

# Uplifting the cannabis industry

Würk CEO Deborah Saneman  
unveils new captive offerings to  
support employee benefits

## PCC

Michael Whitfield from Atlas  
Insurance remarks on rising  
opportunities in the UK market

## Reinsurance

UAE financial-free zones  
attract more local businesses  
for captive insurance needs

## D&O

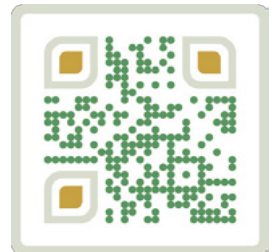
NSI's Jason Bishara discusses  
the challenges faced by  
micro and small-cap firms

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## Issue 273

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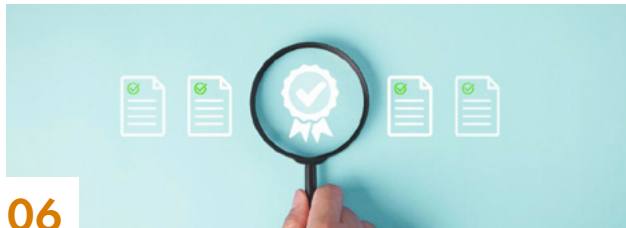
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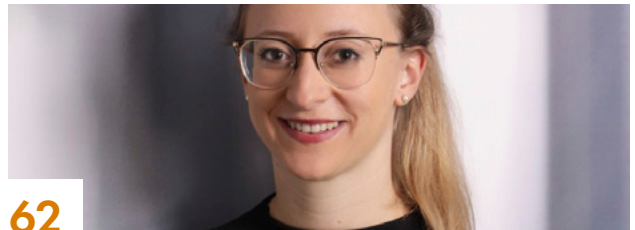
Hong Kong's is spurring the jurisdiction's leaders and regulators into action to encourage companies to follow suit



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### Paratus gains regulatory approval from GFSC

The Guernsey Financial Services Authority (GFSC) has granted Paratus Renewables Insurance, as part of Paratus Holdings, regulatory approval to provide insurance cover to the renewable power industry. The regulatory approval is said to expand Paratus' product offering to include wind, solar, biofuels and hydrogen insurance solutions.

The company's renewable power insurance aims to protect generators from an adverse energy price risk and enable consumers to manage operating costs.

Group CEO and founder of Paratus, Gus Majed, states: "The renewable

power licence is central to our future growth. Our renewable power price insurance policy will accelerate the transition to renewable energy sources and sustainable fuels."

Strategic Risk Solutions (SRS) and px Group will also partner with Paratus to help establish Paratus Renewables Insurance.

Adele Gale, deputy managing director of SRS Europe, comments: "SRS, for more than 20 years around the world, has worked to support how businesses mitigate risk. This insurer will accelerate the renewable power generation capabilities globally." ■



### IA supports 2024 Policy Address

The Hong Kong Insurance Authority (IA) has announced its support for the 2024 Policy Address, delivered by the company's chief executive.

The address outlines a variety of measures that aim to facilitate the development of the insurance industry in Hong Kong, including consolidating the region's advantages as a global risk management centre.

Labelling the country as a 'super-connector', Stephen Yiu, chairman of the IA, emphasises Hong Kong's role as a springboard for mainland enterprises to attract international business. He comments: "The IA will actively support enterprises in strengthening their risk management capabilities, focusing on attracting sizeable onshore and offshore corporations to set up captives and to set up businesses in Hong Kong."

The address also highlights plans to form a working group to accelerate the development of silver economy. Commenting on this policy, Yiu states: "Demographic changes have increased the burden on the public healthcare system and elderly services.

"The insurance industry should demonstrate its social value by helping the public plan early for the future to narrow protection gaps." ■



### Helio receives ICCIE acknowledgement

Helio, a captive management and risk consulting services provider, has been acknowledged as an International Center for Captive Insurance Education (ICCIE) Trained Organisation.

This recognition reveals Helio as a firm dedicated to captive insurance as a profession and the level of educational achievement among its professional staff.

To attain this qualification, Helio had to meet the threshold of captive professionals holding the Associate in Captive Insurance (ACI) designation as well as the number of staff that were ACI holders, Certificate in Captive Insurance (CIC) holders or currently enrolled in either of these programmes.

Heather McClure, Helio's managing partner and ACI holder, comments on the accreditation: "I am very pleased Helio achieved this designation, especially so early in the firm's existence. This is a very public acknowledgement of the knowledgeable, high-quality staff available to our clients."

Helio's partner and CFO, Blake Kerr, adds: "It has been the vision of our partners to promote continuing education and professional development from Helio's inception." ■



### FERMA releases latest Policy Note

The Federation of European Risk Management Associations (FERMA) has released its third EU Policy Note, revealing details of the European Commission's review of the Solvency II Directive.

The review highlights the need to address any unintended consequences of the original directive, including overly demanding requirements on smaller and non-complex insurers. The Federation also suggests that prudential rules governing EU (re) insurance business have been found to have been applied inconsistently and insufficiently.

As the majority of captives domiciled in EU member states are expected to meet SNCU criteria in Article 29a, the revised Solvency II Directive should further benefit these captives through greater proportionality.

This has been highlighted by Laurent Nihoul, board member and chair of the captive committee at FERMA, who comments: "Proportionality is a significant development for the European captive (re)insurance

market and has been a critical objective for FERMA in recent years. Holding captives to the same regulatory requirements as large, diversified insurers places excessive administrative burdens and costs on such entities."

The policy note lastly outlines a derogation available to captives, where they may be classified as SNCU even if non-compliant with the three principle areas outlined under Article 29a: scale, nature and risk profile.

This is provided that they comply with the following: that all insured persons are legal entities of the group of which the captive insurance undertaking is part, and/or, the insurance obligations and contracts do not consist of any compulsory third-party liability insurance.

Typhaine Beaupérin, CEO of FERMA, concludes: "Captives are an essential part of a vibrant and competitive EU insurance market, enabling parent companies to have greater control over risk management strategies and insurance coverage." ■





### MIJS Captive Management partners with I-RE

MIJS Captive Management has partnered with I-RE, a commercial P&C underwriter, to enable high-performing mid-market companies to attain their own commercial P&C insurance risk in a standalone captive.

This partnership intends to broaden MIJS Captive Management's services and enhance its clients ability to access A-rated commercial P&C insurance solutions. The company aims to further provide firms with an alternative to the standard captive

management model.

The introduction of I-RE will also enable businesses to take a share of their own commercial P&C risk and earn profits from their premiums, through I-RE's platform RE-PAID.

Partner at MIJS Captive Management, Matthew J. Howard, comments: "We are excited to work with I-RE, whose proven track record in the P&C insurance sector

aligns perfectly with our commitment to delivering exceptional service."

Andy Jeckells, co-founder and co-CEO of I-RE, continues: "RE-PAID works well at enabling high-performing mid-market companies to take back a share of their own risk and reap the rewards — to help them continue to grow strong. We're excited to partner with MIJS Captive Management and the opportunities that RE-PAID will bring to their clients." ■

## Captives in the U.S. Virgin Islands

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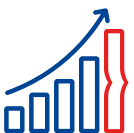
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### AdvantageGo offers new solution to MultiStrat

AdvantageGo will begin to implement a holistic reinsurance and insurance-linked securities (ILS) solution for MultiStrat.

This will be implemented through the company's AdvantageGo Underwriting Workbench, a platform which aims to enhance workflow efficiency through centralised visibility, management and automation of low-value tasks.

MultiStrat offers alternative asset managers and pension funds the ability to invest in reinsurance through individual reinsurance transactions or independent reinsurance companies.

The firm selected AdvantageGo's workbench as it is said to support

MultiStrat's underwriting and capital management teams, apply advanced data extraction capabilities, and aligns with the company's workflows.

Ian Summers, global business leader at AdvantageGo, states: "Combining insurance-linked securities, casualty reinsurance business, and capital market investors, will be a great canvas to get the most out of AdvantageGo's Underwriting Workbench."

Chief underwriting officer at MultiStrat, Kier James, concludes: "We're delighted with our partnership with AdvantageGo. We believe that our partnership with AdvantageGo will allow us to better service the needs of our investors, clients and broker partners." ■



### Specialist Risk Group launches in Asia Pacific, acquiring HL Suntek

Specialist Risk Group (SRG) has launched its operations in the Asia Pacific and signed a definitive agreement to acquire HL Suntek Insurance Brokers.

Based in Singapore, SRG will closely follow its UK business model to build a strong regional presence, leveraging local expertise and a client-centric approach to serve local markets.

SRG has appointed Chua Eng Leong as non-executive director of its newly established subsidiary in Singapore.

Warren Downey, group CEO of SRG, comments: "The launch of SRG in Asia Pacific and the acquisition of HL Suntek is a pivotal moment in SRG's journey of international growth.

"We have great plans for building a business in Asia for Asia which is very much focused on local talent and local capability."

Lim Eng Thiam, managing director of HL Suntek, adds: "My team and I are excited to be joining the fast growing SRG. I have been with HL Suntek, which is part of the Hong Leong Holdings Group, for the majority of my career and I look forward to continuing to serve them in the future." ■



## Cayman reports continued growth in captive licences in Q3 2024

The Cayman Islands Monetary Authority (CIMA) issued five new captive licences in the third quarter of 2024, including three B(i)s and two B(iii)s.

With 24 new licensees from the first half of 2024, CIMA authorises a total of 29 international insurance companies so far in 2024, representing a notable increase over the same period in 2023.

There are now 696 Class B, C, and D insurance companies with approximately US\$42 billion in premiums written, and US\$154 billion in total assets.

These figures do not include individual cells.

Kieran Mehigan, chair of the Insurance Managers Association of Cayman, remarks:

"The international commercial insurance, reinsurance, and captive industry in Cayman is thriving.

"Our jurisdiction's success is largely due to the Cayman Islands' favourable regulatory environment, robust legal framework, and tax-neutral status, which continue to attract global firms seeking cost-effective and efficient structures."

He further adds: "We are witnessing growth across all captive types, especially in Q2, with a diverse range of new licensees and classes.

"It is encouraging to see single-parent and group captives continuing to expand, alongside new commercial reinsurers, all contributing to the growing prominence of the Cayman Islands as a leading jurisdiction."

The Insurance Managers Association of Cayman will host Cayman Captive Forum 2024 from 3-5 December at the Grand Cayman Ritz-Carlton. ■



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[insurance.utah.gov/captive](https://insurance.utah.gov/captive)  
Utah Captive Insurance, 4315 S. 2700 W., Ste. 2300, Salt Lake City, UT 84129



### AM Best reveals ratings for Sustainable Assurance Company

AM Best has awarded the financial strength rating of 'A-' (Excellent) and the long-term issuer credit rating of 'a-' (Excellent) for Sustainable Assurance Company (SAC), headquartered in South Burlington, Vermont.

The outlook of these credit ratings has been assigned as 'stable'.

The ratings demonstrate ORIAS's balance sheet strength, which AM Best assesses as strong, as well as its strong operating performance, limited business profile and appropriate enterprise risk management.

SAC's balance sheet strength assessment is evidenced by its

risk-adjusted capitalisation, which is at the strongest level. AM Best notes however, that the captive's high retention to surplus ratio leaves its risk-based capitalisation open to vulnerabilities in a stressed scenario.

They also highlight that the captive's ratings benefit from having a fiscally sound parent, the Lancaster County Solid Waste Management Authority (LCSWMA), a Pennsylvania municipal authority recognised for leadership in the solid waste industry.

The firm has received a limited business profile rating as a result of its product concentration on property and terrorism offerings limited to central Pennsylvania. ■



### Gallagher launches tax risk practice for Europe

Gallagher has unveiled a new tax risk practice aimed at supporting clients across Europe, appointing Joyce Koch as senior tax broker.

She will operate from the Netherlands, serving Gallagher's European client base starting November.

Bringing extensive experience in tax risk broking and tax consulting, Koch has held senior roles at Deloitte and Aon.

She has experience advising clients on both international and national tax domains and mitigating tax-related risks when undertaking activities including restructuring, reorganisation, M&A, and joint ventures.

Additionally, the firm has hired Vera Dembski as a tax broker, effective from January 2025. Dembski will join from Deloitte, where she holds the same position. Prior to that, Dembski held multiple positions at Flatex Degiro Bank with a focus on tax advisory services. ■





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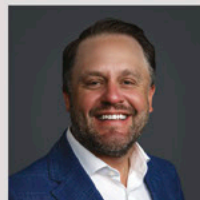
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\* Assets under management as of 12/31/2023. Yousif Capital Management, LLC ("YCM") is an SEC registered investment adviser based in Bloomfield Hills, MI. Registration does not imply a certain level of skill or training. A more detailed description of YCM, its management team and practices can be found in the firm's Form ADV Part 2A which can be requested by contacting the company or at the company's website at [yousifcapital.com](https://yousifcapital.com) or <https://adviserinfo.sec.gov>.



### Gallagher, with Artex, launches services in Abu Dhabi

Gallagher, through its subsidiary Artex, has launched a range of alternative risk management solutions in the Abu Dhabi Global Market (ADGM).

Clients across the Middle East and Africa will now be able to access a number of additional solutions to support their risk financing needs.

These solutions will be provided alongside the services Artex currently hosts, including insurance and captive management, insurance-linked securities and structured transaction administration.

This launch is said to have come as a result of economic growth in the Middle East, where captives are becoming an important solution for risk management strategies among firms.

Senior executive officer of Gallagher in the Middle East & Africa, Nadim Semaan, comments: "This is a really exciting new step for Gallagher in the Middle East and Africa. Adding alternative risk solutions to the range of services we offer means clients with even the most complex portfolios can access our services and talented team dedicated to helping them." ■



### GEB enters new partnership with GNP

Generali Employee Benefits (GEB) has entered into a new partnership with Grupo Nacional Provincial (GNP), in Mexico.

This collaboration intends to expand GEB's international employee benefits offering, and solidifies the firm's presence in the region. Clients of the captive and their brokers can expect to receive access to a new alternative for their employees benefit plans.

GNP, as GEB's new provider for captive accounts, also intends to use its knowledge of Mexican markets to provide corporate clients with new and robust employee benefits solutions.

Head of international business at GNP, Rafael Rosas González, states: "This partnership will expand the range of solutions we are able to provide to the local subsidiaries in Mexico of GEB's international clients."

Frederik Van den Eede, chief commercial officer of GEB, adds: "I am thrilled about our strategic partnership with GNP. This collaboration not only strengthens our captive offerings but also reaffirms our commitment to delivering innovative employee benefits solutions to our clients with a presence in Mexico." ■

## GlobalData finds Helene and Milton set to impact profitability of insurers

In the aftermath of hurricanes Helene and Milton, which has left a trail of destruction across southern US states, GlobalData notes that insurers should expect to witness a higher number of claims in 2024 across general insurance lines. According to the Office of Insurance Regulation, over 112,926 insurance claims for Hurricane Helene have been filed as of 9 October 2024. This could significantly impact profitability, with insured losses already estimated to amount to US\$1.1 billion.

Of these claims, around 52,000 relate to private passenger vehicles whilst 50,672 are residential property claims. These residential property claims are expected to account for 12.9 per cent of total general insurance claims, although once the complete impact of both hurricanes is fully realised, this number can be expected to rise dramatically.

Commenting on the damage caused by the hurricanes, insurance analyst at GlobalData, Manogna Vangari, states: "Hurricane Milton was a formidable storm that resulted in a landfall to the south of Tampa Bay, near Siesta Key, leading to multiple tornadoes, particularly across South Florida. According to the White House briefing, the damage from Hurricane Milton is estimated to be more than US\$50 billion."

The storms have further highlighted deficiencies within the US flood insurance framework. Standard homeowners' policies do not include flood coverage and often must be acquired as a separate policy directly from the federal government.

As a result, only 6 per cent of homeowners possess flood insurance. With the severity of flooding increasing along with the frequency of the storms, the need for comprehensive flood risk management is urgent. ■



## Dombek and Optimal barred from creating captive companies

Charles Dombek and The Optimal Financial Group have had injunctions entered against them today by the US District Court of the Northern District of Texas.

These injunctions will bar them from promoting any tax plan that involves creating sham management companies, deducting personal expenses as business expenses, or assisting in the creation of captive insurance companies.

Dombek created The Optimal Financial Group as a boutique CPA firm.

However, the government alleges that Dombek used Optimal to

promote a tax scheme which illegally reduced customer's income tax liabilities via sham captive companies, which shifted income to be taxed at lower rates.

In promoting the schemes, the complaint further sustains that Dombek and Optimal made false statements about the tax benefits of the scheme, as well as prepared and signed tax returns for their customers that reflected falsified transactions and expenses.

The government concluded that the treasury was harmed by over US\$10 million or more, as a result of the scheme. ■





## Eni establishes new captive in Italy

Eni has established a new captive insurance firm, Eni Energy Italy, which marks the third captive to be domiciled in the country.

The captive, Eni Energy Italy, has been approved by IVASS, the Italian institution for insurance regulation, to write out non-life insurance and reinsurance classes.

This authorisation comes after a request was put in by Eni to IVASS on 22 May 2024.

Permission has now been granted for the company to carry out insurance activities in the following non-life insurance class areas: ship and aircraft vehicles, goods in transit and fire and natural forces, among other sectors.

Speaking to Captive Insurance Times on the establishment, a company representative says: “Eni has a wholly owned insurance and reinsurance company, Eni Insurance DAC, which is being redomiciled from Ireland to Italy for operational efficiency. Once the transfer is completed, this new company will manage Eni’s insurance and reinsurance business.” ■

## TAKE YOUR CAPTIVE TO NEW HEIGHTS

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DESTINATION	STATUS
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BERLIN	BER DELAYED
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BUDAPEST	BUD DELAYED
GRAND CAYMAN	GCM BOARDING
MIAMI	MIA DELAYED

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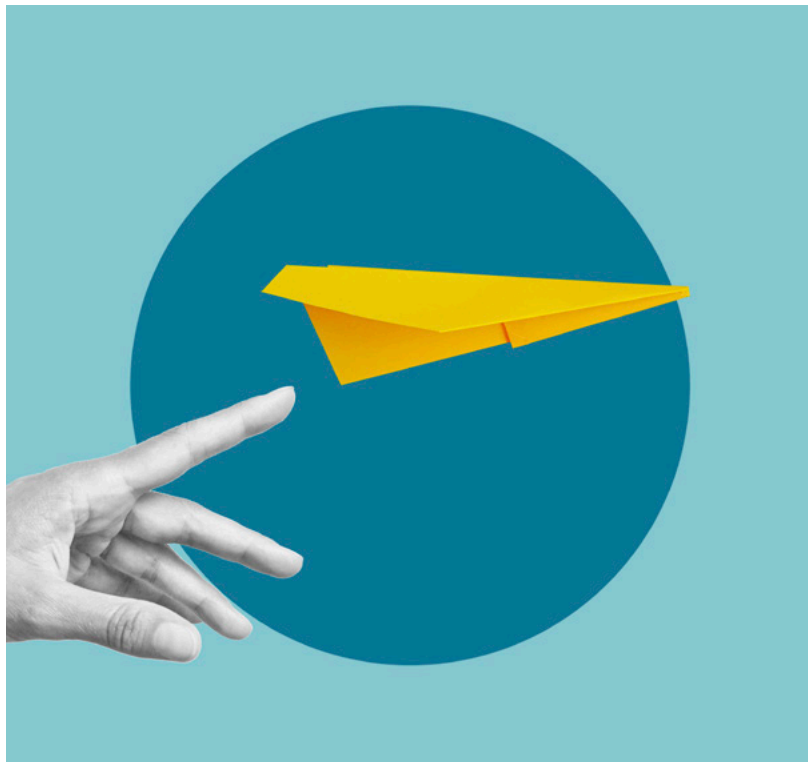


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### Macquarie introduces rent-a-captive insurance solution

Macquarie has launched a rent-a-captive insurance solution for property and casualty related risks. This marks the latest expansion to Macquarie's insurance offering, where clients will be able to utilise the company's status as a captive insurer to avoid a large upfront investment and expenses related with establishing and operating a single parent captive insurer.

This offering also aims to facilitate greater control, risk retention flexibility and more effective risk management for clients.

The solution is the newest development in the company's

insurance expertise. Macquarie was approved as Lloyd's cover holder earlier this year and entered into an authority agreement with Mosaic Insurance.

Global head of Macquarie Insurance Facility, Nick Wilski, comments: "Macquarie joining the rent-a-captive market provides an opportunity for our clients to simplify their insurance needs.

"By offering clients the opportunity to leverage the benefits of captive insurance, without the operational burden, we're providing an efficient, flexible and tailored insurance solution." ■



### RiverStone closes deal with QBE

RiverStone International has entered into an agreement with QBE to provide a loss portfolio transfer reinsurance (LPT) for a number of QBE subsidiaries, following regulatory approval.

The LPT has been effective since 1 July 2024, and will now include QBE's Lloyd's syndicates after receiving all requisite approvals.

Commenting on the deal, David Roche, group head of M&A and managing director of RiverStone International Bermuda, states: "In our continuing drive to become the premier acquirer of legacy business, we are very pleased to close this important transaction with QBE."

He continues: "It is a significant milestone in our acquisition strategy and considerably strengthens our Bermuda operations, leverages the platform and expertise of our newly acquired US operations and we welcome nearly 50 individuals from QBE."

Nick Schulson, CEO of RiverStone International Insurance, concludes: "It's thrilling to be supporting RiverStone International's growth so soon after joining the group. This integration is a testament to our commitment to strengthen our North American capabilities." ■

## Energy-focused MGA Volt Underwriting launches

MGA Volt Underwriting launches today with an initial capacity of US\$25 million for US and international onshore power and renewable energy risks. The binder is led by Dale Underwriting Partners' Lloyd's Syndicate 1729.

Volt, backed by BP Marsh, will be one of the first MGAs to offer coverage for both conventional power and renewable energy clients. The MGA aims to offer additional products in the future, with

capacity expected to grow substantially next year.

Volt is co-founded by CEO Chris Allison, chief underwriting officer Andrew Tokley, and chief operating officer Kevin Cleary.

Commenting on the launch, Allison says: "Volt was launched to offer multi-class solutions to energy sector clients, and we are delighted to launch power and renewable energy as the first of

those products.

"We are thrilled to work with Dale as the lead capacity partner. Together we bring a strong proposition to the market."

Ian Bridge, active underwriter at Dale Syndicate, adds: "Volt's power and renewable energy product nicely complements our existing insurance portfolio whilst giving us access to a team with significant experience in this sector."



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## Munich Re Specialty enters Spanish insurance market

Munich Re Specialty has established a Spanish branch of Munich Re Risk Solutions Ireland, with the intention to begin underwriting in 2025.

The move marks the first phase of a broader strategy to expand Munich Re Specialty's European footprint, building on its existing operations in the UK, Ireland, and Germany.

Munich Re has appointed Gianluca Piscopo as country manager to lead the upcoming office in Madrid. He joined Munich Re in September 2024, bringing a wealth of experience and expertise from the Spanish market.

Piscopo will drive tactical growth and foster key relationships among brokers and clients, and report to Silvi Wompa Sinclair, CEO at Munich Re Specialty, Global Markets, Europe.

In addition, the company hires Miguel Peces as head of underwriting for the Spanish branch. He joins from Allianz Commercial, where he previously worked as European head of construction.

The firm says it will recruit a number of new roles to support Munich Re Specialty's work to capture local market opportunities.

Sinclair says: "The insurance market in Spain is vibrant, innovative and high performing, filled with dedicated risk professionals. For these reasons, the country is an excellent launchpad for Munich Re Specialty to prove the value of its European expansion strategy.

"I look forward to working with Gianluca, Miguel, our team and new local partners and clients to meet their challenges." ■



## NFP expands P&C offerings with Miller Insurance acquisition

Aon's company NFP has acquired Miller Insurance Group (MIG), a P&C and benefits agency based in Indiana.

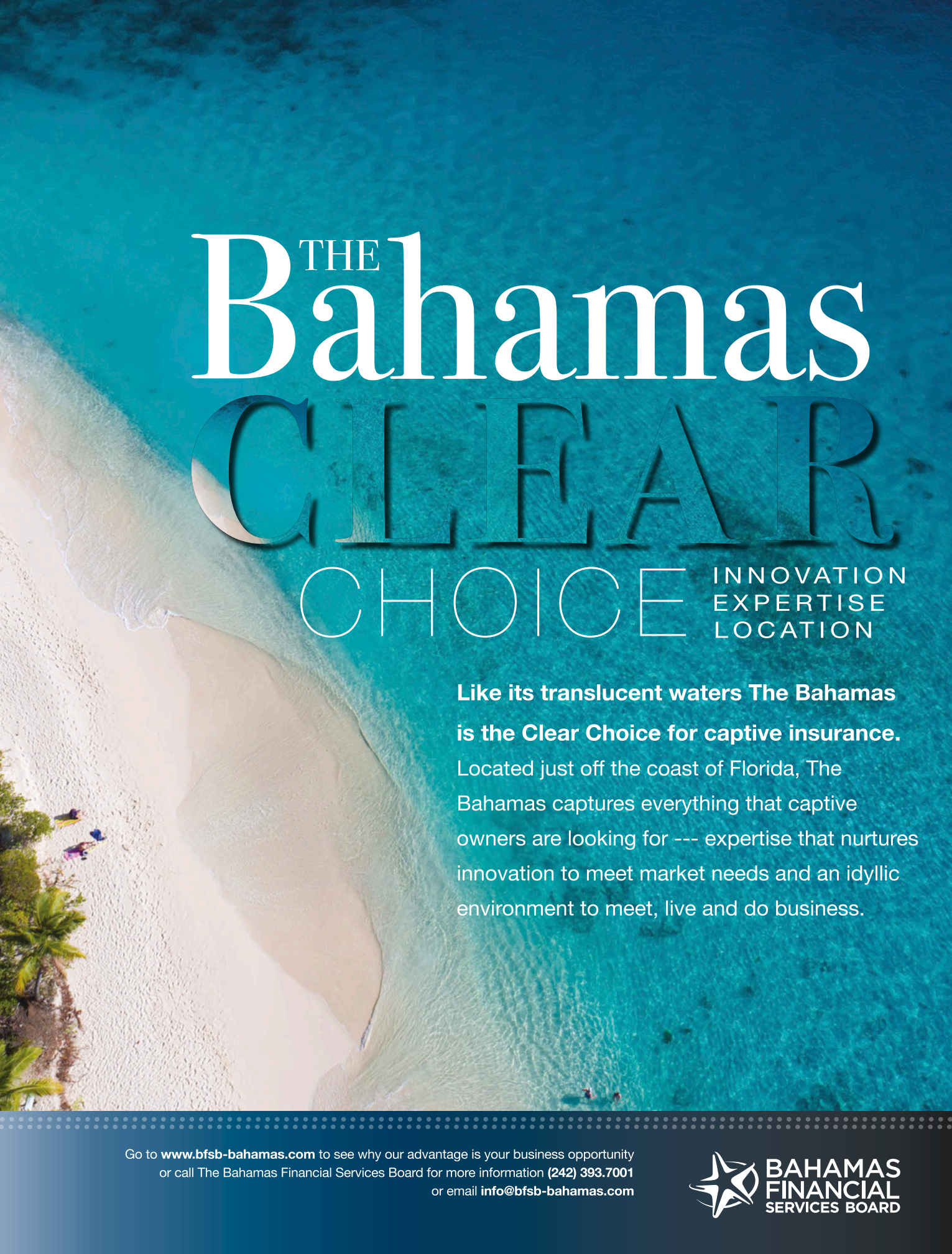
MIG's chairman, Greg Miller, will join NFP as senior vice president, reporting to Amanda Ruback, P&C managing director in NFP's Central region.

Additionally, the firm's co-owners Christian Barnes, Joe Stiles, Chad Miller and Ben Nehls will join as vice presidents, reporting to Miller.

With a focus on P&C offerings, NFP acquired Indianapolis-based First Person, an employee benefits brokerage firm, in 2021, and City Securities Insurance, a full-service commercial P&C insurance consultant, in 2017.

In April 2024, Aon completed its acquisition of NFP, a P&C broker, benefits consultant, wealth manager and retirement plan advisor. ■





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# Uplifting the cannabis industry

With federal regulations hindering traditional insurance, Würk CEO Deborah Saneman unveils new captive offerings to help the legal cannabis industry in the US secure employee benefits





Securing employee benefits has been a major challenge for the legal cannabis industry, as federal regulations limit access to traditional insurance options in the US. Würk, a human capital management provider, has recently launched the employee benefit captive programme to address this issue.

"We are revolutionising how cannabis companies manage employee benefits," says Saneman. "Our programme allows employers to control their insurance costs while maintaining quality benefits for their team members."

Partnering with The Baldwin Group, the new initiative enables cannabis businesses to establish their own insurance entities, granting them unprecedented control over coverage and costs unattainable through traditional insurance plans.

### Built for evolution

Research firm Brightfield Group projects that as demand continues to rise dramatically, legal annual cannabis sales in the US will surpass US\$31.8 billion in 2023, and reach US\$507 billion by 2028. Currently, 38 states and Washington DC have legalised some form of medical marijuana, whereas recreational marijuana is legal in 24 states, three US territories, and Washington DC, indicating a significant shift in state policies.

However, the Controlled Substances Act (CSA) still classifies cannabis as a Schedule I drug, rendering it illegal at the federal level. Conflicting federal and state laws, a shifting regulatory landscape, and the lack of standardised business practices have created a complex legal environment for cannabis businesses, deterring many insurers from entering the market.

As a result, cannabis-related businesses often face significant challenges in securing affordable and comprehensive insurance coverages.

Amid these obstacles, Würk has undergone a dynamic rebranding journey over the past nine years, mirroring the transformative evolution of the cannabis industry itself. Initially navigating a fragmented market with inconsistent regulations, Würk recognised the need to adapt and innovate alongside its clients to address the sector's unique challenges.

"Our refreshed brand is shaped by the insights we have gained from working with businesses in 46 states across more than 5,100 jurisdictions," says Saneman.



### "Predictive analytics enable cannabis companies to better manage health insurance costs by providing clear insights into future healthcare expenses"

"Rooted in revolution and built for evolution, we have evolved to meet the specific challenges and opportunities of this sector, leveraging our passionate team and proprietary insights to offer customised solutions."

One such innovation is Würk's compensation benchmarking tool, launched earlier this year. The initiative leverages the wealth of knowledge within Würk's extensive cannabis dataset, providing valuable insights and aggregated metrics across hundreds of employers and tens of thousands of employees.

The robust data and visualisation platform not only helps businesses understand industry standards but also, as Saneman notes, "sets the stage for the development of future products aimed at addressing our clients' most pressing business challenges".

#### Breaking new ground

Industry experts have acknowledged the difficulties in insuring cannabis businesses. The underwriting of these risks is unique due to the high value of the products, their intoxicating nature, and their relative novelty. Cannabis companies often operate under far more stringent regulatory regimes than those outside the industry, which inherently mitigates some of their operational risks.

In addition, the federal classification of cannabis as a Schedule I drug under the CSA creates conflicting federal and state laws, discouraging insurers from entering the market. This leaves cannabis-related businesses struggling with higher premiums, limited coverage, and often cash-only operations due to banking restrictions.

In this context, captive insurance offers a viable solution to these challenges. By allowing businesses to self-insure, captives provide coverage for risks that are not available or are prohibitively expensive in the commercial insurance market.

Under Würk's new programme, each captive tailors to a client's specific risk profile by establishing a stable risk pool with premiums set by an underwriting team. This method offers greater flexibility and long-term stability compared to traditional insurance plans, leading to reduced operating costs, underwriting adaptability, enhanced control over claims, and improved cash flow.

"This is particularly suited for cannabis businesses due to the demographics of the cannabis workforce," notes Saneman.

"These companies frequently have younger employees and more single workers, which tends to drive lower claims trends." In traditional fully insured risk pools, employers with favourable demographics often subsidise those with higher ages and more dependents."

A standout feature of the programme is the use of predictive risk scoring and 12-month forward-looking claim projections. These tools assess the health risks of a company's employee population and forecast potential claims, enabling businesses to anticipate costs rather than react to them.

Predictive analytics enable cannabis companies to better manage health insurance costs by providing clear insights into future healthcare expenses, according to Saneman. "When employers receive a risk score and claim forecast, they can more effectively determine whether the employee benefit captive is the right option," she explains. This proactive approach enables companies to allocate resources more efficiently and design benefit plans that are both cost-effective and sustainable.

By giving businesses greater control over employee benefits and insurance costs, the programme addresses a critical need in an industry known for high turnover rates. "Offering more competitive and stable benefits packages directly impacts employee retention and satisfaction," says Saneman. "Employees feel valued and more secure in their positions when they have consistent health coverage and benefits at lower, predictable costs."

This strategy helps reduce turnover and contributes to a more motivated and loyal workforce — a significant advantage in a sector that added nearly 23,000 jobs last year and now employs over 440,000 people in the US, according to recent reports.

### A path forward

With ongoing discussions about federal legalisation and the potential rescheduling of cannabis, many wonder how these changes might impact Würk's programme. Saneman remains both optimistic and prepared.

"The potential federal legalisation or rescheduling of cannabis could have a significant impact, but our employee benefit captive programme would still remain highly valuable," she asserts.

"Even in a post-legalisation landscape, we offer tailored, flexible benefits and greater control over costs that traditional insurers may not match."

Würk closely monitors developments and is prepared to adjust its offerings to meet evolving compliance requirements. "Our focus is on ensuring that the programme continues to provide cannabis businesses with an optimal solution — one that is adaptable, cost-effective, and designed to meet their unique needs, even as regulations change," Saneman adds.

Looking ahead, Saneman anticipates future trends in workforce management within the cannabis sector, including a shift toward personalised benefits, employee well-being initiatives, data-driven insights, and navigating increasing regulatory complexity.

"Würk is innovating to stay ahead by enhancing our employee benefit captive programme with more flexible and tailored solutions," she explains. "We are integrating wellness and retention tools and leveraging predictive analytics to manage costs."

In an industry riddled with unique challenges, innovative solutions like Würk's captive offerings are paving the way forward. By allowing businesses to actively manage their risks and tailor coverage to their specific needs, Würk is filling a critical gap left by traditional insurers and helping the industry grow.

"In the current cannabis market, there are a wide range of benefits that a captive could bring to a business," Saneman notes. "From providing coverage that's otherwise unavailable to setting premiums based on the business's own loss data, captives offer a level of control and customisation that's crucial for our industry."

By offering alternative solutions to cannabis businesses, Würk's programme is opening new avenues for the industry. "We're committed to supporting cannabis businesses every step of the way," Saneman affirms.

"By empowering them with the tools and solutions they need, we are not just helping them manage growth — we are helping them lead the way." ■

**"The potential federal legalisation or rescheduling of cannabis could have a significant impact, but our employee benefit captive programme would still remain highly valuable"**

Deborah Saneman  
CEO  
Würk





# Exploring PCC opportunities in the UK market





## Michael Whitfield, head of UK relationships at Atlas Insurance, talks to John Savage about the rising opportunities for protected cell company in the UK market

### Navigating UK market post-Brexit

As the world's challenges become ever more impactful and complex, the solutions proposed by the insurance industry must expand in sophistication and efficacy to meet them. It is, therefore, refreshing to discuss the unique features of the protected cell company (PCC) model. Like most excellent ideas, this model is brilliantly simple in concept but can tackle a broad range of potentially sophisticated needs, even in these difficult times.

The tried and tested PCC model has now made a re-entry to the UK market in a form that might open up many opportunities, both for UK and non-UK-based insurance businesses, as well as businesses that wish to set up a captive arrangement to cater for their own insurance capacity needs.

The Brexit process has forced the UK and European insurance markets to deal with its outcomes. This has been a significant shock to these markets, benefiting only a few while causing significant commercial friction for many, particularly in the context of cross-border trade. Therefore, it is beneficial to consider a development that can significantly reduce these frictions and reintroduce the PCC cell solution to UK-based insurance businesses, eliminating the need for additional 'fronting' arrangements and their associated costs and complexity.

For over 25 years, financial services have adopted PCCs in various forms. Regarding insurance, a PCC is a single entity consisting of two parts: a non-cellular 'core' and a number of protected cells, commonly just called 'cells'.

Each cell operates independently from the others, and the core is responsible for maintaining the PCC's overall Solvency II capital requirement, which is the sum of the capital requirements of all the PCC's cells and its core. The core, usually through a system of cell committees, oversees all cell activities and ensures governance and regulatory compliance across the entire PCC entity. Legal segregation and shielding of the cell's assets from the liabilities of other cells or the non-cellular core instils confidence in cell investors.

The PCC's authorised business classes in its operating territories dictate the extent and scope of the insurance and reinsurance businesses that the core and its cells can write. While the cells operate discretely from each other within the structure of the PCC, the core also bears ultimate responsibility for ensuring that the PCC as a whole meets all of its financial obligations.

In the EU, only Malta has established PCC legislation to encompass insurance business. All PCCs established in Malta follow Solvency II capital requirement standards and protocols. Malta has also adopted the latest International Financial Reporting Standards (IFRS), including the new IFRS 17.

In the UK context, before Brexit and the subsequent decision by the UK to leave the EU and the European Economic Area (EEA), there were some early-stage efforts to establish PCCs within the UK marketplace via EEA Freedom of Services rights. This enables businesses from EEA territories to trade in each other's markets without the need to establish separate authorisation within each territory.

Businesses already taking advantage of Freedom of Services rights could continue to trade in the UK through the post-Brexit interim regulatory regime, which finally expired at the end of 2023. However, the imminent cessation of Freedom of Services in the UK rendered the fledgling effort of Malta-based PCCs to establish themselves directly in the UK market practically infeasible.

### Re-entrance to the UK market

Since 2016, companies that wanted to use a PCC cell as a capacity solution for their UK-traded business had to look at other options or look for less complete PCC solutions. For example, to set up a Guernsey-based PCC cell, they would need a fronting arrangement to make trading in the UK market possible (except for companies that trade on a 'non-admitted' basis). Gibraltar (which is not an EU or EEA territory) has also passed PCC legislation, which may provide opportunities to trade directly into the UK market in some circumstances via its bilateral arrangement with the UK.

One of the Malta-based PCCs that took advantage of the opportunity to trade in the UK through Freedom of Services was Atlas Insurance PCC. Atlas boasts a rich history, with its predecessors having been in operation for more than 100 years. The company writes a significant portion of Malta's indigenous insurance market and conducts business throughout continental Europe.

Atlas converted to a PCC insurer in 2006. As an early adopter of the PCC concept, it has been well placed to develop its position as a European market leader in the sector. Most of its rivals made reluctant moves to cease their UK business following the Brexit vote, yet Atlas carefully considered a different strategic route. It chose to establish a permanent branch in the UK and to apply for authorisation of that branch by the PRA and the FCA.

While obtaining UK authorisation was far from straightforward, Atlas persevered and recruited an experienced UK-based management team. Just in time for the end of the interim regime, Atlas finally received authorisation for its UK branch at the end of 2023.

First and foremost, Atlas' UK branch's authorisation guaranteed continuity for its existing cells, some of which have been trading successfully in the UK for several years. Beyond this, the branch's authorisation has effectively embedded the PCC cell concept into the UK's fully admitted market.

## Rising opportunities

For the first time since the vote for Brexit, UK-based businesses can now confidently contemplate setting up a PCC cell to act as either a part or the whole of their insurance or reinsurance capacity solutions.

Furthermore, since the PCC is based in Malta (which still enjoys Freedom of Services rights across all other EEA territories), the PCC and its cells can trade almost seamlessly throughout most of Europe.

Establishing a cell with Atlas may also represent a means by which non-UK-based businesses can enter and trade within the UK market on a fully admitted basis.

Businesses establishing a PCC cell can immediately take advantage of the PCC's established infrastructure and economies of scale.

First, the cell owner typically only needs to contribute their 'share' of the PCC's overall Solvency II capital requirement, which is determined by the size of the business they are writing.

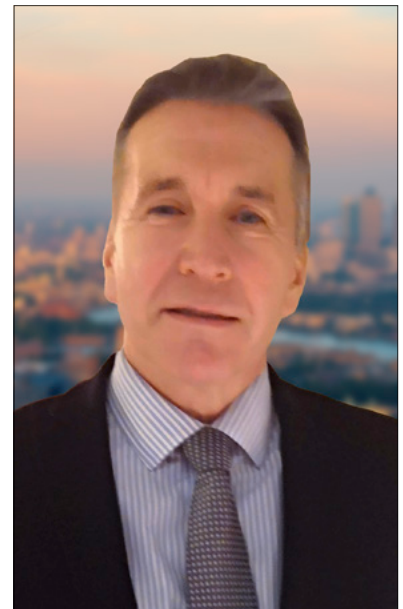
Secondly, the cell can enjoy the immediate support of the PCC's existing, fully developed administrative, governance, and compliance expertise and structures.

Taken as a whole, this means that many businesses can potentially participate in providing some or all of their insurance or reinsurance capacity requirements at a fraction of the cost and with minimal complexity compared to what would be required to establish a new insurance company in isolation. Furthermore, the PCC can potentially provide a facility to 'incubate' businesses that are in a transitional phase, preparing to take the significant step of establishing their own cell, while they complete the necessary preparations for cell formation.

There is a high likelihood that other PCCs will take into account Atlas's successful establishment of a UK branch.

Meanwhile, potential cell owners and numerous other businesses, with whom Atlas can collaborate to participate in broader capacity solution arrangements, are showing significant interest in Atlas's ability to trade a wide spectrum of authorised product types directly into the UK market and other EEA territories. ■

**Michael Whitfield**  
Head of UK relationships  
Atlas Insurance





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# Stepping up the game

With the UAE's two financial-free zones stepping up their game, more local and regional businesses may be looking closer to home to meet their captive insurance needs

*Mark Dugdale reports*





### On the rise

There are around 6,000 captive insurers in operation today, up from just 1,000 in 1980. More impressively, there has been 20 per cent growth in captives over the last decade, according to the insurer Allianz.

Meeting this demand are more than 70 domiciles with some form of captive legislation. The US is home to the majority of captives, with over 50 per cent of them domiciled there.

Three domiciles — Bermuda, Cayman Islands, and Vermont — account for about a third of all captives globally.

But new and emerging domiciles, such as the United Arab Emirates (UAE), recognise the importance of captive insurers in supporting economic growth and attracting foreign investment, suggested Marcin Antosik, senior vice president and captive operations leader for the Middle East at Marsh Captive Solutions, earlier this year.

As such, the UAE has two financial free zones — the Dubai International Financial Centre (DIFC) and Abu Dhabi Global Market (ADGM) — that have introduced captive insurance regimes.

Andrew Smith, managing partner at Cavendish, an expert insurance and reinsurance consultancy for strategic growth, risk management, and regulatory compliance based in the UAE, says the domicile is home to an increasing number of captives, with most coming from industries such as energy, healthcare, logistics, and aviation.

“These are sectors where managing risk is crucial, and captives are a smart way to handle that,” he explains.

Marsh is the largest captive manager in the Middle East, managing the majority of captives located in the region.

Businesses from the energy industry were the first to enter the captive insurance space, according to Antosik and Robert Geraghty, senior vice president and international sales and consulting leader at Marsh Captive Solutions.

Interest has since grown, as knowledge and understanding of the benefits have spread throughout the region. Today, businesses from the health, financial services, and manufacturing industries are also looking at captive insurance for their risk management needs.

## "Evolving market conditions and increased awareness of the benefits and solutions that captives can offer have led to growing interest"

Of the nine captives currently domiciled in the UAE, property is a major focus, although those under Marsh management also cover political violence and group accidents, among other lines. There is also interest in marine and employee benefits.

Four of the UAE's captives are based in the ADGM, set up by "four significant entities in the UAE", from the oil and gas, power, sovereign wealth fund, and manufacturing industries.

The ADGM does not restrict classes of insurance, allowing captives to reassess their strategy and add new lines as needed. Property, liability, business interruption, marine and transportation, cyber, political violence and terrorism, and group accidents are the most common types of insurance that captives write.

Many Middle Eastern companies have tended to set up captives abroad in established domiciles with long track records, including Bermuda, Guernsey and the Cayman Islands.

Smith says: "It is easy to see why they have been the go-to [domiciles] for a while. However, that is starting to shift. With the DIFC and ADGM really stepping up their game, more local and regional businesses are considering staying closer to home.

"The regulatory framework here in the UAE is getting stronger and more competitive, and businesses are starting to recognise the benefits of operating within a familiar environment. It's also appealing to have everything nearby — your legal team, your operations, and the UAE's growing financial infrastructure."

### Making waves

Indeed, the ADGM brought in a dedicated regime for captive insurance in 2017, with a rulebook and approach tailored to captives. "In doing so, we were able to acknowledge it is appropriate to take a different approach to captives and set out specific aspects," an ADGM spokesperson explains. These aspects include different classes of captives, capital requirements for those classes, and structures, as well as the role that a captive manager can play.

The ADGM spokesperson adds: "This laid the groundwork to help develop the sector, and we attracted several significant captives, including those looking to re-domicile to ADGM from other existing jurisdictions.

"There are many significant entities in the UAE and the wider region that could set up captives. Evolving market conditions and increased awareness of the benefits and solutions that captives can offer have led to growing interest. The new business pipeline is building, and we expect the sector to continue to grow."

According to the spokesperson, this pipeline comprises more than just local businesses. They say: "We are seeing an increase in interest from entities across the Middle East and North Africa (MENA) and, more recently, Europe. We believe we have brought in a strong regime for captives that can compete with anyone in the world.

"Our risk-based, proportionate approach offers an attractive, flexible, responsive captive insurance framework that is business-focused. We have a dedicated application process that is quick, efficient, and competitive in terms of fees."

Antosik elaborates that the regulators in the DIFC and ADGM launched captive insurance regimes in line with well-established domiciles, giving them a solid foundation on which to attract interest and instil confidence.

Smith further states: "The DIFC and ADGM have both become very attractive spots for captives, not just for Middle Eastern companies but internationally as well.

"The DIFC has been around longer and has a really solid legal system in place, which runs on common law principles — something a lot of international businesses are comfortable with. It is well-established and has a reputation for excellent governance, tax benefits, and flexibility.





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“The ADGM is newer but has quickly built a name for itself because of its focus on innovation, especially with digital solutions and fintech.”

He adds: “Both centres are strategically located, giving businesses access to markets in Europe, Asia, and Africa, which is a significant advantage. Plus, the UAE’s tax efficiency and ease of doing business make them strong contenders against older captive hubs like Bermuda or Guernsey. The mix of flexibility, transparency, and a business-friendly approach is what makes these regimes stand out for businesses looking to establish captives.”

### Levelling up

The regulators are also constantly seeking ways to improve the environment for captive insurers. Antosik says: “The regulator is willing to modify and adapt their processes based on individual cases. For example, the UAE is compliant with International Financial Reporting Standards (IFRS).

“Captives in the UAE can apply for modifications to the reporting regime, so the regulators in the DIFC and ADGM can respond to the specific needs of the captive and allow them to report under US Generally Accepted Accounting Principles (GAAP), for example. They actively promote the Middle East as a welcoming region for captives.

The regulatory approval processes in both the DIFC and ADGM are also attractive, with a three-month common timeline. Geraghty says: “For a fully fledged captive, it takes three months to receive approval in both Dubai and Abu Dhabi, which is in line with offshore domiciles. It is an efficient timeline.”

Smith comments: “UAE regulators, especially in the DIFC and ADGM, have proven to be very capable and responsive to what businesses need. They have done a great job of creating a regulatory framework that is strong and reliable but also flexible enough to adapt as industries evolve.

“What’s particularly impressive is their openness to change — whether that’s incorporating new technologies or adjusting regulations to fit emerging industries. They’re not rigid, which is refreshing in the insurance and financial world.

“Another key strength is how collaborative they are. They actively engage with industry experts and businesses to ensure that regulations are not only practical but forward-looking.

The introduction of digital platforms for reporting and licensing has also streamlined a lot of processes, which helps businesses get up and running faster. This willingness to innovate and stay flexible gives the UAE a real edge, especially when compared to more traditional regulatory environments elsewhere.”

What further measures should the UAE take to entice businesses from the region and abroad to establish captive operations there? Smith argues that speeding up and simplifying the regulatory approval process could enhance the appeal of the UAE. He says: “While the system is pretty efficient now, making it even quicker and less complex would make the UAE even more attractive.”

The UAE could also offer more incentives, such as tax breaks or fee reductions, to encourage businesses that are considering captive insurance.

For Smith, another area where there is potential is education. He says: “A lot of companies, especially smaller ones, are not fully aware of the benefits of setting up a captive locally. More outreach, particularly in industries like healthcare, construction, and logistics, would go a long way in sparking interest.

“On the international side, the UAE already has a lot going for it — like its strategic location and political stability — but it could boost its global profile by promoting its legal and financial frameworks more actively on the world stage. Continuing to integrate new technologies, particularly in fintech and insurtech, would also reinforce the UAE’s position as a forward-thinking and innovative jurisdiction.”

Antosik agrees that education is key. “Educating interested parties about what is possible and the structure of the rules would be the most beneficial at this point in time,” he says. Europe dominates, but the Middle East and Asia Pacific are good alternatives for captives. We need to increase the visibility of these regions to help businesses interested in captive insurance understand what is possible, often within their immediate reach.

The ADGM spokesperson concludes: “ADGM is poised for growth in this sector. The regime is in place, global captive managers have set up here, significant local entities have taken the lead, and we are now seeing interest from international entities looking to ADGM as their jurisdiction of choice.

The appetite for captives is growing, and we expect this momentum to continue from both local entities and increasingly international entities too.” ■

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**Jason Bishara**

Financial practice leader  
NSI Insurance Group

# On the small side

Jason Bishara, financial practice leader at NSI Insurance Group, sits down with Diana Bui to discuss the unique insurance challenges faced by micro and small-cap firms

Other than payroll, insurance is likely the largest expense for a small public company. Operational insurance, management liability (executive risk) insurance, and employee benefits. A properly implemented risk management plan leverages insurance to transfer and mitigate risk. Understanding a company's risk profile and implementing a risk management programme requires specialised knowledge and is a significant time burden on executive management teams.

Executive management has a fiduciary responsibility to protect the interests of its shareholders, including protecting the assets of the company from unforeseen risk. Failure to execute proper risk strategies could expose the executive management team and board of directors' personal assets. The burden of risk management typically falls under the purview of the chief financial officer (CFO). Larger companies may have an internal risk manager or someone who reports up to the CFO, however in most micro-cap and small-cap companies this initiative is led directly by the CFO. My team at NSI specialises in protecting the directors and officers by implementing outsourced risk management solutions and through the implementation of director and officers' (D&O) strategies. Our goal is to provide the broadest coverage for the lowest cost.

**Could you tell us about the specific challenges micro and small-cap companies face when seeking D&O coverage, and how NSI Insurance's new product addresses these?**

The largest challenges a small public company faces when purchasing D&O insurance are cost, complexity, and the burden of time. The NSI proprietary D&O product addresses these challenges by adding unique coverage terms by way of endorsements that are specifically relevant to micro-cap or small-cap companies. These features add limit, reduce cost, and are pre-negotiated removing the complexity.

**How does your partnership with HDI Global Specialty Insurer enhance the D&O offering, particularly for companies with market capitalisations under US\$300 million?**

Not all public companies are created equal. The risk profile of a company over US\$300 million in market cap is significantly different from one that is under. Companies over this threshold tend to have stronger financials and represent more of a shareholder liability risk. Companies under this threshold tend to have weaker financials and pose an insolvency or bankruptcy risk.

Most micro-cap companies and many small-cap companies are forced to place their D&O with the excess and surplus lines market due to weaker financials. HDI is an admitted carrier with an AM Best 'A+' rating. Our partnership with HDI enables us to provide a higher quality product to these smaller public companies.

**One of the standout features of your new D&O product is the Excess Side A Only coverage. Could you explain the significance of this additional layer of protection for company executives?**

A standard D&O Policy has three primary insuring clauses. While coverage is provided for the D&Os on this standard policy through Side A, the ABCs are all sharing in the same policy limit. If there is a claim there is a high probability that the coverage limits will be exhausted quickly, especially if it is a shareholder liability claim.

This means there could be no limit left to defend the directors and officers. This is why any comprehensive executive risk programme should include Excess Side A Only coverage. Many companies under US\$300 million do not elect to purchase the additional coverage due to cost and this leaves the D&Os significantly exposed. The NSI product has this coverage built in.

## "Due to the lack of resources at micro-cap companies, they require their insurance brokers to be advisors and not just insurance sales professionals"

**Side A Coverage:** This is designed to protect the personal assets of directors and officers when indemnification by the company is not possible, either due to legal restrictions or financial insolvency of the company. In situations where the company cannot or will not indemnify its directors and officers, Side A steps in to fill the gap, providing direct coverage to the individuals themselves. This part of the policy is particularly important in severe cases where claims may threaten personal assets.

**Side B Coverage:** Often known as 'company reimbursement' coverage, Side B protects the company itself. It reimburses the company when it indemnifies its directors and officers, covering costs incurred from a claim against these individuals. Essentially, when the company pays the legal costs, settlements, or judgments for its directors or officers, Side B ensures the company is not left bearing these costs alone.

**Side C Coverage:** Also referred to as 'entity coverage', it extends protection to the company itself for claims made directly against it. Side C is particularly relevant for publicly traded companies, covering securities claims made against the company as an entity. This type of coverage has become increasingly important as lawsuits often name both individuals and the company as co-defendants.

## The individual extended reporting period seems like an important benefit for executives. How does it provide a safety net for claims that arise after the policy period?

All D&O policies are written on a claims made basis. This means when the policy expires for any reason, including non-payment, all coverage stops. To ensure coverage continues you must continue to pay for the policy or purchase the extended reporting period (ERP) or Tail.

When a director or officer leaves a company, they have personal exposure for all their actions through their tenure for the next six years. When they leave a larger company that has strong financials they may not be concerned and may be confident the company will continue to pay for their D&O policy for the next six years or the company will purchase the Tail if something goes sideways. However, smaller companies with weaker financials increase the exposure to the D&Os.

The only way for a D&O to ensure they are protected when they leave a company is to Tail out the policy and then the company can purchase a new policy going forward. This means the Tail would cover anything that occurred from that day backward (to the retroactive date) for a period of one, three, or six years (whatever was purchased but the statute of limitations is six years).

The go forward, as the name suggests, would cover the company going forward. This is extremely costly — the cost of the Tail could be 300 per cent or more of the annual premium. So it is extremely rare for a company to purchase a Tail for an executive when they exit.

If a director or officer decides to leave a small company and the company does not pay for their policy, or the Tail, the D&Os have huge exposure. This is extremely common. With the NSI product you can purchase the Tail for an individual director or officer without Tailing out the entire policy for lite cost (US\$22,000 for six years). This is the only D&O product in existence that offers this feature.

## Given the rising focus on personal liability, how does NSI Insurance's solution help executives and board members better protect their personal assets?

Providing Excess Side A Only coverage at no cost and having a pre-negotiated individual Tail are the best ways to ensure there is coverage for the D&Os to defend themselves.



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**Delaware Department of Insurance**



**Insurance  
Commissioner  
Trinidad Navarro**

Stephen C. Taylor, Director

Rasa Zubielaitė, Chief Insurance Financial Examiner

**With the current lower interest rate environment and its impact on micro-caps, what trends do you foresee for these companies in 2025, particularly in risk management and insurance needs?**

Rates have not dropped enough to help these small companies. Many of these companies have loans at lower rates that will reset now and through 2025 at higher rates.

This will have a negative impact on their earnings and could lead to downward pressure on their stock price. Down stocks lead to an increase in shareholder liability claims. It is likely a good time to review your policies and understand your coverage.

**What unique risks do micro-cap companies face in this economic climate, and how can your D&O product help them mitigate and transfer these risks?**

Bankruptcy or insolvency are the largest risks, especially in this climate. It is hard for companies to spend money on insurance when they have limited funds. Our product is a comprehensive and cost-effective solution, and if the company cannot pay for the coverage it is designed for the individual to pay their own portion of the premium so they can walk away from the business peacefully.

**This year has seen several legal cases impacting the D&O insurance market. Could you highlight any key cases that have changed how micro-caps view their D&O coverage needs?**

Most micro-caps view D&O as a necessary product to secure a board and/or financing. Other legal cases will impact this thought process very little unless they have a true operating business or have secured a large round of financing.

**You have mentioned NSI's competitive advantage in offering a holistic suite of products, including D&O, cyber, and employment practice liability. How important is it for companies to bundle these coverages, and what trends do you see in cross-coverage integration?**

It is not necessarily important to bundle but there are likely cost benefits. However, it is important to have all these lines of coverage.

All public companies have these exposures. Any claim for D&O, Cyber, Employment Practice Liability Insurance (EPLI) or Crime could end a business of this size.

**As we approach 2025, what emerging risks should micro and small-cap companies keep on their radar, and how is NSI planning to evolve its offerings to address those?**

I feel the largest risk micro-cap companies will face in 2025 is cyber liability and crime.

These coverages are commonly overlooked by micro-cap companies but these claims are much more common and could be a death sentence.

**With your experience as a leader in the corporate insurance space, how do you see the role of financial practice leaders evolving in the coming years, particularly in niche markets like micro-caps?**

Due to the lack of resources at micro-cap companies, they require their insurance brokers to be advisors and not just insurance sales professionals.

With increased pressure from regulators and more stringent requirements from the exchanges, the micro-caps need their insurance broker to be an outsourced risk manager who can advise on risk mitigation, risk transfer and corporate governance for the entire company.

**What advice would you give to board members and executives of micro-cap companies who are looking to strengthen their risk management strategies amidst growing uncertainty?**

In most cases, the person running the insurance programme has a strong personal relationship with their insurance broker.

I advise paying for an independent third party review of your current risk management programme.

If the results of the review are disheartening, interview several brokers but choose only one broker to represent you to the carrier market. Do not divide the market. ■



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# Delaware

## Small state of big business

Delaware's rise as a key player in captive space is no accident, with its robust regulatory framework, strategic location, and commitment to responsive service making it a top choice for businesses

*Diana Bui reports*

In the fall of 2023, Delaware — one of the smallest states in the US — reached a significant milestone: over two million business entities now call it their corporate home. From Fortune 500 companies to newly formed captives, Delaware has become a preferred location for companies looking to integrate their businesses and optimise operational efficiencies.

Known for its business-friendly policies, including low-cost tax and simplified corporate laws, “the First State is a great first choice for captives through the intentional building of a first-class regulatory structure,” says Delaware insurance commissioner Trinidad Navarro.

Delaware’s corporate laws, often referred to as the “gold standard,” play a major role in attracting captives. Building upon this legal foundation, Delaware offers predictability, stability, and respected courts, creating an environment where businesses feel secure. Stephen Taylor, director of Delaware’s Bureau of Captive Insurance, states: “International companies can take advantage of Delaware’s excellent corporate and captive laws.”

Additionally, the state’s proximity to financial centres like New York, Philadelphia, and Washington DC, also provides captives with easy access to expert legal, actuarial, and financial services.

## Why Delaware?

As the global financial market continues to harden, more companies are turning to captives as a viable alternative to traditional commercial insurance. Among the fastest-flourishing captive domiciles in the US, Delaware has experienced a significant increase in its captive insurance industry, growing from just five licensed entities in 2005, to 670 by the end of 2023.

A notable trend in Delaware’s captive formations is the rising demand for specialised coverage and difference in conditions policies. In response to tightening traditional markets, companies are looking for more tailored solutions that provide broader protection. Rather than simply adjusting to these conditions, Delaware is taking steps to position itself at the forefront of innovation in the captive space, setting the pace for future developments. “We have kept a keen eye on increasing needs for cyber-related coverages and business interruption insurance, particularly in response to global business challenges like supply chain disruptions,” says Navarro.

This forward-thinking approach has led to the development of Delaware’s Side A Directors and Officers (D&O) captive coverage,

which is becoming increasingly important as companies face new risks related to ESG; diversity, equity, and inclusion; privacy and other fiduciary and technological responsibilities. As businesses grapple with emerging challenges in these areas, the commissioner anticipates a growth in demand for such specialised D&O coverage.

Delaware’s innovative approach extends to newer areas such as multifamily real estate and property coverage, and the state is exploring parametric reputation risk coverage as another option for captives. “Insurance is meant to be like a wall protecting companies from risk, but all too often we see cracks in coverage form,” Navarro adds. “So, we are constantly looking for those gaps so we can expand into them and ensure full protection for businesses. Our captive team is especially poised to do so because of our unique regulatory structure and expertise as a leading domicile.”

Central to Delaware’s success is its Bureau of Captive and Financial Insurance Products (BCFI), a specialised division that offers personalised service and expert guidance to captive owners and managers. Navarro notes: “Our mission across all divisions is to protect, educate, and advocate for the insurance consumer. When a resident, or business, or captive, or carrier calls, we answer and we assist.”

This hands-on approach, backed by a financial analyst assigned to each captive, ensures that Delaware remains responsive to the unique needs of its captive clients. While other domiciles may divide regulatory staff based on premium volume or lines of coverage, which can dilute the focus on captives, Delaware’s dedicated focus allows the team to stay deeply knowledgeable in captive-specific regulations. “We are always here to help, paying attention to the big picture and to the small details. That’s what I like to call the Delaware Department of Insurance difference,” the commissioner emphasises.

The First State’s proactive strategy has contributed to the rising number of captives. The jurisdiction offers a wide array of formation structures, including cell captives, series LLCs, and conditional licensing programmes. Taylor points out a recent example: “We have licensed a mixed series special purpose captive structure, with both incorporated cells and series captives, offering additional flexibility to owners.”

This adaptability has positioned Delaware as a prime destination for businesses seeking solutions to evolving risks, such as cyber threats and climate-related exposures. “We also are looking at

**"We recently modified and streamlined our procedures for conversions, making it easier for smaller captives to transition into independent pure captives"**

Stephen Taylor, Delaware's Bureau of Captive Insurance



proposals for parametric insurance, as well as the financing of legacy environmental liabilities," says Taylor.

Kerrie Riker-Keller, chief compliance officer at Intuitive Captive Solutions, highlights Delaware's conditional licensing process as a key factor that sets its regulatory framework apart from other popular domiciles. "The day a company submits all required materials for an insurance licence, it can begin writing insurance," she explains. "While still subject to state approval, the process is well-defined and allows companies to meet captive coverage deadlines, often aligned with traditional market placements."

Delaware offers additional advantages, such as not requiring captive managers to have a physical office in the state and allowing telephonic meetings with the resident director. These flexible policies, Riker-Keller notes, "help both the captive manager and the client minimise costs, travel time, and expenses, all in the best interest of the captive owner."

She adds: "The Delaware team understands that captives are both the insurer and the consumer, so ensuring long-term financial sustainability is in everyone's best interest."

### Delaware 2.0

The past few years have seen a surge in captive formations, driven largely by tightening insurance markets and the need for specialised coverage. Delaware has been proactive in adapting to these trends. The Delaware 2.0 Initiative, launched in 2023, reflects a concerted effort to streamline processes, modernise regulations, and improve services for captive owners. The initiative provides clear guidelines for new applications and routine requests, which has significantly increased the state's capacity to handle growing demand.

One key improvement includes revised guidance to streamline the formation process for captives, particularly for companies seeking Side A D&O coverage. This move aligns Delaware with the growing demand for corporate governance protections in response to evolving risks like ESG compliance and data privacy concerns.

Delaware has also introduced more flexible capitalisation requirements. New policies now permit the use of brokerage accounts in certain circumstances, expanding the range of capital locations through legislative updates. The state has recalibrated its capital and surplus levels, placing greater emphasis on adverse



case projections provided by consulting actuaries, which gives smaller captives more leeway in meeting financial requirements.

Furthermore, the Delaware 2.0 initiative has streamlined the approval process for new licences, business plan changes, and dividend distributions, reducing the time it takes for captives to get up and running. This speed-to-market focus is crucial for businesses operating in the current volatile insurance market, where timing can make a significant difference in managing risk effectively.

Taylor highlights another major change aimed at smaller captives: "We recently modified and streamlined our procedures for conversions, making it easier for smaller captives to transition into independent pure captives."

These changes reflect Delaware's commitment to making its domicile accessible to a wider range of businesses, from large corporations to emerging ventures.

From the perspective of a captive manager, Riker-Keller emphasises the importance of the initiative, noting: "This provided captive managers and clients with standardised expectations for materials being reviewed and guaranteed responsiveness from the department."

"Delaware also offers a stable team of analysts that are knowledgeable and responsive to captive manager requests, which pales in comparison to many other domiciles that have been experiencing staff turnover."

### Economic impact

The captive insurance industry in Delaware has proven to be a vital contributor to the state's economy, offering critical financial and risk management solutions for businesses. Captives provide companies with a cost-effective means to mitigate their risks, often delivering superior financial terms compared to traditional insurance markets.

In addition to providing these crucial services to businesses, the sector also generates significant revenue for the jurisdiction. Through its operations, the BCFI, which regulates captive insurance, self-funds, thereby reducing the overall taxpayer burden. The industry's contributions extend beyond direct financial support, with captives driving job creation and boosting the state's GDP.

**"The Delaware team understands that captives are both the insurer and the consumer, so ensuring long-term financial sustainability is in everyone's best interest"**

Kerrie Riker-Keller, Intuitive Captive Solutions



**"The First State is a great first choice for captives through the intentional building of a first-class regulatory structure"**

Trinidad Navarro, Delaware Department of Insurance



A study conducted by the University of Delaware's Center for Applied Business and Economic Research underscores the importance of the captive sector. The research revealed that captives contributed US\$359 million to Delaware's economy and supported 2,537 jobs. Much of this impact is concentrated in finance, banking, investment activities, and professional services — fields where Delaware has long maintained a competitive edge.

Delaware reciprocates this economic benefit with consistent support and promotion of its captive industry. The Delaware Captive Insurance Association (DCIA) plays an important role in this, working closely with the bureau to advocate for the industry at both the national and international levels. Through participation in trade conferences and the development of industry legislation, the DCIA ensures that Delaware maintains its position as a top domicile for captives.

The global reach of Delaware's captive industry continues to expand as more international businesses look to re-domicile their captives onshore. Delaware's strong legal foundation, business-friendly environment, and proximity to major financial centres make it an attractive choice for foreign captives. Taylor says: "2023 was a great year for expanding the Delaware captive programme. We licensed 43 new captives during the year. Some of those new captives came from new market participants, which is exciting to see."

Going forward, Delaware's captive programme is driven by a clear mission: to keep "evolving to meet the new risk management needs of the future for business," as Taylor states. The goal is simple — to provide companies and captives with the tools they need to not just manage risks but thrive in an unpredictable world.

"We believe the captive industry will see stability as quality captives prove effective in addressing gaps in coverage, providing more reasonable and predictable pricing, and in their owner's enterprise risk management programme and providing risk mitigation financing," he notes. "In short, Delaware's captive bureau will continue to innovate and attract many complex and innovative captive insurance programs to meet the needs of businesses today and tomorrow."

Supported by a responsive regulatory framework, the state continues to offer a stable, flexible environment for captives to thrive. Delaware's ability to evolve ensures it will remain a key player in the captive industry, ready to meet the challenges of a changing risk landscape while maintaining its status as a preferred home for companies of all sizes. ■



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It takes a village



An affordable housing association in New York has taken their insurance needs into their own hands by forming the Milford Street Association Captive Insurance Company. Ned Holmes speaks to John Crotty, one of the captive's organisers, and Dan George, president and CEO of captive manager AVID Solutions, to find out more

**What was the motivation behind forming the Milford ACI?**

**John Crotty:** Insurance premiums for affordable housing projects have increased, on average, 21 per cent a year for the past five years. This onerous rise in premiums represents an existential threat to our business and the production and preservation of affordable housing in New York.

**What drew you to a captive as a risk management vehicle? How does it solve the coverage issue facing the New York affordable housing market?**

**Crotty:** We did an exhaustive analysis of the claims history and premiums of our potential members. Our cohort, which includes approximately 500,000 units in New York State, all require a regulatory agreement and public financing.

The robust regulatory scheme that New York State affordable housing operates under mitigates risk and our claims are lower than most market-rate buildings. Despite this, our premiums rose precipitously, and we surmised that we could do better and the actuaries we hired agreed.

**What are the targets of the captive? What impacts do you hope it will have on the New York affordable housing market?**

**Crotty:** Our goal is simple — survival!

Affordable housing operates on extremely thin margins and rising insurance premiums are putting tremendous financial pressure on existing projects and choking off the pipeline of new housing. Milford ACI will keep existing projects afloat and lower underwriting costs so that more housing can be built.

**Can you provide an overview of the coverages that the captive provides for the association? Are there any that are particularly unique?**

**Dan George:** Milford ACI is established to provide commercial general liability coverage tailored for affordable housing projects within New York City. With per occurrence limits of US\$1 million and minimum aggregate limits of US\$2 million per location, the programme targets the liability insurance needs of affordable housing developers and managers.

The unique aspect of Milford ACI lies in its dedication to serving a specific, underserved segment — affordable housing in New York City — while offering stable and affordable premiums that address the particular risks of this sector, including tenant liabilities and regulatory compliance.

**What risks or challenges has, or does, the captive face?**

**Crotty:** Milford ACI is a start-up and while we believe in our model and are confident that we will be successful we, like every other start up, are new to the market. Additionally, there are a lot of powerful players in the market who have an interest in seeing us fail.

They can make their premiums more competitive to drive us from the market and if successful, they jack them back up again.

**George:** Milford ACI will face challenges associated with maintaining its anticipated loss ratios while balancing the affordability of premiums for its members.

As an association captive, it must carefully manage underwriting, claims, and member growth to ensure that the premium pool remains sufficient to cover expected losses, operating expenses, and surplus accumulation.

Additionally, regulatory shifts, economic volatility, and the unique liability exposures inherent to affordable housing in New York City represent ongoing risks for Milford ACI.

### Why did you opt to domicile the captive in Vermont?

**Crotty:** Vermont insurance regulators are forward thinking and creative. We believed they would be receptive to our model and understand that our captive had tremendous social benefit and is good public policy.

**George:** Vermont's well-established regulatory framework and expertise in managing captives make it an ideal choice for domiciling Milford ACI.

The state's supportive environment, combined with a regulatory approach that emphasises both compliance and flexibility, is beneficial for an initiative like Milford ACI, which seeks to balance financial stability with social responsibility.

Vermont's infrastructure and deep captive experience offer the structure needed to support a specialised captive focused on affordable housing liability risks.

### How do you reflect on the process so far? Is there anything you'd do differently?

**Crotty:** We had no idea how complex and time consuming this process would be.

While it was necessary, and we believe will be successful, it took a lot of work by a lot of people to get to this place.

We are proud that the industry came together and worked diligently to launch Milford ACI but it was a lot of work.

### Do you think Milford ACI shows the increasingly creative uses that captives have in the modern insurance landscape?

**George:** The formation of Milford ACI showcases how captives can creatively address the insurance challenges of underserved markets.

By focusing on affordable housing, Milford ACI leverages the captive model to provide reliable and cost-effective liability coverage to developers and management groups that would otherwise face limited options.

**"Insurance for affordable housing is a national issue and other jurisdictions need solutions like Milford ACI if the industry is to survive"**

**John Crotty**  
Board member and founder  
Milford Street Association Captive Insurance Company





This approach underscores captives' growing role in providing tailored solutions for industry-specific needs, especially in sectors where traditional insurers may struggle to balance risk and affordability.

**How do you think the recent media attention surrounding the New York affordable housing captive could influence the broader understanding of captives and how they can be utilised?**

**George:** The recent attention on affordable housing captives, especially in New York, has elevated awareness of the crucial role captives can play in supporting community-oriented initiatives.

Milford ACI's formation brings attention to how captives can provide tailored, sustainable insurance solutions for unique sectors like affordable housing.

This growing recognition could encourage broader acceptance of captives as effective tools for industry-specific insurance challenges, ultimately promoting regulatory and market support for similar models across the country.

**Do you think Milford ACI could serve as a blueprint for others moving forward?**

**Crotty:** Absolutely, insurance for affordable housing is a national issue and other jurisdictions need solutions like Milford ACI if the industry is to survive. When we began this process, former New York Lieutenant Governor Richard Ravitch, the elder statesman of New York good government, advised us to do the work and prove that the numbers said what we all knew. We are currently working with the three other jurisdictions and my advice to them is to forge a coalition together, have everyone put in skin in the game to do the work to prove the concept and then follow our blueprint for captive.

**George:** Milford ACI's model has the potential to serve as a blueprint for other underserved sectors, both within affordable housing and beyond. Other sectors with complex liability needs, such as non-profit organisations, environmental initiatives, and healthcare, could benefit from similar captive structures that focus on long-term affordability and stability.

Milford ACI exemplifies how captives can support sector-specific needs, providing both financial benefits and increased stability in markets where traditional insurance solutions are limited. ■

**"Milford ACI's model has the potential to serve as a blueprint for other underserved sectors, both within affordable housing and beyond"**

**Dan George**  
President and CEO of captive manager  
AVID Solutions



# Hong Kong

The success of Hong Kong's current cohort of captives is spurring the jurisdiction's leaders and regulators into action in a bid to encourage local and Chinese companies to follow suit

*Mark Dugdale reports*







The first Chinese captive formed in Hong Kong belonged to China National Offshore Oil Corporation (CNOOC). It was set up in 1999, following hot on the heels of the formal handover of the former colony in July 1997. But Hong Kong's growth as a captive insurance domicile did not continue at this pace. Since that first captive, only three others have been established.

Today, Hong Kong is home to four captives, all set up by conglomerates based in China and engaged in various industries in the energy sector. The captives themselves primarily focus on property damage and goods in transit.

Despite the modest number of captives currently domiciled in Hong Kong, "the strong performance and scale of those in operation speak for themselves", according to Clement Lau, executive director of policy and legislation at the Hong Kong Insurance Authority (HKIA).

Lau explains: "Globally, the average premium income of captives is about US\$15 million each. In comparison, as of 2023, the captives in Hong Kong recorded an average premium income of about US\$56 million each."

Equally impressive are the captives' owners. Joyce Chua, regional lead for Captives and Insurance Management Solutions in the Asia Pacific at WTW, comments: "The parent companies of these captives tend to be large-scale business enterprises with outstanding business profiles, profitable performance and total assets of no less than 100 billion renminbi."

The success of these captives is spurring Hong Kong into action. The domicile has been working on its captive infrastructure and regulatory regime "so that it is more attractive primarily to mainland China organisations and Hong Kong companies", says Lawrence Bird, captive consulting leader for Asia at Marsh.

He adds: "Hong Kong has recently become a more attractive option through pragmatic, yet robust, application of its captive regime."

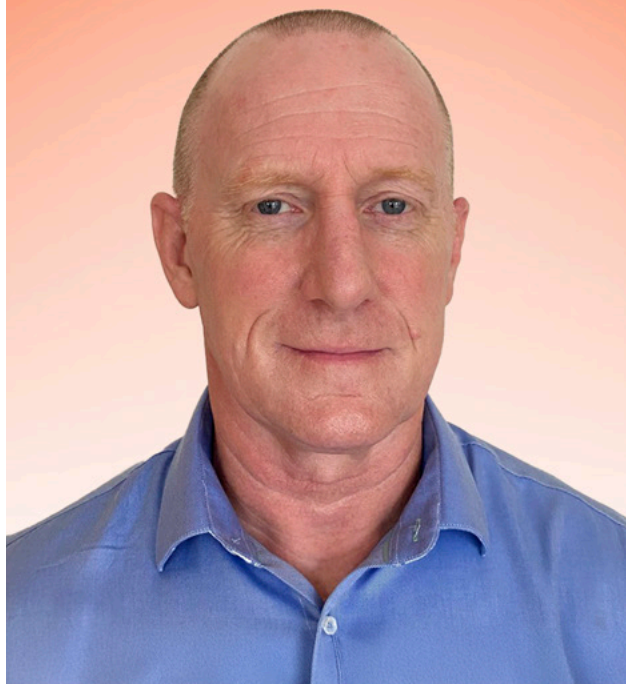
Hong Kong is among the few jurisdictions to offer a dedicated regulatory regime for captive insurers and has a "suite of facilitative measures in place", says Lau.

Captive insurers in the domicile benefit from a more streamlined authorisation process than general insurers. They are also subject to much lower capital requirements (HK\$2 million or about US\$260,000) and entitled to a 50 per cent deduction in the tax



**"Hong Kong has recently become a more attractive option through pragmatic, yet robust, application of its captive regime"**

Lawrence Bird, Marsh



rate on profits, meaning they enjoy an effective rate of 8.25 per cent.

Chua says: "Hong Kong offers a dedicated regulatory regime for captive insurers in the form of lower capital requirements and tax concessions.

"Flexibility in regulatory approach can also help support different captive business models regardless of whether the captive is managed in-house or outsourced to an external service provider. Hong Kong may be deemed as a preferred captive domicile for mainland enterprises as there is an increase in opportunities arising from risk management needs for overseas operations of mainland enterprises."

Given the low number of captives domiciled in Hong Kong, there is a recognition at the HKIA that it can go further.

Lau says: "While our regime is competitive in the region, taking into account the different risk management approach and solutions in this part of the world, we will continue to calibrate our captive regime.

"Leveraging past experience, we see now an appropriate juncture to instil greater flexibility into our regulatory approach to accommodate different captive business models, be it self-managed or outsourcing, for the benefits of the captive owners and the operational needs of the captives. We are actively communicating with market stakeholders on this front.

"[The] captive is still a novel concept to a lot of enterprises in mainland China and Asia as a whole, and we see tremendous potential for Hong Kong as a captive domicile. As highlighted in our Chief Executive's latest Policy Address, we will continue to attract large enterprises to establish captive insurers in Hong Kong."

Speaking on 16 October, Hong Kong Chief Executive John Lee promised to "continue to invite mainland and overseas enterprises, including large state-owned enterprises in the mainland, to establish captive insurers", along with several other initiatives, prompting the Hong Kong Federation of Insurers (HKFI) to release a positive statement in response.

The HKFI welcomed Lee's commitment to enriching insurance companies' asset allocation for risk diversification, the plans for captives, and the introduction of a re-domiciliation mechanism for companies to relocate their headquarters to or set up corporate divisions in Hong Kong.

Lau says: "Facilitative measures aside, the uniqueness of Hong Kong — as an international financial centre and a global risk management centre — to aspiring captives is [in] synergy with the variety of financial arrangements here.

For example, enterprises would be interested to explore how a Hong Kong captive may resonate with their corporate treasury or asset management functions in the city."

In particular, the HKIA believes Hong Kong is a "natural springboard" for mainland China-based companies to go global, able to serve as their preferred captive domicile in their efforts to expand their geographical footprints.

Lau continues: "For the HKIA, growing Hong Kong's captive market is an integral part of our mission, which is to facilitate the sustainable development of our insurance industry."

On top of forming a dedicated market development team to strengthen stakeholder engagement and to build awareness of captives, the HKIA is actively reaching out to companies with potential, to better understand their needs and circumstances.

"In parallel, we are seeing like-minded professional services providers," Lau says. "Good momentum in creating a thriving ecosystem is here."

Indicative of this outreach to better understand the needs and circumstances of companies with potential in the captive insurance space was the HKIA's panel at the Belt and Road Summit in September.

The panel promoted captive insurance as a means to support Belt and Road projects, particularly those focused on less coal intensive energy. The Belt and Road is a global infrastructure development strategy adopted by the Chinese government in 2013 to invest in more than 150 countries and international organisations.

Moderated by MM Lee, executive director of the General Business Division at the HKIA, the panel featured senior executives from a global broker, a leading captive insurer in Hong Kong and a reinsurer.

They spoke about using captive insurance to manage risks derived from overseas energy projects, the emerging opportunities and challenges brought about by energy transition, and risk management related to other fast-growing sectors

**"For the HKIA, growing Hong Kong's captive market is an integral part of our mission, which is to facilitate the sustainable development of our insurance industry"**

Clement Lau, Hong Kong Insurance Authority



such as electric vehicles that would benefit from sustainable development along the Belt and Road.

The panellists also explored the role of Hong Kong as an international risk management hub in developing the captive market. Lee said: "The use of captives by mainland enterprises to holistically monitor their overseas project risks and scale up their intra-group risk management capacity is gaining prominence.

"Being a global risk management centre, Hong Kong is well-positioned to provide comprehensive professional services to facilitate the operations of captive insurers. We stand ready to be the preferred captive domicile for state-owned and private corporations in the mainland which are expanding their global footprint or shepherding projects in the Belt and Road countries."

Other topics covered in the panel discussion included how to nurture a more vibrant risk management ecosystem in Hong Kong, values that a Hong Kong-based captive insurer could bring to its parent company, and how the local insurance sector could support the demand for reinsurance capacity from captives and capture the evolving risk management needs amid the low-carbon energy transition.

The HKIA is also engaging with insurtech providers and investors to keep them informed about Hong Kong's insurance ecosystem and its most pressing issues. In a keynote speech at the InsurTech Forum, which the regulator co-hosted with Invest Hong Kong during Hong Kong FinTech Week at the end of October, Clement Cheung, CEO of the HKIA, highlighted the dire consequences of ignoring climate change and cybersecurity threats.

He also touched on efforts to foster an ecosystem for insurance-linked securities, the introduction of the Cyber Resilience Assessment Framework under the Guideline on Cybersecurity to bolster operational resilience, and plans to commission a survey on AI adoption in the insurance sector.

Bird believes that this kind of outreach and education, along with the promotion of Hong Kong as a captive insurance domicile and a pragmatic regulatory regime for captives, are key to achieving growth.

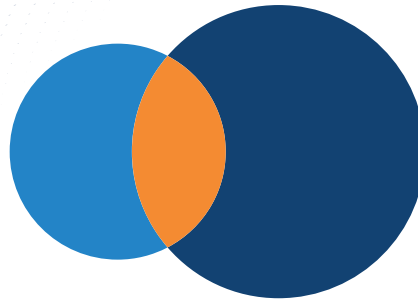
He continues: "In addition, Hong Kong is to establish a re-domiciliation regime allowing existing captives to re-domicile to Hong Kong. This would primarily be for Hong Kong corporations which have captives elsewhere. Hong Kong could consider protected cell company legislation as well." ■

**"Hong Kong offers a dedicated regulatory regime for captive insurers in the form of lower capital requirements and tax concessions"**

Joyce Chua, WTW







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**David Firkins**

Senior underwriter, Fronting  
Liberty Mutual Insurance

# Underwriting in captives

Liberty Mutual Insurance's David Firkins shares his experiences in underwriting and finding new risk control solutions for clients' changing needs

**Could you share any insights or experiences you have had in the captive insurance industry? What types of companies have you assisted in captive formation, and what specific risks were they aiming to protect against?**

I have had the pleasure of working with all types of organisations on their journey to forming and operating a captive insurance company.

From mid-sized family-owned businesses to the largest organisations in the country, no captive lifecycle is the same.

My captive experience began on the formation side, with a particular emphasis on feasibility and pre-feasibility analyses.

This work progressed to include handling renewals and devising strategies for expanding the captive through analysis and risk selection.

On the underwriting side, I work with our broker partners and our mutual clients to face self-insured risks while upholding our organisation's underwriting integrity.

Building solutions for unique risks that my region's captives typically do not insure has been my favourite broking experience across all these captive work areas. Specifically, while at HUB, working on large third-party programmes and management risks, including D&O insurance was the most challenging and enjoyable.

As an underwriter, the most rewarding experience so far has been finding new solutions for existing clients' changing needs, whether that be modifying policy limits and deductibles, wording updates, or policy amendments.

I am particularly looking forward to the opportunity to quote and win new business for my team by leveraging my experiences, our internal tools, and collaboration with my colleagues at Liberty.

**How has your previous experience prepared you for your current role?**

My previous experience helped me build a solid foundation of knowledge to succeed in my current role. For me, the most pivotal learning experience was understanding the mechanics of setting up a captive, what each party contributes to that process, and where the bottlenecks typically appear.

Additionally, through my involvement in captive setups and the day-to-day operations, I was able to learn how to develop an understanding of what the insureds and brokers are looking to achieve with this structure.

As an underwriter, I can now apply this experience to work toward providing solutions that benefit all parties.

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

In my opinion, the best part about working in the captive insurance space is that the work never gets stale. With the wide range of unique circumstances, business lines, and industries involved, there is always a new challenge to overcome. This diverse set of experiences leads to working with and making connections with great people in all corners of the industry and the world, which is an opportunity unlike any other.

**Can you name your main influences in the industry?**

I am fortunate to have had many important mentors and industry colleagues who have shaped my career and had a huge impact on my successes. Braedy Walker and Mark Rankin are the first names that come to mind as those who introduced me into the industry and who I worked under at HUB.



### Personal bio

*I grew up in Ottawa, Ontario, and completed my postsecondary degree at the Ivey School of Business at Western University in London, Ontario. My professional career began with a position in global affairs in the federal government, with a focus on data analytics and visualisation.*

*After this position, I moved to Toronto, and, using my connections in the industry, I was able to transfer the skills I had gained while working at Global Affairs Canada into a role at HUB International in their captive and analytics practice.*

*Working in the captive insurance field allowed me to apply the knowledge I had gained over the past couple of years, and the prospect of working with and learning about a wide variety of businesses, both small and large, fascinated me.*

*I spent three years on this team and was involved in the set-up of many captives in different domiciles, including Alberta, which had its captive legislation introduced during my tenure at HUB.*

*I am currently a member of the Alternative Risk Solutions team at Liberty Mutual Insurance, Canada, where I specialise in captive fronting. In this role, I manage my own renewal portfolio and strive to expand our business book. Outside of work, I enjoy getting outdoors and out of the city, with skiing being my favourite hobby.*

*"David Firkins joined the team and was immediately able to have a positive impact. His in-depth understanding of captives, ability to communicate with brokers and other key stakeholders, and eagerness to learn on the underwriting side have led him to manage some key accounts for our team and organisation."*

### Christopher MacLean

Senior vice president and head of Alternative Risk Solutions and Programmes  
Liberty Mutual Insurance

**"My goal for the future is to eventually lead or manage my own team so that I can pass on the knowledge that I have gained through my current mentors and managers"**

I am also fortunate to have found great leadership and an amazing culture at my current organisation, Liberty Mutual. My department leaders, Chris MacLean and Leon Williams, along with the entire team, have had a tremendous positive impact on me in the short time I have been here. I am excited to see how that growth will continue.

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

My current career aspirations are to continue to learn as much as possible from my team and colleagues so that I can contribute to my organisation. I would also like to build my network and continue to meet wonderful people in the industry.

My goal for the future is to eventually lead or manage my own team so that I can pass on the knowledge that I have gained through my current mentors and managers. Finally, I want to be at the forefront, providing new and unique solutions to clients as the tools available to us and the risks companies are facing continue to evolve.

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

The number one piece of advice that I would give someone considering a captive career is to meet and build relationships with as many people in the captive and wider industry as possible. Speaking with people and listening to their experiences is one of the best ways to learn, and someday down the road they might play a pivotal role in helping create a solution for a client. ■

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# Industry Appointments



## HDI Global chooses Windirsch

Melanie Windirsch has been chosen as the new head of international programmes for HDI Global.

The appointment comes after her predecessor, Dirk Höring, was promoted to HDI Global executive board in April.

Windirsch brings over 12 years experience in corporate insurance expertise to the role, having previously acted as head of global network management and multinational governance at Allianz Commercial.

In her new position, Windirsch will manage a team of over 50 colleagues, spanning HDI Global IP Services, IP Operations and Technology and Global Network divisions.

Thomas Kuhnt, member of HDI Global management board, reveals: "[Windirsch's] extensive experience and deep knowledge of the industry make her an invaluable asset to HDI Global. With her on board, I am confident that we will continue to strengthen our position as the leading German insurer of International Programmes." ■

## Niblack departs as President of Blackwell Captive Solutions

Kari L. Niblack has announced her departure from her role as president of Blackwell Captive Solutions, effective 31 October.

Prior to establishing the company in 2022, Niblack served as the CEO of ACS Benefit Services and holds a wealth of experience in senior vice presidential positions across a number of companies, including Apex, Meritain Health and Indiana Health Centers.

She was further involved in the US healthcare industry for over 25 years as an employee benefits attorney, and is the former Chairwoman for the Self-Insured Institute of America.

In her statement, she states: "Serving as Blackwell's founder and president and working with such a fantastic team to accomplish all that we have as quickly as we have was one of the most profound experiences of my life. We have grown to be a worthy contender in the highly competitive alternative risk space, and I couldn't be prouder of the team and our accomplishments."

Niblack will remain as a senior advisor to the firm and is poised to announce her upcoming tenure.

## GPW selects Mourelatos as Senior Executive to lead Specialty Captive Division

Bill Mourelatos joins GPW & Associates (GPW) as senior vice president of business development and acting head of its new Specialty Captives division.

Prior to his new appointment, Mourelatos served as managing director at Aon's captive and insurance management team. He brings over 20 years of experience in risk



management and strategic oversight, with an expertise in driving operational efficiency within high-performing teams.

He will be responsible for facilitating the growth of the company in the alternative risk management industry, and is set to oversee the development of captive solutions for GPW's client base.

Commenting on his new role, Mourelatos states: "GPW's strong market position and reputation for providing innovative, client-centric risk management solutions made this a very compelling opportunity. I look forward to collaborating with the talented team at GPW to continue delivering tailored solutions for our clients."

George Belokas, president of GPW, adds: "[Mourelatos'] track record in delivering innovative client solutions and fostering strong relationships aligns perfectly with our commitment to excellence in the specialty captives space."

### **HDI Global welcomes Strasser as executive board member**

Dr. Renate Strasser has been selected as the latest member of the HDI Global executive board.

Strasser will take over from Ralph Beutter, the board member responsible for Speciality Lines, effective 1 April 2025. Beutter will retire from his role in late May 2025, however will maintain an advisory role within the firm.

Strasser brings extensive expertise in corporate and specialty insurance solutions, with a long-standing career in management and leadership positions. She currently serves as chief technical officer for Allianz Commercial, prior to which she acted as the CEO of NewRe.



### **HDI Enablers names Joly-Pottuz as new head**

Eric Joly-Pottuz has been named as the new leader of HDI Enablers, the Alternative Risk Transfer division of HDI Global.

Taking over the role from Etienne de Varax, who established the unit just over two years ago, Joly-Pottuz will be responsible for expanding the unit to new markets across Europe and developing solutions in the area of alternative risk transfer.

Prior to his leadership appointment, Joly-Pottuz acted as deputy head for HDI Enablers and has held a number of senior management positions across his career. He brings with him an expertise in finance and reinsurance.

Commenting on the appointment, Dr Thomas Kuhnt, executive board member at HDI Global, states: "In a world where risks are becoming increasingly complex, we find innovative ways to provide our customers with the best possible support. With Eric Joly-Pottuz, we have an experienced expert at the helm of HDI Enablers who will take our ART offering to a new level."

Joly-Pottuz adds: "[My] goal is to help companies optimally manage their risks and strengthen their competitiveness."

Etienne de Varax will remain at the company as senior adviser until his retirement at the end of 2024. ■



### Specialist Risk Group names Yap as CEO of APAC

Specialist Risk Group (SRG) has appointed Collin Yap as CEO of Asia Pacific, a position he will take up in the new year.

The company says this move comes as part of its broader expansion in the region, following its recent acquisition of Singapore-based retail insurance broker HL Suntek Insurance Brokers.

Yap brings over two decades of leadership experience to the role, most recently serving as CEO of Marsh McLennan Singapore.

Speaking about the appointment, Warren Downey, group CEO of SRG, says: "Collin's extensive experience

in the region, combined with his deep knowledge of the insurance industry, makes him the perfect leader to drive our business forward in Asia."

Yap comments: "I am incredibly excited to join Specialist Risk Group at such a pivotal time. SRG's strong focus on people, culture, and specialist expertise sets it apart in the market, and I look forward to leading our expansion across Asia Pacific."

"With the recent acquisition of HL Suntek and the support of our talented team, I am confident that we can build a business that delivers exceptional value to our clients and makes a lasting impact in the region." ■

Torsten Leue, CEO of Talanx and chairman of the Supervisory Board of HDI Global, comments: "I would like to thank Ralph Beutter for his outstanding work. In Dr. Renate Strasser, we have secured the services of a leader with extensive international experience."

CEO of HDI Global and the member of Talanx's board of management responsible for Corporate and Specialty business, Dr. Edgar Puls, adds: "I would like to thank Ralph most sincerely for his untiring commitment to Specialty Lines and I am delighted that he will continue to support us with his expertise."

### LMA appoints Levett as Head of Regulatory Affairs

John Levett has been appointed head of regulatory affairs for the Lloyd's Market Association (LMA). Having joined LMA in October 2023 as senior executive, regulatory affairs, he will now be responsible for working with a number of insurance trade bodies, including the ABI and IUA, and consulting with the FCA on proportionate regulation in commercial business.

Previously, Levett acted as senior regulatory lead at RSA as well as technical specialist in general insurance compliance at the FCA. He further chaired the LMA committee for environmental and climate litigation.

Arabella Ramage, legal director of the LMA, states: "The LMA is fortunate to have someone of John's experience and knowledge of the insurance market as we work towards ensuring our members are appropriately represented with respect to regulatory regimes around the globe."

Levett adds: "I am delighted to be taking up this role at such an important time for our industry and our members." ■

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