washington's insurance commissioner

Washington insurance commissioner Mike Kreidler has issued a US$10,000 fine to Utah-based captive insurer Geoduck Insurance Group.

The fine was issued to the company for conducting insurance business in Washington state without being registered as a captive insurer between 2014 and 2021.

This was part of the commissioner issuing fines in November totalling US$305,694 against insurance companies and insurance producers who 'violated state insurance laws and regulations'.

Other companies fined for operating unauthorised include Towers Administrators, based in Delaware, the University of Wisconsin and Pennsylvania-based GBU Financial Life.

EU Council and Parliament agree on new rules for the insurance sector

The EU Council and the Parliament have reached a provisional agreement on amendments to the Solvency II directive and new rules on insurance recovery and resolution (IRRD).

The directive is the EU's main piece of legislation in the insurance area.

The aim of the IRRD is to ensure that insurers and relevant authorities in the EU are better prepared in cases of financial distress. This will enable them to intervene sufficiently early and quickly in a crisis situation, including across borders.

The new rules on Solvency II will boost the role of the insurance and reinsurance sector in providing long-term private sources of

Aon to acquire NFP to bolster middle-market segment presence

Aon has signed a definitive agreement to acquire NFP for US$13.4 billion to bolster its middle-market presence.

The deal is expected to close mid-2024.

Based in New York, NFP is a property and casualty broker, benefits consultant, wealth manager and retirement plan advisor.

Subject to regulatory approvals, Aon will acquire the company from funds affiliated with NFP's main capital sponsor, Madison Dearborn Partners, and funds affiliated with HPS Investment Partners.

Doug Hammond, chairman and CEO of NFP, will continue to lead the business as an independent but connected platform within Aon, named NFP, an Aon company.

He will report to Eric Andersen, president of Aon.

Greg Case, CEO of Aon, comments: "The acquisition will advance our relevance to clients, create opportunities for our colleagues and further strengthen our shared cultural values. Doug and NFP have built an exceptional team, with a complementary 'one-firm mindset', and we expect to both learn from their entrepreneurial culture."

Hammond says: "Our clients will benefit from Aon's global resources and distribution, while our people will have more opportunities to accelerate the growth of NFP." ■

images by NFP

investments to European businesses, the Council says, making the sector "more resilient and prepared" for future challenges to better protect insurance policyholders.

The sector will also contribute to the financing of the green and digital transitions and Europe's economic recovery from the COVID-19 pandemic.

One Acre Fund Re set to safeguard smallholders from climate impacts

A new reinsurance fund, One Acre Fund Re, is set to provide a critical financial safety net for 1 million smallholder farmers across Africa in 2024.

The fund was designed by African-based social enterprise One Acre Fund, in collaboration with the International Finance Corporation (IFC), the US International Development Finance Corporation (DFC) and the African Risk Capacity (ARC).

One Acre Fund supplies smallholder farmers in Africa with the finance and training to grow more food and earn more money, investing in farmers to generate a permanent gain in income.

This new resource will leverage One Acre Fund's on-the-ground presence and data gathering capabilities to design insurance products and direct payouts in a way that "more effectively responds to farmer experiences".

IFC is providing advisory services to the social enterprise to support the development of inclusive insurance products for farmers — including the proposed reinsurance facility — as part of its Africa Inclusive Insurance programme.

One Acre Fund aims to scale the scheme to 4 million farmers by 2030, helping to bolster

the long-term resilience of smallholders in the region. It announced the reinsurance fund and partnership at COP28, which was held from 30 November to 23 December 2023 in Dubai.

More than 2 billion people worldwide rely on subsistence farming. This group is disproportionately affected by the impacts of the climate crisis.

Predictive models foresee rising temperatures, by 0.5 to 2.5 degrees, and erratic rainfall across the sub-Saharan Africa region, with a higher likelihood of droughts, floods and soil erosion. Despite these increasing risks, affordable agri-insurance is only available in 4 out of 54 countries across Africa, and only 3 per cent of farmers have insurance coverage for their farms.

Annie Wakanyi, director of global government partnerships at One Acre Fund, comments: “Agricultural insurance can support lasting impact and resilience for small-scale farmers. With economic growth from agriculture being 11 times more effective at reducing extreme poverty than any other sector in sub-Saharan Africa, One Acre Fund Re aims to support smallholder families to achieve long-term poverty reduction and resilience.”

Authentic to offer multi-location, multi-state policies online

Authentic is to offer small businesses, with multiple locations across different states, the ability to purchase and manage policies all in one online platform.

Based in New York and Ohio, Authentic is a tech-enabled ‘captive-in-a-box’ insurance platform. The company partners with vertical software, associations, franchisors and other small business affinity groups.

This is the first time an online insurance provider has given customers this ‘one-stop-shop’ experience for multi-state policies, according to Authentic.

Authentic CEO Cole Riccardi comments: “Our core mission is to develop insurance programmes tailored to small businesses, enriching and simplifying their insurance journey.

He adds: “Our multi-location capability is a massive leap forward in modernising insurance for small businesses.” ■

Nomi Health partners with ClearPoint Health to empower small and mid-sized employers

Direct healthcare company Nomi Health and ClearPoint Health, the South Carolina-based employee benefits platform, have partnered to empower small and mid-sized employers across the US to take control of their health insurance costs.

ClearPoint develops and scales clinically-integrated captives, incorporating clinical providers in the sponsorship of medical stop loss captives offering level-funded and self-funded products. Its clinically integrated product, CliniCaptive, is built for provider organisations to offer more affordable and transparent insurance options to their local employers, according to ClearPoint.

Through the CliniCaptive product, Nomi will feature its end-to-end platform of services, including its network of provider partners, pharmacy solutions, provider-centric revenue cycle management, member navigation services, and its robust reporting and analytics suite.

Both companies say they have a shared mission to lower healthcare costs by cutting unnecessary complexity within the healthcare system.

Oklahoma captive board joins WRCIC

The Oklahoma Captive Insurance Association (OCIA) has joined the Western Region Captive Insurance Conference (WRCIC). As part of the partnership, OCIA board members, Heather McClure and Donald Ashwood have joined the WRCIC board. The WRCIC 2024 will be held on 15 to 17 April 2024 in Oklahoma.

In a bid to 'move the captive industry forward', WRCIC has elected Martha Hayes of Larson & Company as treasurer, John Talley of TAL Consulting as secretary, and Renea Louie of Pro Group Captive Management Services as chairwoman

Arch and Upfort partner to expand access to cyber insurance

Specialty insurer Arch has partnered with Upfort, a cyber security and insurance platform, to 'transform' cyber insurance programmes for SMEs, associations and risk pools.

Both firms will work with brokers to develop group programmes prioritising broad insurance coverage, competitive pricing, embedded security solutions and 'a seamless digital experience', says Upfort.

This will allow insurance agents and brokers to promote cyber resiliency at scale, and foster connections with their clients and prospects.

Combining loss control and automated underwriting with a user-friendly, low-touch process, Upfort will also allow Arch's brokers to efficiently meet the needs of these businesses.

Upfort expects cyber insurance premiums to grow by 20 per cent year-over-year until 2025, meaning that more market segments need to access coverage to protect against evolving cyber risks.

Josh Riley, managing director of Upfort, comments: "By integrating our technology with Arch's insurance solutions, we're accelerating the world's journey toward cyber resilience. We are proud to be the partner of choice for Arch to expand its cyber offering."

EU Council and Parliament agree on new rules for the insurance sector

The EU Council and the Parliament have reached a provisional agreement on amendments to the Solvency II directive and new rules on insurance recovery and resolution (IRRD).

The directive is the EU's main piece of legislation in the insurance area.

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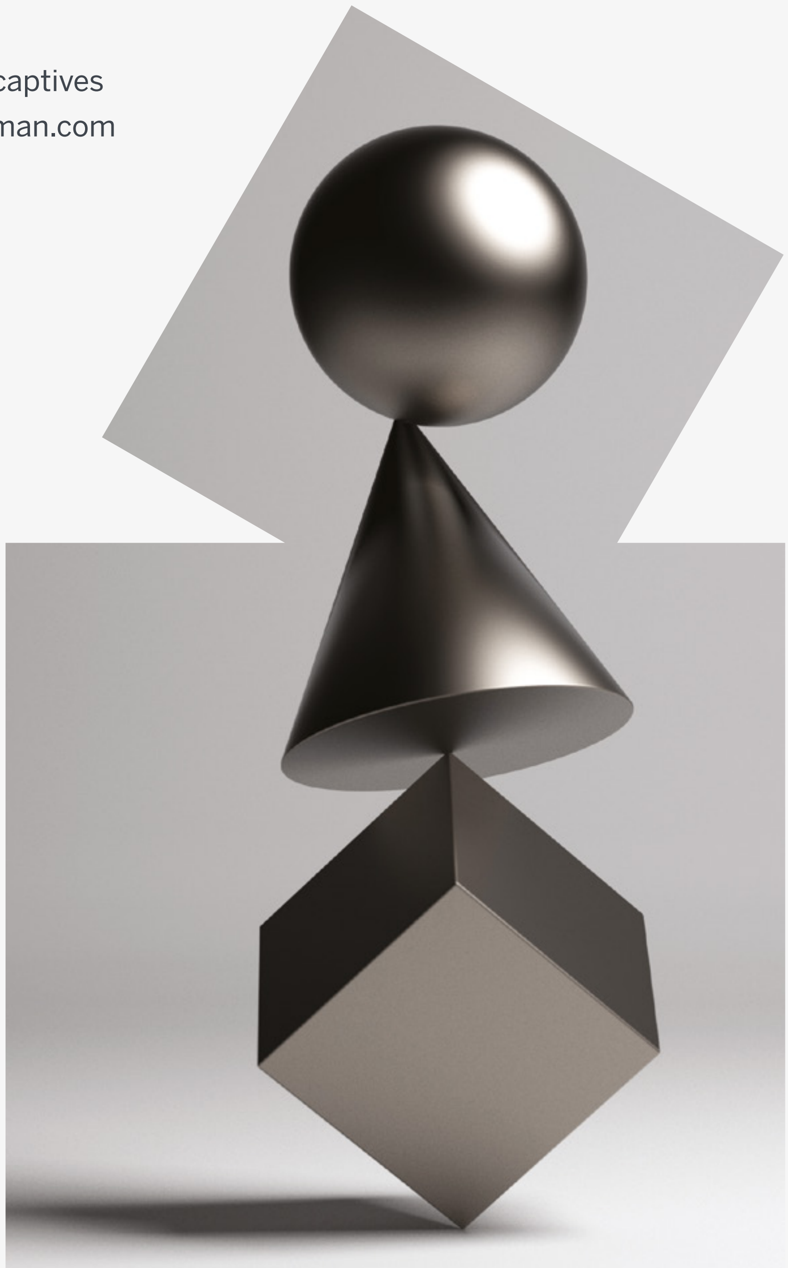

Captive, c'est chic

Frances Jones reviews captive growth in Europe, while assessing proposed amendments to Solvency II regulations, set to facilitate further expansion within the EU

Interest in captive insurance is increasing across Europe, and this surge is showing no signs of slowing. Mirroring the fashion world, France is leading the charge. The country launched a new captive regime in June last year, sowing the seeds of a captive revolution. This begs the question — is France set to bring down the guillotine on offshore domiciles, such as Bermuda? This legislation refresh prompted an uptick of curiosity in self-insurance from Germany, Italy, Spain and the UK.

“Captive insurer numbers are set to grow in Europe as more jurisdictions seek to lure companies,” according to ratings company AM Best. Its 2023 market segment report on European captives also highlighted growth within existing European jurisdictions and new domiciles coming online.

European captive market experts have witnessed an increase in cessions to captives over the last few years in response to market shifts for traditional global programmes, including property, casualty, cargo and cyber. Hard market conditions 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.

London-based insurer AXA XL is seeing clients place new and emerging risks into their captives in the region, such as environmental impairment liability and employee benefits. Additionally, it has observed its clients placing niche risks that are specific to their group’s activity, such as construction.

However, Richard Paris-Smith, client service leader at Strategic Risk Solutions (SRS) Guernsey, says: “We are finding that the formation of new captives in Europe is slower than offshore domiciles such as Guernsey, but there are still new captives being formed. There has been significant growth and interest in captives in mainstream onshore domiciles, notably France, which are adopting captive friendly regulations.” Looking forward, he adds: “The market will continue to expand, both in terms of numbers of captives and, perhaps more gradually, the increased output of premium and risk into existing captives.”

French ~~exit~~ entry

France's new captive legislation allows 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.

AM Best predicts that the number of captives licensed in France will increase, as the French risk management association (AMRAE) has identified more than 50 French corporations with plans to set up a captive in the country.

SRS Guernsey's Paris-Smith comments: "We've seen a number of new formations in France recently, as well as existing companies moving to France.

This is likely due to pent-up interest in France generated while the country was developing its new captive legislation."

On 8 December 2023, The Presidential Supervision and Resolution Authority (APCR) issued licences to two captive insurance companies, RD3A, owned by Rubis Energie, and agricultural industrial group Avril, for its reinsurance captive Avril Re. This takes the total number of captives in France to 16, affirming that French captives are on track with the expected growth trajectory.

Commenting on the legislation, Marine Charbonnier, head of underwriting, captives and facultative for APAC Europe at AXA XL, says: "The new regime is an important first step for captives in France, where a whole ecosystem could develop in the future. The work done by public authorities to materialise the revival of reinsurance captives has been well received by the market."

The captives licensed so far by the French authorities have been primarily focused on large multinational companies, although Charbonnier notes that "by expanding the scope of eligible companies, the new legislation also makes captives more accessible to medium-sized companies".

AXA XL has many clients in France that may redomicile to their home country in the future.

UK to follow suit

The end of 2023 saw the UK chancellor announce the government's plans to consult on a UK captive regime, set to launch in spring 2024. According to chancellor Jeremy Hunt's autumn statement, released on 22 November, the UK captive regime aims to "encourage the establishment and growth of captives in the country". Industry lobbyist London Market Group (LMG), which has been working with the Treasury to achieve this, revelled at the announcement. The LMG is a body representing the city's commercial (re)insurance broking and underwriting communities. The group says it has been encouraged by the levels of interest in the regime so far.

Outlining the potential benefits of a UK captive regime, LMG CEO Caroline Wagstaff, says: "London is a global centre for risk transfer — but to retain its leading position it needs to have all the tools in the toolkit." Currently there are no captives based in the UK, because regulators treat them the same as an insurance company, despite these posing a comparatively lower risk to the overall financial system, and their potential to help companies manage their own risk profile more effectively. Wagstaff adds: "A UK captive domicile will offer participants an extensive financial services ecosystem; London-based global brokers with considerable captive consulting experience, a range of local banking and asset management options and the world's 'largest and most sophisticated' reinsurance market."

In August 2022, Marsh estimated that 200 new captives had been created between 2020 and 2021 by their business alone. All UK public sector bodies base their captives offshore, and "could be encouraged to return to the UK when a competitive UK regime is created for taxpayers", Wagstaff affirms. "More companies might also be able to consider the option of a captive if they could locate it onshore in their own domicile". Significantly, decision making on the captive must be made within the jurisdiction where the captive is located. Therefore, it will create new business in sectors and jobs in captive management, as well as enabling UK captive owners to be geographically closer to their captive's operations. The LMG's 2022 'A Plan For The Future' report advised how a captive regime will succeed in the UK. It notes that a failure to develop an activity-specific model of regulation will mean that London will continue to lose out to other financial centres in relation to alternative risk transfer products. The group recommends that the Prudential Regulation Authority (PRA) works with the government to create captives and develop specific guidance for them. The report was published one year on from its original 2021 report, which outlined a five-point plan to boost the London insurance market including promoting a UK captive market.

Although some industry participants have expressed delight at this announcement, others are wary it will not come into fruition given the uncertainty surrounding the outcome of the next UK general election, which is expected to be held at the end of 2024.

Taking a wider view, interest among European risk managers for local captive solutions has been growing over the past 12 months. AXA XL's Charbonnier says: "There are discussions now underway in Italy and Spain, where Italy's national association of risk managers (ANRA) and the Spanish equivalent (AGERS) are respectively working to establish more appropriate captive regimes."

Established in Europe

Traditionally, the main European domiciles for captive insurance are Luxembourg, Ireland and Malta, as well as Guernsey, which sits outside of the jurisdiction of the EU. According to AXA XL's Charbonnier, Europe's historic captive domiciles remain popular. Amid new domiciles coming online, it will nevertheless take time for those markets to mature, especially in terms of regulation, structuration and skill set. Therefore, traditional 'tried and tested' domiciles remain safer options for setting up a captive now. At the beginning of 2023, Guernsey became the largest captive domicile in Europe, a position it still holds.

SRS Guernsey's Paris-Smith says: "Captive use is expanding in Guernsey with new company and cell formations. There's a higher turnover in cell companies compared to single-parent formations. I estimate 75 versus 25 per cent for cell companies compared to the standard. The reason is that cells are quicker and easier to move into, to some extent." He continues that setting up a captive insurance company can be intimidating and recommends starting by using a cell that

"London is a global centre for risk transfer — but to retain its leading position it needs to have all the tools in the toolkit"

Caroline Wagstaff
CEO
The London Market Group (LMG)

new companies may subsequently convert into a standalone company. Captive Insurance Times looked at the proliferation of cell captives and the benefits they can provide in its December 2023 issue.

Commenting on the state of captive play in SRS Guernsey's Paris-Smith says: "We've witnessed a lot of interest in captives over the last two or three years, driven by the hard market. We're on the tail end of that now, with signs that the market is starting to ease, but the interest and disciplines created won't disappear overnight. In fact, they will be sustained and developed over the long-term." The impacts of these market conditions are still a key reason as to why companies are looking to utilise captive self-insurance. Following this, Paris-Smith has observed a shift, where those that have set up captives as a short-term response to hard market conditions are now thinking about how captives can contribute to their companies' longer-term strategy.

SRS Guernsey's Paris-Smith asserts that the jurisdiction welcomes any new captive domiciles, including the UK, as mainstream domicile development of captive friendly legislation further legitimates their role as a self-insurance vehicle.

ESG in style

Witnessing trends in the European captive markets, AXA XL's Charbonnier says: "Increasingly, clients are also including ESG information in their risks analysis for dedicated solutions, which is welcomed." Captives are well-positioned to act as a key point to identify ESG challenges and help a company's strategy for addressing them by providing an avenue for parent companies to integrate sustainable practices into their risk management strategies. Globally, companies with a captive have higher than average ESG risk rating scores, according to insurance broker and risk advisor Marsh. The company affirmed this finding by analysing data from its ESG risk rating tool, launched in March 2022.

On the other hand, SRS Guernsey's Paris-Smith notes that in the commercial market, there are ESG concerns regarding certain types of industries, such as fossil fuels. He is seeing captives being used to create increased risk retention for these companies, where market capacity is not supporting them, and for them to access specialised reinsurance. Paris-Smith says: "I think sometimes traditional markets can have a binary view on ESG, despite some of these companies having

"Increasingly, clients [in Europe] are also including ESG information in their risks analysis for dedicated solutions, which is welcomed"

Marine Charbonnier
Head of underwriting, captives and facultative for APAC Europe
AXA XL

strong ESG strategies in place, they are struggling to retain risk and are being driven to captives as an alternative."

A number of European energy companies have captives, such as Enel S.p.A, an Italian multinational electric utility company. It recently transferred assets from its old captive, Amsterdam-domiciled Enel Insurance N.V., to its new single-parent reinsurance captive, Enel Reinsurance – Compagnia di riassicurazione S.p.A., domiciled in Rome. In 2022, Enel Insurance N.V. became the first signatory of the UN Principles of Sustainable Insurance.

Solvency II boost

The EU Council and the Parliament reached a provisional agreement on amendments to the Solvency II directive in December 2023. The directive is the EU's main piece of legislation in the insurance area. It is an EU law that codifies and harmonises the EU insurance legislation, all insurance entities have to follow its rules for their insurance market. Since Brexit in 2016, the UK has reformed Solvency II to 'Solvency UK'. The reforms, proposed by the UK government in November 2022, aimed to reduce risk margins and liberalise eligibility criteria for companies.

According to AM Best, "Solvency II amendments, expected to come into force from January 2026, should lead to a more streamlined, proportionate and risk-based prudential process for EU-domiciled captive entities".

The rating agency has found that one proposed item of particular interest to captives and captive owners is the application of proportionality. Under Solvency II, the principle is applied to ensure that the practices taken by supervisory authorities are proportionate to the nature and size of the risk in the business of the insurer and reinsurer. "As captives are often small and have lightly staffed operations, this principle of proportionality is of particular importance ensuring that the regulatory requirements do not become overly burdensome," the rating agency says. The council expects new rules on Solvency II to boost the role of the insurance and reinsurance sector in providing long-term private sources of investments to European businesses. These legislative changes are set to facilitate the further growth of captive insurance in the region. ■

> **"Despite some of these companies having strong ESG strategies in place, they are struggling to retain risk and are being driven to captives as an alternative"**

Richard Paris-Smith
Client service leader
Strategic Risk Solutions (SRS) Guernsey

All aboard:
Navigating captive board duties and minimising D&O exposure

Scott Simmons, director of Verve Risk Services, discusses the key decisions and oversight duties of captive insurance boards to help minimise D&O exposure risks. He highlights proper governance, planning, due diligence and accountability measures as imperative for directors

What are some of the key decisions that should be considered by a captive insurance company's board before, during and after formation?

They include developing and understanding the operational structure, corporate governance policies, capitalisation costs, domicile location, lines of business, regulatory requirements, feasibility analysis, due diligence and implementation planning.

The board is also responsible for oversight after formation, which includes reviews of financials, investments, losses, legal issues, insurance coverages, regulatory compliance, operating performance in comparison to the original plan, corporate policies, reinsurance programmes and value delivery to members.

Why is it important for prospective board members to ensure a full due diligence process has been completed before the captive's launch?

If due diligence is not completed, there could be significant implications down the line including captive failure. This, in turn, would have consequences for those involved such as potential directors' and officers' (D&O) liability lawsuits. To prevent this, board members have a responsibility to ensure proper planning and analysis is done before launching the company.

How can having board members with affiliations to captive members be both an advantage and disadvantage?

It can provide valuable industry knowledge and engagement with members, but can also lead to conflicts of interest or differences of opinion between various member groups.

What are some of the differences in roles and responsibilities between serving on the board of an RRG group versus a PCC?

Risk retention groups (RRGs) and protected cell captives (PCCs) have different structures and nuances that board members should understand. A key difference is that RRG boards have a duty to members across various jurisdictions, while a PCC board oversees specific cells that are legally separated even though they operate under one main captive entity.

What ongoing reviews and accountability factors should the board focus on once the company is operational?

The board should regularly review financials, investments, losses, legal issues, insurance policies, regulatory compliance and operating performance compared to the feasibility study, corporate policies, reinsurance programmes and delivery of value to captive members.

What are some examples of lawsuits that have been filed against captive boards and directors? What allegations were made in those cases?

To name a few, management of reserves leading to insolvency, investment misrepresentation and self-dealing, using the captive to avoid legal obligations, improperly calculating deductibility of federal income taxes and regulatory violations. The allegations range from negligence to deliberate fraud and self-enrichment by boards.

Why could recent IRS scrutiny of 831(b) micro-captives potentially lead to management and boards being sued?

The Internal Revenue Service (IRS) is investigating perceived abuses of small captives taking this tax election.

The potential tax or regulatory penalties, arising from the investigations, have the potential to spur derivative lawsuits against the boards for alleged mismanagement, lack of oversight and negligence.

What message does the overall growth of the captive industry send about the involvement of experts during feasibility studies and implementation planning?

It shows the value of properly researching captives, planning, and using well-qualified captive managers or consultants during the captive formation process. This helps lead to more successful long-term operations.

What key duties should directors and officers fulfil to help avoid D&O claims being filed against them?

They should act in utmost good faith, exercise sound judgement, have clear procedures and controls and undertake reviews and due diligence. In addition, they need to have strong financial management, stay educated on regulations and member value issues and make decisions aimed at fulfilling their fiduciary duties and delivering the captive's intended value. ■

"Directors and officers should act in utmost good faith, exercise sound judgement, have clear procedures and controls and undertake reviews and due diligence"

Scott Simmons
Director
Verve Risk Services

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CB-564503-03 07/22

Learning and lifting with Alyssa

Alyssa Preidt of Capterra Risk Solutions speaks to Frances Jones about her experiences and influences in the industry

How has your previous experience prepared you for your current role as underwriting and claims manager?

When I accepted my first position in the captive industry, I was fresh out of college. I had a lot to learn that couldn't come from a textbook, but I was eager.

My first role was as an underwriting associate. Since then, I've worked for a managing general agent and a couple of other captive firms.

These experiences prepared me in the best possible way for my current role. I learned from several teachers, who have global knowledge of both the captive and commercial insurance worlds. They have given me tools to understand how commercial and captive insurance can work together, determine sound underwriting principles, optimise meeting clients' needs and properly adjudicate claims.

How did you end up in the captive industry?

When I graduated in May 2018, my former professor, Thomas Marshall, gave me a call notifying me that an individual from the industry was looking for a recommendation for a college graduate. He gave them my name and directed me to some resources to research more about captives.

Although we were given a high-level overview of captives in our college course material, it was not a main focus of the curriculum. After reading more, I realised that this unique industry intrigued me. Before I knew it, I was travelling down to South Carolina, spending a weekend interviewing and reading the company's book on captives. I was offered the position shortly thereafter.

From your experience, what would you say are the key benefits of working in this industry?

The greatest benefit is the opportunity to meet entrepreneurs and executives from various different backgrounds, life experiences and industries. This is something that we get to participate in that is rarely replicated in other industries. In the captive world, I hear success stories from business owners from every walk of life.

Another benefit is the opportunity to customise an insurance programme to protect each business' risks and assets, enabling me to think critically about specific needs and risks for different industries and businesses within those sectors.

Who have been your influences in the captive space?

There are too many influences to name them all, but there are a few in particular I'd like to thank — firstly my mentor, Alan Morris. He noticed a spark of potential in me and actively chose to develop, strengthen and foster what he saw. He continues to be a source of great inspiration to me.

Secondly, Jeff Ellington, senior vice president at Capterra Risk Solutions, has been a great teacher. He is the embodiment of an open-door policy. Jeff takes time to educate and challenge me when I need to consider a different perspective.

Lastly, Sandra Fenters, Capterra's CEO and president, whose reputation precedes her. Since May 2022, I've had the pleasure to work for her. She is passionate about teaching other women in the industry and never misses an opportunity to mentor. Her ability to tell stories and connect with her clients is unparalleled.

Alyssa was raised in Belmont, North Carolina, among her family of seven. She has a passion for crossfit, is a crossfit coach and has transitioned to competitive weightlifting. In her spare time, she enjoys learning Hebrew and the piano, reading, gardening, playing with her dog Harley, and doing DIY home projects.

Alyssa has a bachelor's degree in finance with a concentration in risk management and insurance from the Charlotte-based University of North Carolina.

Starting her career as a risk analyst at Hamilton Captive Management, she has previously held underwriting positions at Atlas Insurance Management and in the property and casualty insurance division of AmWINS Group.

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

I've learned that I possess the skill of innovation, having worked on major initiatives to improve processes and systems at captive management firms. In the industry, I aim to make the processes, systems, and ways we do things simpler and more efficient. I want to continue pushing the industry forward.

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

Be proactive. Put systems in place for renewal season. If you don't have a process in place, it's likely you will be scattered. Be prepared, work ahead and do the one extra task a day that will add up to major results by the end of the renewal season. Treat your colleagues and clients like family. Building a rapport with everyone you interact with can go a long way — there is never a situation where having a level of understanding, trust and empathy for your clients and colleagues will not serve you well.

Don't sleep on opportunities to make improvements during your down season, the nine to 10-month period between renewals. Build a strong foundation in this season by making continual improvements. Ask questions, research, and push yourself outside of your comfort zone. You can learn about anything now on YouTube, even contractual liability! ■

"I became associated with Alyssa in 2018 at a South Carolina-based firm, Hamilton Captive Management. There, she led and participated in major initiatives where she consistently demonstrated strong technical knowledge of (re)insurance practices, understanding of risk management principles and the ability to effectively apply them to a broad range of functions. Additionally, the capacity to develop and effectively lead major initiatives and projects, to strategise, develop sound and effective insurance programmes, and to effectively communicate legal and regulatory issues to a wide range of internal and external audiences.

"Alyssa's industry knowledge and her ability to provide guidance over a wide range of insurance initiatives and functions far exceed those common for her level of experience. They speak to her commitment to excellence as a professional and strong desire to add value on an ongoing basis."

Alan Morris, ASA, ACAS, MAAA
Consulting actuary and risk consultant
Former chief actuary and risk officer for the Cayman Islands Monetary Authority

Alyssa Preidt
Underwriting and claims manager
Capterra Risk Solutions

Resurgence in the river

MOCIA’s revitalised board discuss their aims for captive insurance in the region in 2024

The Missouri Captive Insurance Association (MOCIA) took advantage of opportunities in 2023 to redefine its mission to serve the risk community. It stands ready for 2024. This transformation blossomed at the Western Region Captive Insurance Conference in St. Louis, where Missouri hosted the event in June. Since hosting, the organisation's board of directors has revitalised its commitment to lead as a regional partner in the industry.

The 2024 MOCIA board of directors is led by president Alan Fine, tax partner at Armanino, with John Talley, president of TAL Consulting as vice president and Sherry Doctorian, partner at Armstrong Teasdale, as secretary. The team also includes Todd Bottorff, director of risk management at Stella-Jones Corporation, Rhonda Day, principal risk analyst at Electric Cooperative, Melissa Huenefeldt, consulting actuary at Milliman, Nick Meriage, principal at Pitzer Snodgrass P.C., Mark Morris, managing director at Strategic Risk Solutions, and Trish Staub, director of risk and insurance at Graybar Electric Company.

Looking forward, president Fine says he's excited for the organisation's resurgence, "particularly given our strengthened relationship with the Missouri Department of Commerce and Insurance, and its captive manager, Sam Komo. We have been able to add several new members to the association and our board of directors. We are working together to let everyone know that Missouri is a key player in the captive insurance space."

Fine adds: "I encourage people, particularly those with captives domiciled in Missouri, to join our association because we are working on several initiatives which we believe will strengthen our position as a domicile. However, we need input to make sure that the needs of all of the constituencies are met. Everyone's voice matters!"

Vice president Talley views his role with MOCIA as a way to help establish the association as a strong proponent of the captive insurance industry in Missouri.

"I see MOCIA and the Missouri Department of Commerce and Insurance building Missouri into a strong captive domicile with a continued commitment to the present and future captive insurance companies domiciled in the state," he comments. Talley also aims to increase the number of captive service providers in the state as well as the membership of the association.

"Being part of this movement provides an opportunity to see how captive insurance companies can aid the risk management process of your company, to be a part of the growing captive insurance industry, and keep abreast of captive insurance issues in Missouri and the US," he affirms.

Secretary Doctorian has been involved with the group in various capacities over the years, including as a lobbyist, advising on related legislation and statutes.

"In my current role, I leverage my experience in the legal industry and do whatever I can to ensure the association continues to be an active and vibrant captive organisation," she says.

Doctorian would like to see Jefferson City-based MOCIA's headquarters continue to build connections and work closely with the legislature. "I see the organisation adding members and being increasingly active at the national level as well," says Doctorian.

"Growing MOCIA elevates the interests of all Missouri captives and helps amplify our voice. We have much work ahead of us to take the association to the next level. More hands with varying skill sets will certainly help us achieve our goals."

> *"Hopefully domestic captives become more attractive to insureds, compared to offshore captive domiciles. I predict the association will elevate the Missouri captive solution and compete with better-known state captives"*
>
> **Trish Staub, Graybar**

Bottorff, a new member of MOCIA, is also the president of the Greater Kansas City RIMS chapter. "I perceive my role on the board as a conduit between the Missouri and Kansas risk communities and other organisations supporting our industry," he comments. "Working together creates more opportunities for everyone in the region and beyond."

Day, another new member of the board and president of the Ozarks Area RIMS chapter sees her role as an ambassador to share the opportunities that the organisation provides to Missouri businesses. "This organisation is growing and gaining visibility as having the expertise for captives in Missouri," according to Day. "It can provide resources for niche markets and hard-to-insure risks so that Missouri companies can mitigate risks and continue to thrive through current and future challenges. The more organisations that know about MOCIA and the better people understand what it has to offer, the higher the value of this group."

The board also recruited Milliman's Huenefeld. As an actuary, she represents clients who own captives. "My role includes offering expert advice and insights, while also contributing to the association's educational efforts by leveraging my actuarial knowledge and experience with captive insurance," comments Huenefeld. "As a function of my profession, I stay updated on the latest trends and developments in the captive insurance industry, enabling me to offer informed guidance to both existing and prospective members of MOCIA."

Huenefeld says: "Through our educational materials, seminars, and active participation in industry conferences, we aim to raise awareness about the benefits of forming captives and domiciling in Missouri. Being a part of the association means belonging to a community that is dedicated to advancing the captive insurance industry in Missouri. We offer education and resources to help members stay informed about the latest trends, developments, and regulations in the captive insurance industry, provide networking opportunities to help foster collaboration and potential business opportunities, and serve as advocates for the interests of captive insurance companies in Missouri."

The St. Louis chapter of RIMS is also contributing to the visibility of the risk management community on the MOCIA board with their local president, Trish Staub. "I intend to share my perspective as a practising risk manager and (as of yet) a non-participating captive buyer," Staub says. "Hopefully domestic captives become more attractive to insureds, compared to offshore captive domiciles. I predict the association will elevate the Missouri captive solution and compete with better-known state captives."

Missouri captive programme manager Komo has worked hand in hand with MOCIA since accepting his role in 2021. "I have seen this group continually look for ways to support the risk community in Missouri and beyond as intended after captive legislation was passed in 2007," he comments.

"This collaboration became a reality last summer when the board amended their bylaws to include others in the risk industry regardless of their captive affiliation. Due to this bold step, the board currently represents a diverse group of people with different backgrounds in the risk industry and areas of the state. I see an engaging future for MOCIA and encourage others in this arena to join their coalition." ■

Alanna Trundle named president of GCM

Global Captive Management (GCM) has named Alanna Trundle as president In this role, Trundle will lead and oversee the company and its employees as they continue to bring their expertise to the captives they manage.

Based in the Cayman Islands, she has been promoted from senior vice president. Trundle joined GCM in 2010 as an account executive.

Prior to that, she was a senior accountant at Deloitte Cayman Islands.

This announcement follows the promotions of Jennifer Reid to chief operations officer and Ian Bridges to chief business development officer.

Commenting on Trundle's appointment, Tom Stewart, president of the Holmes Murphy PLUS family of brand companies, which includes GCM, says:

"She has done a tremendous job developing people, relationship building, and creating an extraordinary employee and client experience. Her work with all of our employees and clients has enabled her to develop her expertise and become the leader for GCM." ■

The Risk and Insurance Management Society (RIMS) has elected David Arick president for its 2024 term.

Arick is assistant treasurer of global risk management at International Paper Company, a producer of fibre-based packaging and pulp.

Based in Tennessee, his team is responsible for risk financing and captive management, insurance programmes and claims management, as well as property loss prevention engineering.

Arick has more than 35 years of insurance and risk management experience, starting in claim services at Nationwide Insurance in Ohio.

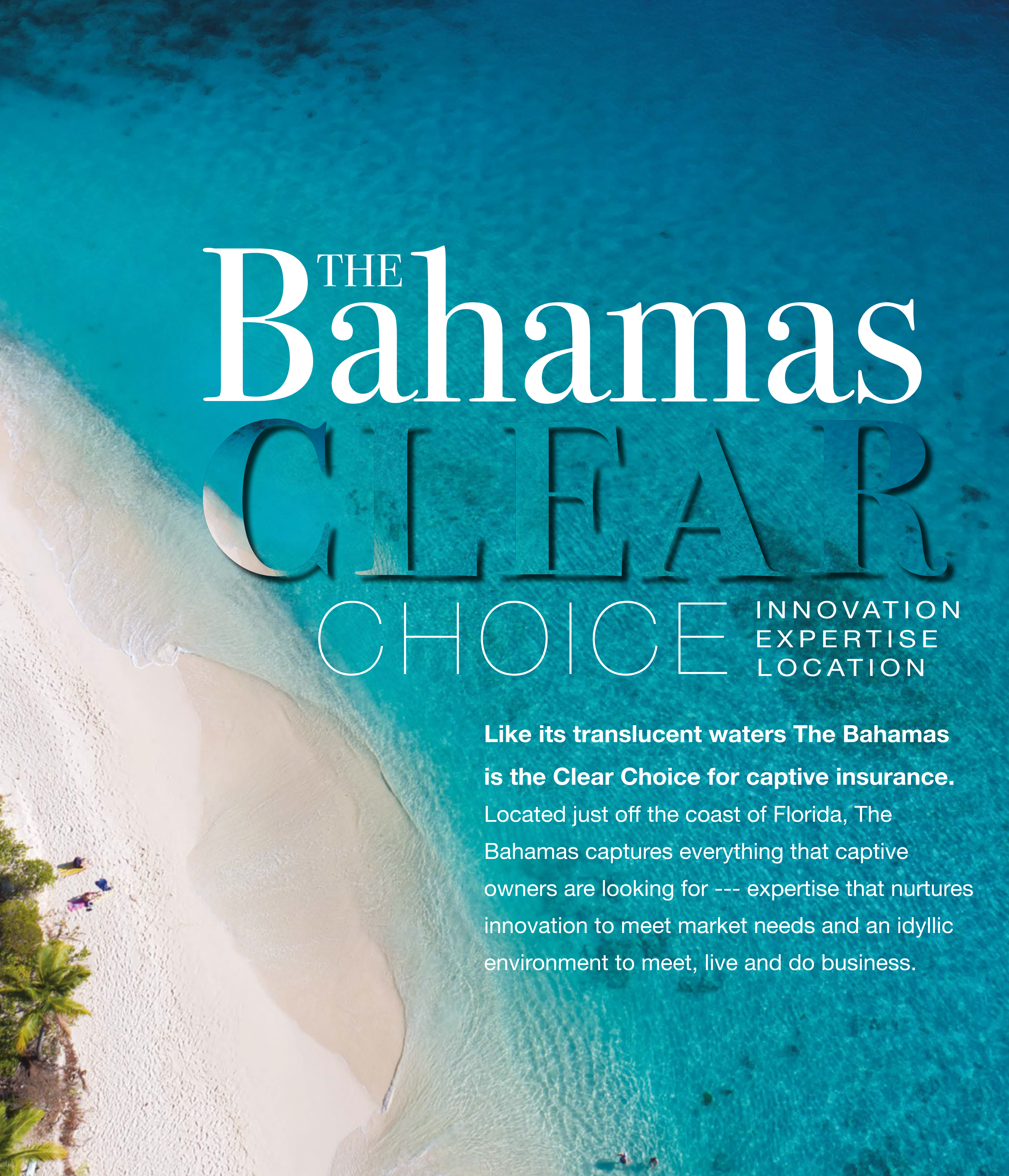
Prior to joining International Paper in 2004, he held a number of risk management positions including at Banc One Corporation, Abbott Laboratories, Emerson Electric and General Electric.

Arick joined the RIMS board of directors in 2019, serving as the society's secretary in 2021, its treasurer in 2022, and vice president in 2023.

Arick comments: "Risk management is at a crossroads. While the profession's momentum is at an all-time high, to keep it moving in the right direction it is up to the risk community to step out of their comfort zones, sharpen their skills, and set their collective goals even higher."

Hylant Global Captive Solutions has appointed Ian Podmore as director of captive consulting.

Podmore brings more than 35 years of risk management experience with specialisms in captives and financial services to the role.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MSL Captive Solutions appoints David Sykes as CFO

MGU MSL Captive Solutions has appointed David Sykes as chief financial officer.

Sykes joins MSL from Strategic Risk Solutions Bermuda, where he was managing director for more than a decade.

Relocating to the US, Sykes will manage the accounting and reporting requirements on MSL's captive programmes.

Sykes has more than 30 years' experience in financial management for a range of insurance entities, including captives, commercial reinsurers and service companies.

He brings expertise in captives, especially group structures, to the role.

Commenting on his appointment, Sykes says: "I am excited to be joining MSL at this stage of the company's growth. I have been impressed by the company's development and the future opportunities as captives become a more established funding mechanism for medical stop loss." ■

He joins Hylant from North Carolina-based AF Group, where he was director of captive consulting. Podmore has previously held several leadership roles at White Hart Consulting, Willis Towers Watson and Atlas Insurance Management.

Commenting via Linkedin, Hylant says: "The Global Captive Solutions team is proud to welcome Ian Podmore to the team."

Strategic Risk Solutions (SRS) has promoted Bethany Borowsky to consultant from consulting associate.

SRS is an independent insurance company manager that provides captive, (re)insurance and insurance-linked securities services.

She joined SRS in January 2022 from Lincoln Financial Advisors, where she was a financial planner.

Prior to that, Borowsky served as a client relationship manager at Athena Wealth Strategies.

Michael Corbett named APEX captive president

Michael Corbett has been named president of Tennessee-domiciled APEX Captive Insurance Company president, part of Pinnacle Financial Partners (Pinnacle).

He will lead Pinnacle's APEX captive operations, alongside his role as president of Pinnacle Insurance Company.

Corbett has also been appointed president of Tennessee Captive Insurance Association. He was the state's director of captive insurance from 2011 to 2019.

He began his career as an institutional investment advisor in 2005. ■


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