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Time to look in the mirror

Global Captive Management's James Trundle reflects on board self-assessments in Cayman captives

Healthcare

Experts explore captive solutions for employers to mitigate the rising healthcare costs

Domicile Profile

Driving growth and innovation in Labuan

Solvency II

Laurent Nihoul discusses the impact of regulatory concessions for captives in Europe

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Unit 23, Metro Business Centre, Kangley Bridge Rd, London, SE26 5BW

Publisher: John Savage
johnsavage@captiveinsurancetimes.com

Publishing Director: Justin Lawson
justinlawson@captiveinsurancetimes.com
020 3667 3244

Office Manager: Chelsea Bowles
accounts@captiveinsurancetimes.com

Group Editor: Karl Loomes
karlloomes@blackknightmedialtd.com
020 3617 1722

Reporter: Diana Bui
diana@captiveinsurancetimes.com
020 3372 5997

Reporter: Jack McRae
jackmcrae@assetservicingtimes.com

Junior Reporter: Klea Neza
kleaneza@blackknightmedialtd.com

Lead Designer: James Hickman
jameshickman@blackknightmedialtd.com

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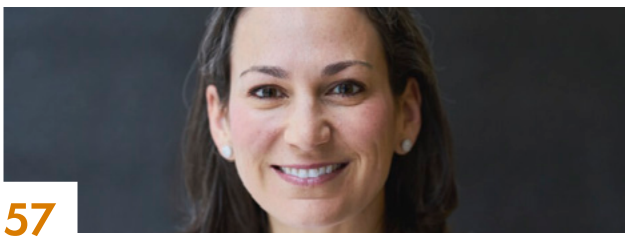

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Industry Appointments

Aon names Corona as CEO of Enterprise Clients and Global CCO

Aon launches new Florida Flood model for state insurers

Aon has unveiled the Florida Flood v3.0 model, after receiving certification from the Florida Commission on Hurricane Loss Projection Methodology.

The new model, developed by Impact Forecasting — Aon's catastrophe model centre — in collaboration with global flood and climate risk modelling firm Fathom, assesses flood exposures in the state to inform (re)insurers' rate filings.

The firm says the platform allows clients to leverage the latest data, analytics and research to quantify flood risk from tropical and non-tropical weather systems across all three flood sub-perils, as well as tropical cyclone storm surge.

Floods pose a year-round threat to Florida due to its extensive coastline and frequent storms.

According to data from Aon's Catastrophe Insight, the National Flood Insurance Program's (NFIP) annual average loss in Florida has exceeded US$1.1 billion since 2004. In 2022 alone, Hurricane Ian drove NFIP payouts beyond US$5.1 billion on a price-inflated basis.

David Colbus, regulatory and compliance lead for Impact Forecasting at Aon, states: "Aon's new flood model supports our clients with rate-making and underwriting as they seek to navigate volatility and build resilience in their Florida portfolios.

"As we continue to evolve our modelling suite and innovate on behalf of clients, we enhance clarity and confidence around flood exposures and assist the pursuit of profitable growth opportunities, which requires the accurate assessment and pricing of risk." ■

Bermuda continues captive growth with 10 new licenses

The Bermuda Monetary Authority (BMA) licensed 10 new captive insurers between January and October 2024, reflecting Bermuda's continued strength as a leading domicile for captive insurance.

According to the latest figures from the BMA, the new licenses include five Class 1, two Class 2, one Class 3, and two Class A insurers.

Among the Class 1 captives are Revias Insurance, Intimorato Insurance, Red Eagle Insurance, Mulligan Insurance, and QFI Risk Solutions.

Class 2 captives include I-RE Insurance and Periculum Reinsurance Corporation International. Marsh's Edgware Re, a cyber-only group captive, received its license under Class 3.

Arrowhead Insurance and Suffolk Insurancewere granted Class A long-term licenses, further diversifying Bermuda's captive offerings.

With these new registrations, Bermuda has reached a total of 53 new licensed insurance entities through October 2024, including 10 intermediaries.

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Aon to acquire in-house insurance agency of Mitsubishi Chemical Group

Aon has signed an agreement to acquire the in-house insurance agency business of Mitsubishi Chemical Group (MCG), expanding its risk and health capabilities in Japan. The company says upon closing the deal expected in early 2025, the insurance agency team will integrate into Aon's operations under the leadership of Tatsuya Yamamoto, head of Aon Japan, creating a combined workforce of over 400.

The agency operates under Dia Rix, a business services arm of MCG, providing corporate and personal insurance to MCG's companies and employees in the country.

According to the firm, this divestiture allows MCG to refocus resources on its core operations while benefiting from Aon's global risk management expertise to enhance its governance practices.

Anne Corona, CEO of Aon in Asia Pacific, remarks: "This acquisition reinforces our investment in Japan as an important market for Aon. The existing synergies we share with Dia Rix in terms of capability and culture will allow us to better serve MCG as well as strengthen broader capability and development opportunities for colleagues at the combined firm."

Yamamoto adds: "The current changes in the non-life insurance environment in Japan will foster an environment in which global companies like the MCG can focus on their core business by divesting their in-house insurance agency operations, while at the same time supporting their operational efficiency strategies and leveraging a group of experts like Aon to provide an opportunity for more sophisticated global risk management."

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WTW: 80% of risk leaders fear emerging risk resilience

A new survey by WTW reveals that only 20 per cent of risk leaders and their teams believe their organisations will be able to respond adequately to risks that might emerge in the next 10 years. The study also found that only 50 per cent of respondents feel confident in their organisations' current risk management approach.

Technology emerges as a dominant concern, with AI, cyberthreats, and technological advancements identified as top risks both today and in the near future.

Geopolitical issues are also a major concern, with risks ranging from elections to societal cohesion and misalignment between government and business interests.

Over the longer term, environmental risks gain prominence, with 47 per cent of respondents citing climate change and transition risks as key drivers of future change. Respondents point to policy gaps, climate tipping points, and increased catastrophic events as critical areas of uncertainty over the next decade.

Despite recognising the urgency, 40 per cent reported never being consulted on emerging risk evaluations, highlighting a lack of internal collaboration.

Almost half of respondents were unable to name their organisations' most concerning emerging risks, underscoring the need for structured intelligence gathering processes.

Adam Garrard, global chairman of risk and broking at WTW, emphasises the need for innovation: "We need more than data-informed decision making to explore the emerging risks shaping risk and opportunity. Smart specialisation, smart service, and smart research are essential to navigating the complex risk landscape."

Meanwhile, Lucy Stanbrough, head of emerging risks at the WTW Research Network, states: "Every single risk in our survey was someone's top risk, showing the need for better understanding of interconnected risks. Organisations that integrate emerging risk frameworks into their business models will be more resilient and successful." ■

WSG launches new captive in Guernsey

Warranty Solutions Group (WSG) has partnered with Strategic Risk Solutions (SRS) to launch WSG Guardian Insurance, a Guernsey-based captive offering regulated protection products.

The new entity will provide a range of insurance-backed products, including mechanical breakdown insurance, catering to dealer groups, manufacturers, importers, and corporate entities requiring regulated contracts.

WSG Guardian Insurance, fully owned by WSG, operates independently in Guernsey and will offer products through its regulated subsidiary, Warranty Professionals, to dealers registered with the Financial Conduct Authority (FCA) or appointed representatives of authorised principal firms.

John Colinswood, CEO of WSG, comments: “This marks a significant step forward for our business. With WSG’s extensive expertise and exceptional growth, we have recognised the strong demand among both dealers and customers for fair-value insurance products that meet consumer protection expectations.

“The launch of our own insurance captive is a strategic move to futureproof our business, deepen our market presence, and pave the way for expansion into new markets.”

Peter Child, CEO of SRS Europe, adds: “Our long-term relationship model is built on a steadfast commitment to client success. Leveraging our extensive experience in the global captive insurance industry, we empower our clients to manage risk effectively and maximise cost-saving opportunities.

“WSG will unlock significant opportunities with the launch of WSG Guardian Insurance, positioning it as the premier provider of regulated products in the motor industry.” ■

Meta captive seeks DoL approval for ERISA exemption

Meta Platforms has submitted a request to the US Department of Labor (DoL) for an Employee Retirement Income Security Act (ERISA) exemption to allow its captive insurer to reinsure certain employee benefits.

The exemption would allow Meta’s health and welfare benefit plan to establish an insurance contract with Prudential Life Insurance Company of America. The contract would cover group term life insurance, accidental death and dismemberment benefits, and survivor income benefits for Meta employees.

Prudential would retain primary responsibility for delivering these benefits to employees but would reinsure the associated risks through Ekahi Insurance Company, a captive insurer owned by Meta Platforms.

Ekahi operates as a cell within Honu Insurance Company, a Hawaii-domiciled entity specifically structured for captive insurance solutions. Under this arrangement, Prudential would remain fully accountable to the benefit plan, ensuring continuity of coverage regardless of Ekahi’s performance. ■

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PIB Group acquires Thoma Exploitatie

PIB Group has acquired commercial lines insurance broker and MGA platform Thoma Exploitatie and its subsidiaries in the Netherlands. The company says this investment marks a strategic milestone in PIB Group's ongoing European expansion, adding to the existing portfolio of its Dutch subsidiaries, Light Insurance and specialty insurer Risqwise, in the Benelux region.

Thoma Exploitatie provides risk management, insurance and pension advisory to commercial clients and private individuals and offers a wide range of products, including property, liability, motor, transportation, life protection and health solutions through their own MGA.

Brendan McManus, CEO of PIB Group, states: "The acquisition of Thoma is a testament to the team's successful track record and tenacity of growth in the region.

"Its long-standing history, outstanding business performance, and proven M&A and integration capabilities offer an attractive opportunity for PIB Group to leverage local insight and knowledge in Benelux."

Aernoud Hage, CEO of Thoma Exploitatie, comments: "We are delighted to announce the integration of Thoma into PIB Group subject to approval.

"PIB Group's leadership, culture and expansion plans align with Thoma's ambition. With our expertise and strong track record we expect to see strong growth in this partnership." ■

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Manulife enters CA$5.4bn reinsurance agreement with RGA

Manulife Financial Corporation has entered into a CA$5.4 billion (US$3.85 billion) reinsurance agreement with Reinsurance Group of America (RGA), including CA$2.4 billion of long-term care (LTC) reserves.

The company will reinsure a combined CA$5.4 billion in reserves across two blocks of legacy business for RGA, including portions of LTC and structured settlements in the US.

The transaction includes significant structural protections, including over-collateralised trusts to hold investment assets. The reinsurance represents a 75 per cent quota share on both ceded blocks.

In connection with the transaction, the company expects to dispose CA$1.5 billion of alternative long-duration assets (ALDA) by early 2025, subject to customary closing conditions.

The company states that it will continue to administer all reinsured policies for a seamless customer service experience. ■

Alliant launches government contractors segment

Alliant Insurance Services has launched its government contractors-focused segment within Alliant Specialty, offering expertise in risk management and insurance to companies working with the US federal government.

The firm has hired Bryan Salek and Angela Kirby as senior vice presidents to lead the new team.

Salek brings more than 25 years of experience specific to risk management and insurance programmes for companies selling services or products to the US federal government. He will be responsible for delivering industry expertise across all areas of clients' risk management programmes.

Kirby brings more than a decade of experience to her role in designing insurance solutions and risk management programmes for government contractors and marine clients.

She will be dedicated to delivering innovative and strategic solutions to solve complex challenges in the segment.

Michael Cusack, executive vice president at Alliant Specialty, comments: "Bryan and Angela have spent decades focused on the government contractors segment and bring real-world experiences to the unique risks of working with the US federal government and the locations where they operate." ■

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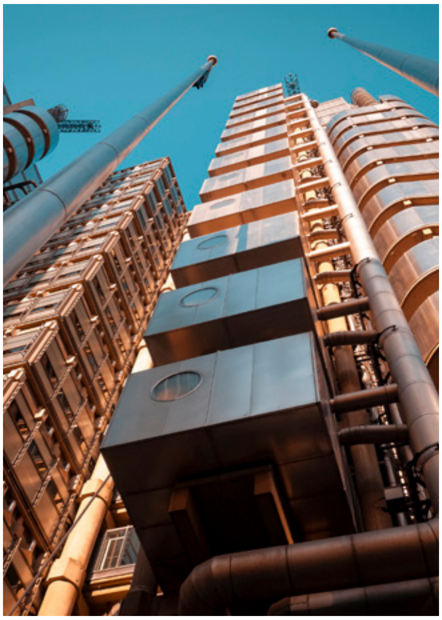

Oak Re receives permission to underwrite business at Lloyd's

Global reinsurance company Oak Re has received permission for its Lloyd's Syndicate 2843 to underwrite business beginning on 1 January 2025.

Oak Re is launching Syndicate 2843 in collaboration with blue chip capital providers, including Bain Capital and Hampden Agencies, the largest provider of private capital to Lloyd's. In addition, Polo Managing Agency is providing turnkey services for Syndicate 2843.

Cathal Carr, CEO and founder of Oak Re, says: "Oak Re is the culmination of our vision to establish a leading global reinsurance franchise at Lloyd's, driven by industry-leading talent, underpinned by cutting-edge risk insights, and backed by long-term investors.

"In an era of evolving risk, Lloyd's platform and its long-term vision fits perfectly with our ambition to support our clients with reinsurance solutions today, enhancing resilience for tomorrow." ■

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KEVIN YOUSIF, CFA
(248) 885-8816
kyousif@yousifcapital.com
DALE J. MCCANN
(248) 885-8769
dmccann@yousifcapital.com
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AM Best affirms 'Excellent' credit ratings of Eni's captive

AM Best has affirmed the financial strength rating of 'A' (Excellent) and the long-term issuer credit rating of 'a' (Excellent) of Eni Insurance Designated Activity Company (EID), a captive of Italy-based multinational energy company Eni.

The outlook of these credit ratings is 'stable'.

The ratings reflect EID's balance sheet strength, which AM Best assesses as very strong, as well as its strong operating performance, neutral business profile and appropriate enterprise risk management.

AM Best rates EID's risk-adjusted capitalisation at the strongest level based on the Best's Capital Adequacy Ratio, with expectations for it to remain stable, while noting reliance on high-quality reinsurers offsets risks tied to underwriting large exposures.

EID has demonstrated strong profitability with a combined ratio of 49.4 per cent over the last five years as calculated by AM Best, maintaining robust underwriting results into 2024, though its property account poses potential volatility mitigated by a comprehensive reinsurance programme.

The Ireland-based captive is well-integrated within the Eni group's risk management framework and maintains its active role in overseeing and containing the group's insurance costs. Additionally, the captive enables the group to centralise claims information and establish effective internal reporting for Eni. ■

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NFP expands employee benefits footprint in upstate New York

NFP, an Aon company, has acquired certain assets of AnchorGroup, expanding its employee benefits footprint in upstate New York.

Kiehl Hutchings, owner of AnchorGroup, will join NFP as vice president of benefits and will report to Kelly Smith, senior vice president of benefits.

Kate Henry, president of NFP's Northeast region, comments: "I am excited to welcome Kiehl and the AnchorGroup team to NFP. This addition strengthens our presence in upstate New York, especially in the Greater Syracuse area, with an experienced team of group benefits professionals.

"Through AnchorGroup's offerings and clients, we will build on our already robust capabilities and expand our connections to employers in the area."

Since 1971, AnchorGroup has provided group employee benefits solutions to small and mid-market clients across the state of New York, with an emphasis on upstate. AnchorGroup is also a member of Benefits Partners, a national corporate benefit producer group and one of NFP's member organisations. ■

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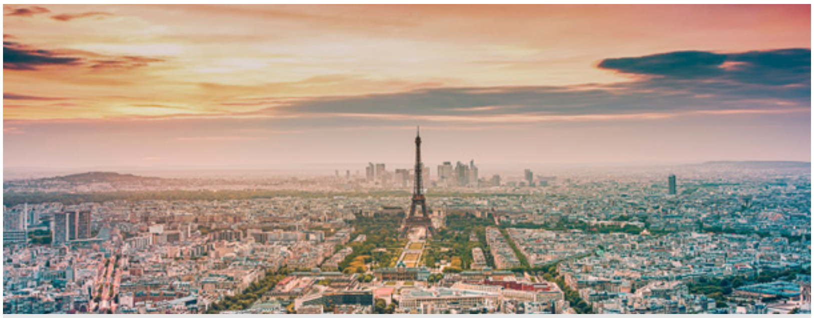

ACPR publishes guide for captives in France

The French insurance regulator Autorité de Contrôle Prudentiel et de Résolution (ACPR) has released a guide for captive insurance companies in the country.

The ACPR aims to provide potential captive owners with critical information on the application process, requirements, expected timelines, and best practices for gaining regulatory approval.

The move is fuelled by the rising interest in reinsurance captive in France as part of risk management strategy for businesses, with 17 entities approved to date.

Under French insurance regulations, a captive is defined as a reinsurance company owned by a non-insurance entity that provides reinsurance exclusively for the risks of the parent company or affiliated entities.

The ACPR's guidelines recommend a thorough internal evaluation by prospective captive owners to assess the benefits, costs, and responsibilities of setting up and managing a captive.

Before submitting an application, companies must arrange an initial meeting with the ACPR to present their project and demonstrate a clear understanding of regulatory expectations.

Once the application is submitted, the ACPR typically provides an approval decision within six months, although additional meetings with the captive's proposed leadership team may be required.

The ACPR's evaluation criteria include the applicant's motivations, governance structure, risk coverage plans, business strategy, and risk management framework.

As France's captives operate under Solvency II regulations, the ACPR also requires assurances from the captive's parent company regarding financial support in case of solvency issues.

To aid companies in the application process, the guide outlines the primary regulatory and prudential principles that captives, whether newly established or relocating from the European Economic Area, must follow to secure approval. ■

UIB Group opens new office in Nepal

United Insurance Brokers (UIB) Group has opened a new representative office in Kathmandu, Nepal, expanding its footprint in Asia.

The office will report to the UIB Asia regional headquarters, based in Singapore.

The firm states that as UIB Group continues to grow its footprint in Asia, the Nepal office will serve as a critical hub for closer and more impactful engagements with clients and partners throughout the region.

Tim Church, CEO of UIB International, says: "UIB recognises the importance of understanding local needs and the local environment and the best way to do this is by having local people.

"We are very proud to have one of the best in Sushil Bajracharya and we welcome him into the UIB Family. Together we look forward to serving the Nepalese people." ■

Texas Baptists to create captive insurance programme

Texas Baptists has authorised the creation of a captive insurance programme that will offer P&C insurance for churches across Texas.

The decision came during the annual Baptist General Convention of Texas (BGCT) meeting on 11 November, where attendees also elected new officers and approved a 2025 state budget of US$36.7 million.

The proposed insurance pool aims to provide affordable coverage to churches in response to several major insurers withdrawing from the Texas market.

With many churches facing rising premiums and deductibles or losing coverage altogether, the captive insurance model will function similarly to a cooperative, helping churches pool resources for mutual benefit.

Bobby Contreras, BGCT executive board chair, recommended the formation of a new corporation to handle this insurance programme and establish the necessary financial groundwork. The insurance pool will require capitalisation of at least 25 per cent of the first year's premiums, estimated between US$1.5 million and US$5 million, based on projected participation.

The BGCT board had previously approved initial steps to develop this programme during a meeting in September, pending a feasibility study and final authorisation from the executive committee.

If successful, the captive insurance programme could reduce premiums by up to 30 percent compared to the open market, according to Keith Warren, administrative support committee chair. ■

McGill and Partners unveils AI-powered trade disruption facility

Specialty (re)insurance broker McGill and Partners has launched a new trade disruption insurance facility in collaboration with Tokio Marine Kiln (TMK) and Convex, offering limits of US$95 million, led by TMK. The firms say the offering uses AI-powered technology from logistic platform Altana to better understand and underwrite trade disruption risks, enabling substantial coverage and limits for clients dealing with trade interruptions and fluctuations between specific locations.

Nicky Payne, partner of capital solutions and treaty reinsurance at McGill and Partners, comments: "Given the current geopolitical climate, the launch of our trade disruption facility is exceptionally timely, as incidents of this nature are on the rise. From the start, McGill and Partners has been built on digital-first principles.

"We understand the importance of capitalising on this technology, which allows us to pioneer unique and innovative solutions for our clients. This product is a clear demonstration of those principles."

Ed Parker, head of special risks at TMK, adds: "Supply chains, globally, have become increasingly complex and their fragility has been underscored by a series of geopolitical shocks in recent years.

"AI offers the potential for us to better understand our clients, to track the movement of goods and the aggregation of exposures in real time. These new tools can enhance our offering, allow us to broaden our terms due to a greater insight into our clients' businesses and enable us to further extend our support across supply chains." ■

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Marsh McLennan closes US$7.75bn deal on McGriff acquisition

Marsh McLennan has completed its acquisition of McGriff Insurance Services with a value of US$7.75 billion, funded through a combination of cash and debt financing proceeds.

Founded in 1886, McGriff provides commercial P&C insurance, surety, employee benefits, and personal lines insurance solutions to businesses and individuals across the US.

With the closure of the transaction, more than 3,500 McGriff employees will become part of Marsh McLennan Agency.

John Doyle, president and CEO of Marsh McLennan, comments: "We are thrilled to welcome the McGriff team to Marsh McLennan. Their deep specialty and industry capabilities will strengthen Marsh McLennan Agency's value proposition and expand our reach in the growing middle market."

Read Davis, CEO of McGriff, adds: "By joining Marsh McLennan Agency, our teammates gain access to expanded global resources and industry knowledge to build their career growth and bring innovative, actionable solutions to clients." ■

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Davies acquires Barker Claim Services

Davies has acquired Barker Claims Services, which provides professional claims handling and loss adjusting expertise across property, casualty and motor claims.

According to the firm, Barker Claim Services will build on Davies' existing nationwide claims operations in North America, led by Don Lederer, claims solutions CEO, providing additional regional coverage to clients in Virginia, North Carolina, South Carolina and Northeast Tennessee.

Dan Saulter, group CEO at Davies, says: "I would like to extend a warm welcome to Brian and the rest of the team at Barker Claim Services. Brian and his team have an excellent reputation for maintaining strong relationships with its clients and delivering an exceptional level of service with local expertise."

Brian Barker, president at Barker Claim Services, adds: "By investing heavily in technology and its people, Davies has been able to grow rapidly within the insurance market in North America over the last few years. Combining our regional expertise with Davies' strong market presence and end-to-end insurance and risk management solutions will allow us to offer clients a bespoke service operation and strengthen our overall proposition." ■

Chancellor announces consultation on UK captive regime

The UK is taking a significant step towards establishing a regulatory regime for captive insurance companies, following an announcement by the Chancellor of the Exchequer Rachel Reeves.

The announcement, made last night, revealed that HM Treasury will launch a consultation on the creation of a UK captive insurance regime.

If introduced, the regime could provide a vital risk management tool for UK and international businesses while bolstering London's position as a global hub for insurance and risk transfer. The move follows a concerted campaign by the London Market Group (LMG), which has been advocating for a proportionate regulatory framework for captives. In recent months, the LMG has engaged with HM Treasury, the Prudential Regulation Authority, and the Financial Conduct Authority to shape the potential regime.

Caroline Wagstaff, CEO of the LMG, highlights the importance of the initiative for the UK's competitiveness in the global market, stating: "If London is to retain its position as a global centre for risk transfer, it needs to be able to offer all the tools in the toolkit; captives are an increasingly important part of that mix."

Wagstaff underscores the growing significance of the captive insurance industry, noting that global captive premiums are projected to reach US$161 billion by 2030.

"Other jurisdictions — including France and more recently Italy — are opening their doors," Wagstaff adds.

She stresses the need for broad engagement during the consultation, highlighting: "It is vital that the Government hears directly from UK plc, captive owners, managers, brokers, and insurers — as well as businesses who may not have considered a captive before."

Julia Graham, CEO of the UK Association of Insurance and Risk Managers in Industry and Commerce (AIRMIC), echoes the importance of captives in risk management strategies. "Captives are taking centre stage as part of the established and long-term risk financing strategies of many important commercial organisations," Graham says. The London insurance market retains a leading global position with an envious world-class reputation. As part of this position, captives should play a mainstream role and in support of this, the UK should have a proportionate regulatory regime for captives."

Industry experts suggest that a UK captive domicile could enable businesses to enhance resilience and manage risks domestically while leveraging London's extensive financial services ecosystem. This includes access to London-based global brokers with captive consulting expertise, local banking and asset management options, and the world's largest reinsurance market. ■

Cayman Captive Forum 2024 expects record-breaking attendance

The Insurance Managers Association of Cayman (IMAC) has announced a record number of delegate registrations for the Cayman Captive Forum 2024, which took place from 3-5 December at The Ritz-Carlton in Grand Cayman.

According to IMAC, there will be 302 first-time attendees, highlighting the growing global interest in Cayman's captive insurance industry.

The association says the event will also debut a pickleball tournament, adding an exciting new dimension to the networking opportunities.

Alanna Trundle, chair of the Cayman Captive Forum committee, remarks: "We are proud to host an event of this scale, and very excited to welcome a record-breaking number of participants.

"This overwhelming interest reaffirms Cayman's prominence as a leading domicile for captives, and shows continued innovation within our industry." ■

James Trundle
Vice president
Global Captive Management

Time to look in the mirror

Global Captive Management's James Trundle reflects on board self-assessments in Cayman captives

Everyone is their own worst critic, right? We are all guilty of over-analysing conversations, whether they be work-related or personal. Did I say the right thing? Did I talk too much?

We understand our own flaws, our short-comings, or our failings, but half of the battle is knowing what they are and recognising how to correct them. We all need to keep developing and improving; there is nothing wrong with striving to be a better person.

If we apply these principles to our personal development, it stands to reason we should also apply them to our businesses. Captive insurance companies are no exception to this. In fact, the Cayman Islands Monetary Authority (CIMA) even formalised this in its Rule on Corporate Governance (the Rule), which was effective from October 2023. Section 5.6.2 (d) notes the requirement of the "governing body" to "undertake appropriately executed self-assessments of the performance of the governing body (as a whole) and individual members". The requirement is for this to happen at least annually, and it has been a focus of recent regulatory inspections of licensed entities performed by CIMA.

In simple terms, CIMA wants the board of directors of any insurance company to look in the mirror each year and assess how they are performing.

In many instances, captive boards are already familiar with this process because self-assessments are occurring regularly at the various parent company levels.

In 2023, 97 per cent of S&P 500 entities disclosed details of their overall board evaluation process and in the UK, 41 per cent of boards were conducting an external evaluation process.

A thorough evaluation process at the captive level prompts directors to assess the relevant areas and risk management strategies applicable to the insurance company, which will be different from its parent company or group.

At Global Captive Management (GCM), we have worked in collaboration with our boards in crafting appropriate corporate governance frameworks that ensure compliance with all requirements in the Rule and include an annual assessment for each board to consider and review as a group. In accordance with the Rule, we individually administer the assessment to each director, enabling them to assess their individual contributions to the board and the overall performance of the board.

Any deficiencies identified during the assessment process are "remedied and documented" as per the terms of the Rule.

"We all need to apply an appropriate level of self-assessment to ourselves, our businesses, and our captives. We can become stronger with a little self-reflection and by analysing what we are doing well and areas we can improve"

Each captive is different, and each board is different. However, there are striking similarities across all our captive clients' self-assessments.

First is the composition of the board of directors. We ask each board member to look around the table. Is this board of directors composed of members with a diverse range of skills, knowledge, and experience, including those with expertise in finance, insurance, and risk management? The board must also take into account each director's succession plan and ensure that the captive adequately documents it.

Second, we focus on compliance. Completion of an annual conflict of interest and code of conduct disclosure statement by each director is a mandatory requirement under the rule. Other compliance considerations include whether the board is receiving adequate training on the Cayman Islands Anti-Money Laundering regime and whether the board is devoting enough time to consider the company's compliance with all acts and regulations.

GCM acts as the compliance gatekeeper for all our captive boards to ensure the directors can review this area of the assessment and answer it positively.

We provide detailed updates on legal and regulatory developments to the boards, along with adequate and appropriate training on compliance and anti-money laundering matters.

The final piece of the assessment focuses on the activities of the board to ensure that sufficient time is dedicated to considering the operations of the captive.

This includes a review of the company's CIMA-approved business plan, all policy-related matters, and a review and assessment of the financial statements and financial performance of the captive.

The annual evaluation process helps highlight areas where a board excels and other areas that require improvement. This fosters a culture of accountability at the board level and enhances the captive's risk management process by identifying any governance risks that could have a detrimental effect on the captive's reputation.

The assessment pushes board members to be open about their roles and responsibilities, as well as the overall dynamics of the board. Finally, the process should increase stakeholder confidence, as the continuous assessment demonstrates a commitment to transparency and accountability.

We also need to recognise how important the concepts of self-assessment and strong corporate governance are for CIMA. In the past 18 months, GCM has seen a change to the focus of CIMA's routine on-site regulatory inspections, which are ensuring the appropriate application of the Rule including a robust approach to the self-assessment concept.

The principle of self-assessment and striving for continuous improvement is not just for our captive clients. It is part of the GCM culture. Development of our team and improving what we offer are an integral part of our strategic plan. Our internal annual assessments heavily incorporate feedback from clients and service providers. All of this enhances our ability to work effectively with our clients for our combined success.

So, is there anything wrong with being your own worst critic? There is a famous quote that says: "Your harshest critic is always going to be yourself. Don't ignore that critic, but don't give it more attention than it deserves." In other words, we all need to apply an appropriate level of self-assessment to ourselves, our businesses, and our captives. We can become stronger with a little self-reflection and by analysing what we are doing well and areas we can improve. ■

When the tide is high

In the first of two articles on captive health insurance in the US, Diana Bui investigates how this alternative risk management could help employers mitigate the rising healthcare costs without compromising employees' well-being

Rising waves

Healthcare expenses have long been a significant burden for both employers and employees in the US, but recent years have witnessed an unprecedented surge.

According to a 2024 survey by WTW, US employers anticipate a 7.7 per cent increase in healthcare costs for 2025, up from 6.9 per cent in 2024 and 6.5 per cent in 2023. This marks the third consecutive year of health benefit cost hikes above five per cent, following a decade where increases averaged around three per cent.

The impact is twofold: companies face tightening budgets, while employees grapple with higher premiums and out-of-pocket costs, often forcing them to make difficult decisions about their healthcare needs.

Jeff Levin-Scherz, population health leader at WTW, highlights the dual burden: "Higher healthcare costs mean employers have fewer resources to offer raises or other benefits that employees value, like retirement plans. For employees, higher out-of-pocket expenses make it difficult to afford care at the point of service. In some cases, people may even skip medical care that could improve their health or even save their lives."

Official figures indicate that 60.4 per cent of Americans under the age of 65 — approximately 164.7 million people — receive health insurance through their employers in 2023. This widespread reliance on employer-sponsored coverage makes the open enrolment season, which typically runs through early December, an important time for employees to review their benefits for the coming year. The stakes are particularly high now, as many workers may face higher premiums, increased deductibles, and narrower provider networks.

image by summit_art_creations/stock.adobe.com

"Employees need to look carefully at the benefit design as well as the network to be sure that your medicines and providers are included in the plan," advises Levin-Scherz.

"High-wage workers should consider high-deductible health plans which have substantial tax advantages and can help plan members save for post-retirement healthcare. Low-wage workers are not able to 'self-insure' and should consider a richer plan design even though that lowers take-home pay."

Advancements in medical technology have undeniably improved patient care, but they often come with high costs. New treatments and procedures enhance health outcomes but also contribute to rising expenses. Additionally, the increased use of health services in the US — driven partly by an ageing population and the prevalence of chronic diseases — adds to the financial strain on both employers and employees.

As these costs escalate, employers are exploring new strategies to manage expenses. A survey by WTW found that 52 percent of companies plan to implement programmes to reduce overall costs, and a similar number intend to guide employees toward lower-cost providers. However, some of these cost-saving measures could shift more of the financial burden onto employees.

Hanging in the balance

As employers grapple with rising healthcare costs, they are searching for solutions that do not tip the scales unfavourably against their employees. One approach gaining traction is the adoption of high-deductible health plans (HDHPs). While these plans can lower monthly premiums, they often leave employees bearing a heavier financial load, creating barriers to accessing essential and preventive care.

“Studies show lower uptake of services like mammograms and colonoscopies among HDHP participants,” Levin-Scherz notes. “Employers should educate their workforce to ensure employees know there is no cost-sharing for these valuable, evidence-based preventive services.”

Phillip C. Giles, chief growth officer in Accident and Health, Skyward Specialty, expands on these challenges: “Many times, employers will implement HDHPs to reduce their employee benefit healthcare spend without first adopting the necessary cost-reduction strategies.

"Higher healthcare costs mean employers have fewer resources to offer raises or other benefits that employees value, like retirement plans"

Jeff Levin-Scherz
Population health leader
WTW

"Captives, particularly group captives, make it more feasible for small to medium-sized employers to convert from a fully-insured plan to a self-funded plan, allowing them to assume more control in reducing costs"

Phillip C. Giles
Chief growth officer
Accident and Health, Skyward Specialty

“For many small and medium-sized enterprises (SMEs), this ends up being a cost-shifting approach rather than a cost-solving solution. The employer is shifting a bigger expense burden to employees rather than doing anything to reduce plan expense costs.”

Giles continues: “Some employers believe that HDHPs will reduce costs by encouraging employees to ‘shop’ for more cost-effective healthcare. The concept of consumerism has not caught on as most patients are not well-equipped to shop for medical services within a highly complex and intimidating healthcare system.”

For lower-paid employees, the high out-of-pocket maximums associated with HDHPs can represent a significant portion of their income. "An US$8,300 out-of-pocket max for an individual or US$16,600 for a family represents a significant percentage of their income," notes Giles.

"Improperly implemented HDHPs have frequently led to employees delaying or declining medical treatment due to the cost. Deferred treatment can lead to delayed disease detection or the diagnosis of serious conditions, which compounds the seriousness and cost of treatment."

The financial strain of rising healthcare costs does not just affect individual wellbeing — it also hampers a company's ability to attract and retain talent.

“Employers that can lower the inflation rate of their health plans gain a competitive advantage in hiring and retaining talent,” Levin-Scherz adds. “Some innovative plan designs, such as better transparency around quality and cost, could help increase the value of health care delivered and improve population health outcomes. Some supplemental benefits improve plan member satisfaction and could be valuable to employers even if they increase costs.”

Employers are facing a difficult dilemma — how to control escalating healthcare costs while still providing benefits to their employees. Simply shifting expenses to workers through higher premiums or deductibles may not be sustainable in the long run, especially in a competitive job market where attractive benefits are crucial for recruiting and retaining talent.

In light of these challenges, companies are increasingly seeking solutions that not only reduce costs but also offer comprehensive healthcare coverage for their workforce. Many are turning to captive insurance as a viable alternative to traditional health plans.

Turning the tide

"Captives are one of the fastest-growing alternative funding options since 2020 for a reason — the captive model gives employers a higher degree of financial control and benefit customisation compared to increasingly expensive traditional health benefits plans," says Jeb Dunkelberger, CEO of ClearPoint Health. "Captives also leverage core insurance principles, utilising the law of large numbers to gain more stability and lessen volatility on medical stop loss rates."

This approach helps employers manage rising costs while ensuring employees receive the care they need without excessive financial burden. Anne Marie Towle, CEO of Hylant Global Captive Solutions, explains how captive insurance can help: "Captive insurance companies can assist in stabilising healthcare insurance premiums by retaining an appropriate layer of protection that financially makes sense to drive down the total cost for both the employer and employee. In addition, incorporating many cost-containment strategies related to the directive of care, therapies, and pharmacy initiatives."

Towle adds that captives enable employers to offer more affordable and customisable health benefits, especially as traditional plans limit options. "Through a captive, organisations can choose to cover various high-cost medications and even alternative treatments," she says. "Often, traditional insurance makes these medications or treatments too expensive for employers, but a captive can use underwriting profits to assist in covering these costs for employees."

Establishing a captive insurance company involves creating a subsidiary to manage and customise healthcare coverage for employees. In this model, employees pay premiums to the captive, which then covers their healthcare expenses, including medical bills and other related costs.

This strategy gives the parent company greater control over the insurance programme, allowing for better cost management, negotiation of favourable rates, and the implementation of wellness initiatives to reduce healthcare spending. To mitigate the risk of exceptionally high claims, captives may purchase reinsurance for additional coverage.

"The traditional, fully insured market is increasingly stressed due to persistently rising medical and pharmaceutical costs," Giles notes. "Because of the pooled structure of traditional plans, continuous rate increases are necessary to maintain

"The captive model gives employers a higher degree of financial control and benefit customisation compared to increasingly expensive traditional health benefits plans"

Jeb Dunkelberger
CEO
ClearPoint Health

"Through a captive, organisations can choose to cover various high-cost medications and even alternative treatments"

Anne Marie Towle
CEO
Hylant Global Captive Solutions

carrier profitability. This causes well-performing risks — those with favorable loss histories — to leave the traditional market in favor of alternative risk structures like self-funded, level-funded, and group captive plans, where they can achieve more stable rates."

Giles points out that employers with fully insured health plans have little control over coverage terms or the ability to implement cost-saving initiatives.

"Conversely, self-insured employers have nearly complete flexibility to tailor coverage terms that best match their employee demographics and benefit objectives," he explains.

"Captives, particularly group captives, make it more feasible for small to medium-sized employers to convert from a fully-insured plan to a self-funded plan, allowing them to assume more control in reducing costs."

He acknowledges that transitioning to a self-insured structure can be challenging for smaller companies that may lack the financial resources of larger employers. "For smaller self-insureds, participation in a group captive can enhance the stability of a self-funded plan," Giles notes.

"The captive provides this through pooled risk sharing, block underwriting, increased access to innovative medical cost containment and risk reduction initiatives, and sharing in surplus dividend distributions. These rate-stabilising benefits are difficult for many SMEs to attain on their own."

Echoing this idea, Towle highlights the significant role captives can play: "Captives can be a large piece of the puzzle in financing a layer of medical costs for employers while implementing many cost-containment strategies that assist in lowering or maintaining reasonable costs for employees.

“We have seen incredible innovation with captive use since their inception in the 1960s, and I believe this will continue well into the future, particularly with healthcare costs for organisations." ■

As businesses seek effective ways to manage the rising costs of healthcare, captive insurance is emerging as a viable alternative that offers both financial stability and more tailored plans. In the next installment of this two-part series, Diana Bui will take a closer look at how captive insurance can improve healthcare coverage by managing high-cost claims, increasing policy flexibility, and promoting health equity within organisations.

Is the time right?

As the UK government opens the door to a consultation on a UK captive insurance regime, industry experts ponder whether the nation is ready to embrace the opportunity to diversify its risk management landscape

Diana Bui reports

Imagine a world where UK businesses no longer need to venture offshore to manage their own risks through captive insurance companies. That vision is edging closer to reality as UK Chancellor Rachel Reeves announced in November a three-month consultation aiming to establish a competitive captive insurance regulatory framework.

The move has ignited a wave of enthusiasm across the industry, with businesses viewing this as a historic opportunity to position the country at the forefront of captive insurance. "The consultation is a positive development for our industry," says Will Thomas-Ferrand, international practice leader at Marsh Captive Solutions.

"A UK captive regime has the potential to provide great benefits, not only for the insurance market but for the wider ecosystem that supports it and, most importantly, the ecosystem that is supported by it. It is really positive for business because it will offer them additional options to help manage risks."

A timely opportunity

The UK's move to consider a captive insurance regime comes at a critical juncture. For years, British companies seeking the benefits of captive insurance have had to look offshore, setting up captives in jurisdictions like Guernsey, Bermuda, and Malta. This often meant grappling with logistical challenges and concerns over the perception of offshoring.

According to the London Market Group (LMG), the global captive insurance market is projected to reach US$161 billion by 2030, yet the UK currently captures none of this business, despite its long-standing prominence in global insurance markets.

The country has the third-largest insurance and long-term savings market in the world and the largest in Europe. The London Market stands as the largest global hub for commercial and specialty risk, attracting business from over 200 territories to cover complex risks such as cyber threats and terrorism.

"I make two relatively simple points for pressing for this change," says Caroline Wagstaff, CEO of the LMG. "The first is that if London is to remain the global risk transfer centre, it needs to be able to offer all the tools in the toolkit. And without a UK captive regime, we are missing a critical component."

"The second point is that this isn't just good for the insurance market; it's good for UK Plc — giving companies options for

image by seanpavonephoto/stock.adobe.com

simplicity and efficiency," Wagstaff adds. "Establishing your captive down the road from your UK office enables a seamless working relationship and economies of scale."

For some time now, the UK insurance industry has been urging the government to develop regulatory guidelines that support the growth of UK-based captive insurance vehicles, especially after years of steadily rising insurance premiums pushing businesses to seek cost-effective risk management solutions. With the long-awaited consultation underway, there is hope about the prospect of bringing this facet of risk management closer to home.

Key questions under review

The UK government's consultation has outlined several critical areas that will shape the country's potential captive insurance regime. One of the primary considerations is whether to permit both reinsurance and direct writing captives from the outset. Some industry experts view reinsurance captives, which reinsure a group's own risks through established fronting partners, as a logical starting point. Their reliance on the commercial insurance industry provides additional layers of oversight and mitigates risk.

On the other hand, direct writing captives, which issue policies directly to their parent companies, offer cost and operational efficiencies by reducing reliance on fronting arrangements. Experts suggest a phased approach, starting with reinsurance captives and gradually expanding to include direct writing captives. This strategy may balance the need for regulatory caution with the long-term flexibility businesses seek.

The scope of risks that captives should be able to cover is another area under review. The consultation considers whether captives should cover compulsory insurance lines, like employers' liability or life insurance products. While expanding capabilities could make captives more versatile for businesses, it would require stricter regulatory measures to safeguard policyholders and financial stability. To mitigate risks, the government is also proposing to exclude regulated financial and pension firms from setting up captives and to restrict captives from underwriting high-risk lines such as life insurance or compulsory coverages.

The potential role of protected cell companies (PCCs) is also a significant consideration. Currently, the UK limits PCCs to insurance-linked securities (ILS). Expanding this framework to include captives could provide smaller businesses, particularly small and medium enterprises (SMEs), with a more accessible pathway to captive insurance. PCCs could lower barriers to entry by allowing businesses to manage risks without the substantial capital commitment required for a standalone captive.

The government has clarified its stance on tax incentives, stating that captives would need to be UK tax residents, with measures in place to prevent unintended tax consequences. While no tax incentives will be offered, industry experts believe the UK's infrastructure and expertise make it well-positioned to attract captives.

Boosting the economy

The financial stakes are high. Studies indicate that each captive insurer established in the UK could contribute around £225,000 annually to the economy. The LMG estimates that if companies bring their captives back home, it could inject £153 million into the UK's economy, filling a significant gap in London's specialist insurance market.

"More businesses than ever before are considering captives for the first time," observes Thomas-Ferrand. "The need is present — and this is driving formations in many locations around the world."

Adding to this point, Wagstaff stresses: "A UK captive domicile would offer an extensive financial services ecosystem; London-based global brokers with extensive captive consulting experience, an unrivalled range of local banking and asset management options, and the world's largest and most sophisticated reinsurance market.

"New business would be provided to these sectors, and new jobs in captive management would be created, as decision-making on the captive must be taken within the jurisdiction it is based."

Data from the LMG highlights the opportunity. The London insurance market, already employing around 60,000 people and contributing nearly £50 billion to the economy last year — a 26 per cent increase from 2020 — stands to benefit significantly from an influx of captive activities.

The LMG projects that the universe of potential UK captives numbers just under 700, ranging from those who may be more likely to around 350 companies who may not have considered one before. Wagstaff emphasises: "The growth of the captive industry around the world clearly demonstrates the demand by businesses for this risk management tool.

"Establishing your captive down the road from your UK office enables a seamless working relationship and economies of scale"

Caroline Wagstaff
CEO
London Market Group

“There has also been a significant increase in onshore captive domiciles in the US and in Europe which show that there is demand to have captives closer to the main business hub. All of this makes it the right time for the UK to actively explore its options.”

The path ahead

Despite the enthusiasm surrounding the UK’s potential captive insurance regime, several challenges must be addressed. Brexit has complicated cross-border insurance operations, as UK firms can no longer passport into the European Economic Area. This shift suggests that UK-based captives may be better suited for reinsurance rather than directly underwriting in multiple countries.

Regulatory considerations also loom large. The Financial Conduct Authority (FCA) will have a central role in shaping the framework. While maintaining its high standards, the FCA may need to adjust its approach to accommodate the specific needs of captive insurers without compromising financial stability.

Industry experts believe the FCA might look to other countries for best practices.

France, for instance, introduced captive legislation in 2023 and has since witnessed the establishment of nearly 20 captives. “What we have seen from the introduction of a captive regime in France is that a number of domestic companies have used it to create a captive for the first time, demonstrating that there is a segment of the market that did not want to use this tool when they had to do it offshore,” Wagstaff notes.

She adds that similar demand could emerge in the UK. “The government is very keen to hear from all parts of the value chain, from businesses to brokers, fronting insurers to advisers and captive managers,” Wagstaff says. “We have had tremendous market support for this campaign from across all of these sectors, and we would encourage them to take part in the consultation and tell the Treasury what it will take for the UK captive regime to be properly competitive.”

Wagstaff emphasises the need for a balanced regulatory approach: “The key that needs to be resolved is to create an approach by the regulators that is designed and structured in a balanced and proportionate way, considering the reduced prudential risk assessment of the relevant captive vehicle.

"If the UK captive regime is to be internationally competitive, it is imperative that the approval and supervisory regulatory processes are fit for purpose.”

Meanwhile, Thomas-Ferrand highlights the benefits a UK-based captive regime could offer businesses.

“The first and most obvious advantage is that a captive could be located in the UK. This will have significant appeal to many companies that may not have been willing to use an overseas captive location because of logistical, legal, structural, or travel issues,” he explains.

“Effectively it removes a barrier that has existed for some businesses. Other advantages will become clearer as the consultation continues, and we look forward to sharing updates with our clients.”

So, is the time right for the UK to adopt a captive regime? Many industry insiders believe it is.

"An ambitious regulatory model for captives, combining a proportionate risk-based solvency regime with London’s global reinsurance market, would make the UK a unique and attractive location for captives," says Wagstaff.

Thomas-Ferrand echoes this sentiment, stressing the growing importance of captives in today’s risk landscape. “Captives are of more strategic importance to managing risk than they have ever been before. A UK captive regime will allow the UK to lead in the innovative area of risk.”

“The world’s risks are getting more complex and uncertain. Captives have been proven drivers of innovation and development when insurance hasn’t yet adapted to meet the changing risks or markets. Having captives in the UK will help the incredibly strong and historic insurance market that has been present in the UK for centuries to evolve at a pace that outstrips other regions.”

The future of captive insurance in the UK remains uncertain, but there is a significant opportunity for a well-designed regime to strengthen the UK insurance market, retain jobs, and keep economic activity that might otherwise take place offshore.

As the consultation progresses, businesses across the UK are watching closely, eager to see how it might reshape the industry and contribute to the broader economy’s growth. ■

Laurent Nihoul
Board member and chair of the captive committee
Federation of European Risk Management Associations

Understanding the new framework for captives under Solvency II

Laurent Nihoul, board member and chair of the captive committee at the Federation of European Risk Management Associations (FERMA), discusses the impact of regulatory concessions under Solvency II for captives, classified as 'small and non-complex undertakings'

The introduction of 'small and non-complex undertakings' marks a significant evolution in the regulatory framework. How does this classification mechanism fundamentally change the landscape for captive insurers?

The introduction of the concept of small and non-complex undertakings (SNCU) will first and foremost introduce much greater clarity and consistency across the captive environment of EU member states.

Since the introduction of Solvency II, the application of proportionality has varied significantly across countries. For example, jurisdictions such as Ireland, with its Own Risk and Solvency Assessment (ORSA), and Luxembourg, through its quarterly reporting, have implemented proportionality to different extents.

Additionally, some countries, including the Netherlands and Ireland, adopted a classification system for insurance carriers based on size and complexity, enabling a more tailored regulatory approach.

Most captives in the EU will meet the SNCU criteria, which will allow them to implement a more proportionate and therefore less onerous interpretation of the prudential rules. It is, however, hard to say at this stage whether there will be a dramatic shift once the changes to Solvency II are fully embedded, as it depends on every individual captive's own resources and risk profile.

However, from a market perspective, this will be a positive development and enhance the attractiveness of operating a captive in the EU, as it should be less burdensome from a prudential standpoint.

The legislative shift in the burden of proof to National Competent Authorities (NCAs) for SNCU classification challenges represents a notable departure from traditional regulatory dynamics. How might this recalibration influence the strategic decisions of captive owners and their domicile selection process?

This is the second key change that has been introduced. Undertakings classified as SNCUs will be allowed to use all proportionality measures, except where the supervisory authority has serious concerns in relation to the risk profile — unless these concerns are duly addressed.

Obviously, member states have the discretion to go beyond this. Observations have led to slightly different interpretations of Solvency II across EU jurisdictions. The shift in the burden of proof implies that the criteria set by the directive in Article 29a are standard and uniform across member states. An undertaking that meets those criteria will be classified as an SNCU unless exceptional circumstances exist.

Because the new text lays out clear criteria and categorises compliant insurance or reinsurance companies as SNCUs, it establishes a clear principle that FERMA believes will increase consistency and predictability across EU member states.

The revised framework introduces more nuanced reporting schedules for SNCUs, including extended intervals for 'regular supervisory reports'. How do these modifications align with the sophisticated risk management frameworks typically employed by captive operations?

We do not see any contradiction between maintaining sophisticated risk management frameworks and reducing the frequency of some reporting requirements. It is crucial to distinguish between these two aspects: the process necessary for internal risk management and governance, and the requirement to disclose related information in a suitable format.

Most captives in Europe have a very simple underwriting approach, operating across a small number of insurance lines and maintaining a relatively simple reinsurance structure. Year-to-year, their approach typically undergoes minimal changes, so updating their ORSA annually would result in a disproportionate burden to benefit balance. We do not expect sophisticated captives to change the frequency of their current processes, but they will have the opportunity to reduce the reporting workload.

The specific relaxation for captives regarding cross-border and reinsurance criteria appears to acknowledge the unique nature of captive operations. How important was this?

This was a key topic in FERMA's discussions with the European Insurance and Occupational Pensions Authority (EIOPA) and EU authorities. The initial criteria set out in Article 29 permitted only a very low level of reinsurance business and/or cross-border activities to achieve SNCU status. FERMA exerted significant

"Captives have become an increasingly prominent and integral component of how larger organisations finance risk"

effort to clarify that adhering to these criteria would prevent most captives from qualifying as SNCUs.

This is because captives, by their very nature, engage in reinsurance-based business and leverage the geographical diversification of their group. The authorities removed this criteria for captives after some time, recognising the unique nature of their operations.

In an era where climate risk is becoming increasingly central to insurance operations, what strategic advantages does the exemption from climate change scenarios offer captive insurers, and how might this influence their role?

Captives have become an increasingly prominent and integral component of how larger organisations finance risk. As environmental, social, and governance (ESG) priorities have risen up the corporate agenda, the remit of the captive has naturally expanded to cover ESG and climate-related risk processes. However, in this context, most captives face the issue of proportionality, as the burden of reporting on these processes often outweighs the benefits.

How could enhanced flexibility reshape captive organisational structures while maintaining robust risk management and control frameworks?

The focus is not on reshaping captive organisational structures, but rather on ensuring the retention of previously permitted structures, ensuring greater clarity and consistency across Member States. This is key for captives, as the lean management and governance processes are a core aspect of maintaining the overall efficiency of the vehicle — maintaining low operational costs and optimising risk financing.

The exclusion of compulsory third-party liability insurance from SNCU-qualified captives presents an interesting constraint. How might this influence the evolution of captive structures and their integration within corporate insurance programmes?

Compulsory third-party liability insurance examples are pretty limited — the best example is motor liability, which is a legal requirement almost everywhere. In addition, the terms and conditions of these compulsory covers are very often strictly defined by law, which means that very few captives are interested in writing them, as they are very specific to the countries they are enforced in, have limited or zero underwriting flexibility, and can have strict compliance criteria. Therefore, I do not expect that this exclusion will have a significant impact on captive structures, as almost all international corporate programmes focus on non-compulsory covers.

Following EIOPA's consultation on the proportionality framework implementation, how do you think the industry's feedback will shape the development of technical standards, and what implications might this have going forward?

This is an important point. FERMA has worked hard to make sure that EIOPA keeps its political promise to add more proportionality to Solvency II while more technical standards are being made. We engaged with EIOPA as part of a workshop, submitting our view that Article 29a is a clear and positive step forward for the (re)insurance industry in the EU. FERMA aims to prevent any additional complexity in Solvency II's next-level details.

We therefore hope that EIOPA's future guidance and opinions on the proportionality measures in the directive aim to clarify or simplify. In terms of timeline, it is very close to January 2025, so the consultation that EIOPA ran is unlikely to have any real-world impact in the short-term. FERMA continues to be attentive to the potential medium-term effects of EIOPA's industry engagement in developing guidance for national supervisors during the implementation of Solvency II changes. ■

Enoch Starnes
Actuarial consultant
SIGMA Actuarial Consulting Group

An actuarial journey into captive insurance space

SIGMA's Enoch Starnes shares his journey in actuarial consulting and highlights the dynamic opportunities of working in the captive insurance industry

Tell us a little about yourself and your career history?

I have spent the bulk of my professional career in the actuarial consulting field. Many of those early years focused on clients with more traditional insurance programmes and risks, and while this did not grant me direct experience with the unique situations found in the captive industry, it did provide a foundational understanding of actuarial analytics and the opportunity to practise explaining actuarial topics to my clients. My recent work with captives relied on this knowledge, which I did not realise at the time.

As many captive professionals likely know, individuals and groups exploring captive solutions often lack the same level of insurance expertise as those in the more traditional side of the industry. As a result, captive professionals frequently face the dual responsibility of assisting clients in developing a solution for their insurance requirements and imparting knowledge about the associated benefits and risks. I have found that working in actuarial analytics, a field where explanation and education are key to success, has provided me with ample preparation for the similar needs of captive insurance.

Can you tell us about some of the unique challenges of working in captives? How do you find the opportunity to work with such varied clients?

By its very nature, my role as a captive and complex risk consultant means that both the clients I work with and the risks I analyse are always changing. While that variation can be challenging at times, it also allows me to view captive insurance and the strategic advantages it offers through many different lenses.

Customising captive insurance companies to meet the specific needs of their insureds is one of their advantages. To give an example, I have recently worked with an energy company seeking to insure their stranded asset risk, a real estate agency wanting a cost-effective option for their errors and omissions (E&O) deductible layer, and an insurance broker trying to reduce the cost of weather risk for the automotive industry. Each of these firms has drastically different needs and goals, but the common thread is that they have found a solution through captive insurance.

What aspects of this industry do you find most interesting, or most fulfilling?

For me, there are two aspects of captives that bring the most fulfilment: the wide range of individuals in this industry and the opportunity for education. Even though I have relatively little experience in fields outside of insurance, I have a difficult time thinking of many other ways in which I would have the opportunity to meet and engage with people from such a variety of backgrounds, experiences, and perspectives.

The educational aspect is itself twofold. It is certainly the case that I enjoy helping others understand actuarial analytics and the strategic benefits they offer captives, but I have also found that working in this industry presents me with the chance to better understand topics that might be considered outside the actuarial field.

How important is support and guidance for those working in captives.

Very important. My primary influences are my colleagues at SIGMA Actuarial Consulting Group, including Al Rhodes, Michelle Bradley, Tony King, and Tim Coomer. Without their guidance and trust, it would have been much more difficult for me to find myself working with captives. I would also like to acknowledge the influence my education at the International Centre for Captive Insurance Education (ICCIE) has had on my career. The depth of instruction, knowledge, and real-world experience from the instructors in the Associate in Captive Insurance (ACI) programme has been crucial to my ability to help my captive clients.

Outside of your normal day-to-day activities, are there any other areas you feel keenly about?

While my captive career is still relatively young compared to many in the industry, I would love to play a role in helping usher other young professionals into such an engaging field of work. I believe that this process has already begun at SIGMA, and it would bring me genuine joy to witness its continued development in the future.

With this passion for new talent, what advice would you give to people considering a career in captives?

I would encourage any professionals looking to join the captive industry to be eager to consume. Whether it is through written material in captive periodicals, virtual webinars held by a number of firms, or conversations with captive owners and service providers, you will receive immeasurable benefit from your willingness to seek out and engage with the many outlets of captive expertise.

Driving growth and innovation in Labuan IBFC

Experts from Labuan International Business and Financial Centre share their thoughts about captive insurance success and the future outlook of the jurisdiction

Labuan IBFC's captive insurance sector has sustained an eight per cent annual premium growth since 2019, reaching US$624.6 million in gross premiums. What key factors are driving this consistent expansion in your market?

The consistent expansion of Labuan International Business and Financial Centre's (Labuan IBFC's) captive insurance sector can be attributed to several key factors. These include:

- **Robust regulatory framework —** Labuan IBFC offers a well-established and business-friendly regulatory environment, which provides flexibility while ensuring compliance with international standards. This attracts companies looking for a reliable and transparent jurisdiction.
- **Growing awareness of risk management —** Businesses are increasingly recognising the value of captive insurance as a strategic tool for risk management and cost control. They retain a portion of the risk and pay claims out of their own funds. This awareness has driven more companies to establish captives in Labuan IBFC.
- **Comprehensive range of services —** Labuan IBFC's ecosystem offers a wide array of captive-related services, including captive management and reinsurance. The availability of these services supports the growth of the captive insurance market.
- **Regional economic growth —** The economic expansion in the Asia Pacific region has led to increased demand for sophisticated insurance solutions, positioning Labuan IBFC as a strategic choice for companies seeking to optimise their risk management strategies.
- **Attractive tax regime —** Labuan IBFC's favourable tax policies, including incentives for captive insurers, make it an attractive jurisdiction for companies aiming to achieve tax efficiency while managing their insurance needs.
- **Support for a variety of captive structures —** The jurisdiction allows for various types of captive structures to be set up in both conventional and Shariah-compliant forms, such as single-parent captives, group captives, multi-owner captives, intermediary-owned captives, master rent-a-captives (MRAC), and protected cell companies (PCC), catering to diverse business needs and promoting sector growth.
- **Customisation and flexibility —** Captive insurance allows companies to design insurance solutions that align closely with their risk profiles and business strategies. This customisation is especially appealing to larger organisations.

These factors, combined with Labuan IBFC's ongoing efforts to enhance its service offerings, contribute to the sustained growth in the captive insurance sector.

Engineering and general liability risks presently account for over 50 per cent of your gross premium volume. Why have these particular sectors gained such strong traction, particularly among Indonesian and Japanese businesses?

Labuan IBFC's regulatory framework supports the establishment and operation of captive insurance structures, including protected cell companies (PCCs), which can be particularly advantageous for managing distinct risks like engineering and liability. The ability to segregate risks within a PCC allows businesses to efficiently allocate resources for different risk types.

Labuan IBFC's strategic location and deep understanding of the Asia Pacific business environment, including key markets like Indonesia and Japan, make it an appealing option. Companies in these countries benefit from working with a jurisdiction that is geographically closer, operates within convenient time zones, and is familiar with regional business practices.

Given that your jurisdiction currently accommodates 69 captives, including pure captives, rent-a-captives, and PCCs, could you go through the unique benefits of each structure and how the recent regulatory improvements have enhanced their appeal?

The diverse captive structures available in Labuan IBFC offer unique benefits tailored to different business needs and risk appetites. Regulatory enhancements through the latest guidelines on captive insurance business updated by the regulator, the Labuan Financial Services Authority (Labuan FSA), in August 2023 have improved operational efficiency, compliance clarity, and overall appeal, encouraging more companies to consider establishing captives in this jurisdiction.

Each structure has its own unique advantages:

Pure captive

- **Tailored coverage —** Companies can tailor their insurance coverage to suit their unique risk profiles, a feature that the traditional insurance market often lacks.

- **Cost control —** Businesses can achieve potential cost savings over time by retaining risks within the captive and avoiding paying the profit margins of commercial insurers.
- **Risk retention —** Companies can manage their risks more effectively, as they retain control over their insurance operations and claims management.

Rent-a-captive

- **Lower capital requirements —** Provides a cost-effective option for companies that may not have the capital to set up a standalone captive. Businesses can share the costs of a captive without needing to invest heavily in infrastructure.
- **Flexibility —** Companies can access captive benefits without committing to a full-time structure, allowing them to examine and test a captive structure before making a more significant investment in a pure captive.
- **Access to expertise —** Renting a captive often comes with access to experienced management and administrative services, helping businesses navigate the complexities of captive insurance.

PCC

- **Segregated risks —** Multiple businesses can share a single captive, ensuring their risks and assets remain legally segregated. This structure minimises the cross-contamination of liabilities among different cells.
- **Cost efficiency —** By sharing administrative and operational costs, businesses can lower their overall expenses while still enjoying the benefits of a captive insurance model.
- **Regulatory compliance —** Compared to standalone captives, PCCs often benefit from simpler regulatory compliance because the framework streamlines the management of multiple cells under one roof.

During the Asian Captive Conference 2024, there was significant discussion around the Base Erosion and Profit Shifting 2.0 compliance. How are you guiding captive owners through these requirements while preserving their strategic effectiveness?

As new international tax rules aim to tax profits where economic activities occur, Base Erosion and Profit Shifting (BEPS) 2.0 compliance presents both challenges and opportunities for captive owners. By aligning captive operations with BEPS 2.0 requirements, focusing on economic substance, ensuring transfer pricing compliance, and adapting to the global minimum tax, captive owners can navigate the new landscape while maintaining the strategic advantages of their captives. Embracing compliance to strengthen governance can make captives even more effective at managing risks and optimising insurance strategies.

Speaking at that same conference, Labuan FSA's Director General, Nik Mohamed Din Nik Musa highlighted Labuan IBFC's new omnibus guidelines. Could you elaborate on the innovative captive structures these enable?

Recent changes to Labuan IBFC's captive statute include broadening the scope of risk underwriting, permitting third-party risk, and introducing an external rent-a-captive offering (XRAC). XRAC, an entity with separate licences, assets, and accounts, simultaneously utilises the working capital of MRAC, with MRAC holding at least 50 per cent of the shares.

Small and medium enterprises are increasingly utilising captives for cybersecurity risks and contractual liability coverage. What makes Labuan IBFC particularly attractive for SME captive programmes?

The availability of cell captives and master rent-a-captives in Labuan IBFC allows for the 'democratisation' of self-insurance vehicles. These structures allow small and medium enterprises (SMEs) access to captive benefits — which includes experienced management and administrative services — while allowing them to share the costs of a captive without needing to invest heavily in infrastructure. Thus, the entry barriers for SMEs are lowered, making Labuan IBFC very attractive for this segment of companies.

Technology and AI emerged as key themes at the Asian Captive Conference. How is Labuan IBFC embracing these innovations to enhance captive operations and oversight?

Labuan IBFC anticipates that the adoption of technology and artificial inteligence (AI) will help improve captive operations and setups, for instance, by streamlining administrative tasks related to underwriting, claims, or policy management. Additionally, AI-powered data analytics tools can enable captives to analyse large datasets to detect risk patterns and trends, anticipate future claims, and assess potential losses. The benefits extend beyond what we can currently imagine, but as a financial centre, Labuan IBFC will continue to keep abreast of all possible developments in order to stay relevant. ■

From state regulator to captive manager

Victor Gallardo talks to Diana Bui about his career move from the Oklahoma Insurance Department to Helio Risk and his future progression

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?

My first experience working with captives stems from being a captive regulator at the Oklahoma Insurance Department.

In my current role with Helio Risk, I am getting more involved with captive formations and the ongoing management of a captive insurance company.

The companies I have aided in captive formation come from a diverse range of industries. During my time, I noticed an increased interest in property coverage and cybersecurity.

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

My background in regulation has aided me in understanding regulatory compliance and any concerns the regulator may have when forming a new captive insurance company.

My background experience has also enabled me to ensure our team at Helio is well equipped to meet any regulatory challenges.

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

The connections made between different service providers and regulatory relationships are unique. Everyone works together to make the captive insurance industry whole.

Can you name your main influences in the industry?

My main influence in the industry would be the current Oklahoma captive division director, Steve Kinion. He has taught me almost everything I know today, both captive-related and professional development.

Additionally, as Helio continues to utilise domiciles across the country, I am inspired by regulators and service providers who, like Helio, offer both national and international services.

"Victor has consistently delivered exceptional service to our Helio captive clients. Victor's expertise in captive insurance regulation is well-regarded. His ability to build and maintain strong professional relationships establishes him as an invaluable asset and a future leader in the captive insurance industry."

Heather McClure, managing partner, Helio Risk

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

My future aspirations would be to move into a senior-level role at Helio and attain the Associate in Captive Insurance (ACI) designation in the near future.

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

Embrace the opportunities given and take advantage of the industry's rapid growth. Pursuing any continuing education or certification and asking questions of anyone in the industry is a great way to learn more about captives. This should all aid in acquiring sufficient industry knowledge and achieving success within the industry. ■

Personal bio

Victor Gallardo began his professional journey in August 2021, interning as a financial examiner with the Oklahoma Insurance Department. Building on this foundation, he advanced to the role of captive analyst at the department in December 2022, gaining valuable experience in the regulatory aspects of captive insurance.

Victor moved to further his career by joining Helio in June 2024 as a client relationship manager, where he is responsible for providing captive management services to Helio's expanding captive insurance company portfolio. He earned a Bachelor of Business Administration degree in Finance from the University of Central Oklahoma and holds an Associate Professional in Insurance Regulation.

Shifting climate in US property market

After so many quarters of rate increases, captive insurance likely remains a key component of any diversified property insurance programme in the US, amid a shifting climate

Mark Dugdale reports

The hardening phase that has gripped the US property insurance market for almost seven years appears to finally be relenting. After some 28 quarters of often significant rate increases, property insurance rates declined one per cent in Q3 2024, compared to an increase of two per cent in the prior quarter, according to Marsh. This follows regular double-digit increases between Q4 2022 and Q4 2023.

As WTW summarised in a recent report: "The property marketplace's transition into stabilisation persisted through the second quarter of 2024. Factors reinforcing this trend include increased insurer competition, favourable 2024 treaty reinsurance renewals, and a weaker-than-predicted Atlantic hurricane season to date."

Expanding on this, Scott C. Pizzi, head of property broking in North America at WTW, says: "In Q4 2023, we started to see a little relief start to come back, with programmes getting a little bit more traction and interest. But it really was not until 1 January 2024 [that the softening began], because the treaty renewals that happened are really the catalyst by which the market started to ebb and flow at the beginning of the year. The January 2024 and even July 2024 cat treaties were completed very orderly. They were very benign, and a lot of capital came into play.

"We did not see the kind of swings we had seen after 2017 and Hurricanes Irma and Maria, which started this market on a big trajectory for a hardening phase. The result was that clients had to deal with rate increases for nearly seven years, or 28 consecutive quarters.

Enter 2024, and whether “just pricing, deductible, or coverage pressure,” brokers such as WTW expected there to be “a real sea change”.

He continues: “And that started to occur in March, when we finally started to see programmes become more overlined. There was a lot of capital, a lot of people chasing market share. When you are able to get into that overlined position in certain classes of business, clients really hold the upper hand. It became more of an arbitrage situation and with that more of a buyer’s market.”

Those in the retail and real estate classes with shared and layered programmes that buy a lot of cat protection were hit particularly hard during this seven-year period, according to Pizzi. At the same time, some considered their options in terms of retention and turned their attention to alternative risk transfer (ART), be it annual or multi-year, parametric and structured solutions, which started to become more prevalent in 2024.

He further explains: “ART has been something that everybody has talked about for years but now clients are starting to put up their balance sheets on certain programmes. They are able to take more risks themselves and are able to control the dynamic. It is a move from purchasing insurance or the risk transfer scenario, to more of a risk financing scenario.”

Despite their tragic nature, Hurricanes Helene and Milton did not significantly alter the market, contrary to what many had feared.

Pizzi says: “So we anticipate that this softening cycle will continue into the fourth quarter and into 2025. I think the rapid rate of deceleration that was starting to occur may start to wane a little bit, so we may see a deceleration of the reduction.

“We are still on a downward trend, but it may temper itself. We will see what 1 January 2025 brings. All indications point to a benign and positive outcome for clients purchasing in this marketplace.”

Adapting to a new normal

This prolonged hardening market has seen captive insurance emerge as an increasingly attractive alternative risk financing option.

Michael Serricchio, Americas captive consulting leader at Marsh Captive Solutions, says the firm has formed 500 captives in the last four years, mostly as a result of the hardening commercial insurance market following the Covid-19 pandemic.

This trend has included property, but also cyber, directors' and officers' liability, and other lines of business.

Serricchio continues: “It is good news that property is starting to turn, but it does not mean that clients are going to feel that immediately. There have been hurricanes and other cat events, but hopefully it is quietening down now, and they will have some relief soon.”

Given that this is just the start of potential relief, Marsh and other captive managers do not anticipate a collapse in the property-related captive insurance market.

"We have seen an increasing number of hurricanes over the last few decades, but this is also due to improved meteorological tracking, media and communication outlets, and technology"

Peter Johnson, Spring Consulting Group

"When you are able to get into that overlined position in certain classes of business, clients really hold the upper hand"

Scott C. Pizzi, WTW

Indeed, property remains the number one line of coverage for Marsh captives, with premium value increasing US$2.5 billion from 2022 to 2023. In 2023, captive premiums for property risks increased by 29 per cent.

Domiciles too are benefiting from this property boom, in the US, many of the islands, Europe and the Asia Pacific — and even Canada — are getting in on the game.

Serricchio says: “Across all regions and industries, the number one line in captive insurance is property.”

Peter Johnson, chief property and casualty actuary at Spring Consulting Group, is largely seeing new entrants to captive insurance and experienced players deploy structural techniques to manage their property risks.

He explains: “Some new entrants are increasing their deductibles in the commercial market and implementing what's known as a deductible reimbursement policy within their captive programmes. Alternatively, if the insured requires A-rated paper with a small deductible, or if the market prefers a fronted solution, they may structure the programme with a fronting carrier while retaining a portion of the commercially insured risk layer as the reinsurer.

“Generally, even for large insureds, the commercial or reinsurance market covers higher, catastrophic risk layers. However, captives can also participate through a quota share reinsurance arrangement, ensuring a percentage of a specific risk layer.

"There are various ways to structure a captive programme depending on contractual requirements for A-rated paper, market availability, and other factors. There are many moving pieces to consider.”

Johnson continues: "The most common structures include a fronted programme, where the captive acts as the reinsurer for a specific risk layer, or a deductible reimbursement programme, where the insured increases their deductible in the commercial insurance market and directly insures the risk layer up to the commercial deductible within their captive."

For existing captive owners looking to expand into property coverage, programme structure is critical.

He explains: “Most will start with one of the two common structures mentioned or may insure a portion of the tower structure, sitting above their primary carrier or captive. This can be arranged as a quota share structure or by insuring 100 per cent of a specific risk layer, such as US$5 million excess of US$20 million.

“In some cases, they might take on a very large risk layer. For instance, we work with a large multinational company that retains a US$25 million excess of a US$100 million risk layer within their captive. Over the past decade, they have built sufficient captive capital to absorb this risk, making the financial reward worth it.”

Amid the softening property insurance market and, despite the two most recent hurricanes in the US failing to spook (re)insurers, a new normal appears to be emerging.

The definition of what underwriters once considered to be 'catastrophic' weather events has shifted from earthquakes, windstorm and flooding, to also include convective storms, wildfires and freezes.

Pizzi says: "The new normal has shifted. The severe convective storm activity that plagues the US is unparalleled. We are having tornadoes pop up here in New Jersey where I live, they are not just happening in Tornado Alley; they are happening all around the country in various regions, which makes it a little more concerning for underwriters to adequately price their products, understand where true exposure exists, and get the right capital for their deployment.

"The bucket is getting filled with things that maybe people did not concern themselves with in the past. And I think Hurricane Helene will put a little more focus on storms having the ability to not only breach landfall on the coasts but also move themselves upwards internally and inland to a degree.

Serricchio thinks unpredictability, severity and high frequency define the 'new normal' for weather events in the US. But, he argues, the insurance, reinsurance and captive insurance markets are doing what they have been doing for the past 20 years: analysing and assessing the situation. What has certainly changed for all three is the ability to use data analytics and AI to "see when and where they should roll the dice".

He continues: "We have designed innovative solutions to help, but clients should always carry out their research before building something.

"They can directly insure via their captive when they can or use a front and act as a reinsurer. They can also look at parametric insurance for wildfire or sharing limits across years. It's about being smarter and buying differently."

Johnson is less certain about framing the increased frequency of severe weather events in the US as the 'new normal'.

He notes: "We have seen an increasing number of hurricanes over the last few decades, but this is also due to improved meteorological tracking, media and communication outlets, and technology.

"Additionally, the migration of US residents to coastal areas prone to hurricanes has driven up home values, further impacting insurance costs.

"These factors, combined with inflation and rising construction costs, are pushing the commercial market to adjust pricing accordingly.

"We are unlikely to see a return to rates from even five years ago. Some might consider this the new normal. With ongoing shifts in coastal populations and sustained inflationary pressures, these elevated costs will likely persist.

"If rates in the commercial market stabilise at low single digits, captive interest might decrease slightly, but captives will remain instrumental for many commercial property insurance programmes. They continue to reduce long-term insurance costs and improve risk diversification within captive portfolios." ■

" We have designed innovative solutions to help, but clients should always carry out their research before building something"

Michael Serricchio, Marsh Captive Solutions

Industry Appointments

MAXIS GBN onboards Denys as Chief Underwriting Officer

MAXIS Global Benefits Network (MAXIS GBN) has enlisted Nicolas Denys as chief underwriting officer, effective from 1 February 2025.

Denys takes over from Nicola Fordham, who moved on from her role in September to take on a new role as chief solutions officer at MAXIS GBN.

He will join the company's executive committee and report to CEO Mattieu Rouot. In his new role, Denys will lead a team of pricing underwriters who work closely with the MAXIS network of local insurers, the MAXIS EU Underwriting Hub, as well as multinational clients.

Previously, he served as head of health and employee benefits within the AXA Group Underwriting Office. Prior to that, Denys held roles in risk management, finance and strategy at AXA Group.

Commenting on the appointment, Denys says: "I am delighted to be joining MAXIS GBN and am looking forward to using my technical expertise to lead the underwriting team to even more success. Having recently led the AXA Group technical review of MAXIS GBN's activities, I have been able to get to know the challenges and ambition of the business and familiarise myself with processes in place." ■

Hurley appointed as new examiner in charge for Vermont DFR

The Vermont Department of Financial Regulation (DFR) has appointed Nina Hurley as its examiner in charge.

Previously, Hurley worked as a senior account executive at AIG, based in Burlington, Vermont. Prior to that, she was a senior accountant at Beecher Carlson and a senior audit associate at Johnson Lambert.

She holds a bachelor's degree in business administration and accounting at Saint Michael's College."

BMS hires Phillips as Director and African Practice Leader

BMS Group has welcomed Ryan Phillips as director and African practice leader, effective from March 2025.

Based in London, Phillips will report to Paul Galvin, director of BMS. As African practice leader, he will provide support to clients across the continent covering multiple lines including property, political violence, terrorism, energy, financial lines and cyber.

He will collaborate closely with the wider BMS team, which primarily serves clients based in South Africa, to expand the regional footprint.

The appointment marks Phillips' return to BMS, where he had spent the first 12 years of his career across a variety of roles in broking and marketing. He rejoins from the Lloyd's broker Afro Asian Insurance Services (AAIS), where he currently serves as group CEO.

Galvin comments: "Ryan will be a great addition to BMS. His deep knowledge of the African market landscape and his established international network, as well as strong relationships within the London market, will be invaluable to the business as we grow in this territory.

"Providing a dedicated resource to a region so rich in opportunity is an important step for BMS, and we are confident Ryan is the right person to lead this initiative."

HDI Global appoints Major as Chief Claims Officer for UK and Ireland

HDI Global has named Tom Major as chief claims officer, reporting to Stephanie Ogden, CEO for the UK and Ireland, with effect from 7 February 2025. He will join the executive team.

Major joins HDI from Allianz, where he currently serves as UK head of claims at Allianz Commercial. In the 12 years spent at Allianz, he has held a variety of roles across underwriting and claims.

Commenting on the new hire, Ogden says: "I am thrilled to welcome Tom to HDI to lead a crucial function here in the UK and Ireland. Tom brings the depth of expertise and fresh thinking we need to achieve our ambitions and deliver consistent high levels of service for our brokers and clients.

Generali names Selff as Head of Underwriting for Asia

Generali Global Corporate & Commercial (GC&C) has appointed Nicholas Selff as head of underwriting for Asia.

The firm says Selff has a strong background in the P&C insurance industry, having worked for over 15 years in various positions across the APAC region.

Selff joins Generali from Chubb, where he most recently served as the head of P&C in Malaysia, having previously held senior

Aon names Corona as CEO of Enterprise Clients and Global CCO

Aon has named Anne Corona as CEO of enterprise clients and global chief commercial officer (CCO), effective from 1 January 2025.

The firm says the appointment is part of its strategy to advance its commercial capabilities by deepening commercial alignment, integration of data and analytics, and service excellence globally to better service clients.

In her new role, Corona will work with Aon's enterprise client group leaders and regional chief commercial officers as the firm continues to evolve its client leadership strategy.

She brings a wealth of experience from her nearly 25-year career with Aon, most recently serving as CEO of Asia Pacific at the company, based in Singapore. Corona will continue to be a member of the Aon's executive committee and to report to Lori Goltermann, CEO of regions and North America.

Goltermann comments: "The challenges our clients are facing are multifaceted, complex and interconnected, and all require agility and the ability to make decisions quickly.

"Anne's exceptional leadership and strategic vision will strengthen Aon's commercial capabilities and expertise to help our clients make better decisions across risk and people issues."

Corona adds: "I am honored to assume this global responsibility and work more closely with our talented team of leaders to support our clients around the world." ■

HDI Global appoints Périquet as new Global Head of Engineering

HDI Global has named François Périquet as new global head of engineering, effective from 1 February 2025.

Périquet will succeed Dieter Spaar — who will be retiring — and will report directly to Dirk Höring, member of the executive board of HDI Global with responsibility for property, energy, engineering, marine and HDI Risk Consulting.

Bringing more than 20 years of experience in corporate insurance, he is currently working for Zurich in Dubai as underwriting manager for energy in the Middle East, Africa and Commonwealth of Independent States. In his new position, Périquet will be responsible for engineering underwriting at HDI Global.

Welcoming the new hire, Höring says: "With his strong expertise, experience and excellent market knowledge, François is a valuable addition to our team at HDI Global.

"I look forward to working with him and utilising his expertise to further develop our growth strategy in engineering underwriting."

Périquet adds: "I look forward to driving impactful engineering initiatives, collaborating with a talented team, and delivering value to our clients worldwide. I am excited about the journey ahead and what we can achieve together." ■

regional leadership positions with Chubb in Singapore.

Commenting on the appointment, Axel Roesner, head of GC&C Asia, states: Selff'sexpertise will be instrumental in advancing our business throughout Asia, addressing our clients' needs with bespoke solutions and top-tier risk advisory services.

"Nick will spearhead our initiatives for profitable growth, technical excellence, and risk engineering across all business lines and markets. I am confident that his addition will significantly enhance our strategy for growth and innovation."

Hylant adds three executive hires to M&A team

Hylant expands its M&A team with three new hires, aiming to enhance its expertise in deal value optimisation, risk management and transactional insurance solutions.

Lee Jones, managing director of growth, comes to Hylant with over 25 years of capital raising and organisation skills.

Meanwhile, Andrew Karp, managing director of growth, brings over seven years of operations experience; and Sarah Macke, managing director of due diligence, offers 15 years of human capital and employee health, and welfare operations and deal due diligence experience.

According to the firm, these professionals will work closely with deal teams to provide customised strategies and tools that effectively manage potential risks, protect investments, and optimise financial returns for clients.

Additionally, the firm says the expanded team will enhance Hylant's capability to assist private equity sponsors and their deal teams in securing transactional risk insurance. ■

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Donny Tong
Senior Vice President
212-590-0976
donny.tong@truist.com

Joseph Monaco
Senior Vice President
212-303-1746
joseph.monaco@truist.com

Barbara Aubry
Senior Vice President
212-303-4164
barbara.aubry@truist.com

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