# captive insurance times

The primary source of global captive insurance news and analysis

June 2025 - Issue 280

# A STRATEGIC PARTNERSHIP FOR THE FUTURE

**MAXIS GBN's Paul Lewis explains how captives can serve as long-term partners for multinationals**

## Captive Operations

YCM's Dale McCann and GCM's Jessica Dontas explore collaboration between captive and investment managers

## Parametric Insurance

Industry experts gather to examine the surge in parametric products among captives

## Actuary

SIGMA's Michelle Bradley and Enoch Starnes share insights on actuarial analysis for captives

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# Contents

## Vermont updates captive insurance statutes in annual bill

Vermont Governor Phil Scott has signed House Bill 137 into law, introducing a series of technical amendments to the state's captive insurance statutes. The legislation forms part of the Department of Financial Regulation's (DFR) annual 'housekeeping' efforts to update insurance regulations.

It incorporates changes developed by the DFR's Captive Insurance Division in consultation with industry stakeholders.

The Vermont Captive Insurance Association (VCIA) played a key role in shaping the amendments.

One of the updates aligns captive licensing authority more closely with broader insurance statutes by referencing Section 3301 of Title 8 of the Vermont Statutes Annotated.

The bill also clarifies signing autahority for individuals in manager-managed limited liability companies.

Additional amendments refine provisions for mutual insurers and captives operating as reinsurance companies.

State officials say the changes reinforce Vermont's standing as a global leader in captive insurance. ■

## Montana modernises captive tax regime

Montana has enacted Senate Bill 60 (SB 60), introducing significant reforms to the state's taxation of captive insurance companies.

Signed into law by Governor Greg Gianforte on 8 May 2025, SB 60 introduces a tiered premium tax structure for captive insurers, replacing the previous flat-rate system.

Under the new framework, direct premiums are taxed at 0.4 per cent on the first US$20 million and 0.3 per cent on amounts exceeding that threshold.

Assumed reinsurance premiums are taxed at 0.225 per cent on the first US$20 million, 0.15 per cent on the next US$20 million, and 0.05 per cent on amounts above US$40 million.

The legislation removes the US$100,000 annual tax cap for protected cell and special purpose captive insurers, while maintaining it for other captive entities.

A minimum annual tax of US$5,000 is instituted, with prorated amounts applicable based on the quarter in which a company is authorised or surrenders its licence.

SB 60 clarifies that captive insurers under common ownership and control will be taxed as a single entity, promoting fairness and consistency in tax obligations.

The revised tax provisions will apply to tax years beginning after 31 December 2025, allowing companies time to adjust to the new framework.

Since 2001, Montana has licensed over 700 captive insurance companies, which have collectively contributed more than US$20 million in premium tax revenues. ■

## Hong Kong promotes re-domiciliation to Toronto insurers

Hong Kong's Secretary for Financial Services and the Treasury, Christopher Hui, promoted the city's new re-domiciliation regime to Canadian insurers, highlighting its potential benefits for companies including those establishing captive insurance vehicles, during his visit in Toronto.

Hui met with senior executives from Manulife and Sun Life, encouraging them to consider moving their company domiciles to Hong Kong under the recently enacted legislation.

The regime, which came into effect last Friday, allows non-Hong Kong-incorporated companies to re-domicile to the city while retaining their legal identity and ensuring business continuity.

"It lowers compliance costs and offers legal and tax convenience," Hui said, adding that an international insurance group had already announced plans to re-domicile on the regime's first day in force.

Re-domiciled companies may be eligible for unilateral tax credits to eliminate double taxation, provided their actual profits are taxed in Hong Kong.

Qualifying firms must meet requirements related to company background, integrity, solvency, and protection of members and creditors.

In discussions with Manulife's Phil Witherington and Colin Simpson, and Sun Life's Tim Deacon and Linda Dougherty, Hui emphasised how the regime can support multinational insurers in consolidating their operations and exploring captive structures.

He noted that Hong Kong's established investment and trade ecosystem makes it an ideal hub for reinsurance, risk management, and the formation of captives. ■

## UK and Saudi Arabia strengthen insurance education ties

Bayes Business School, part of City St George's, University of London, has signed a three-year education agreement with the Saudi Insurance Authority to support the development of insurance and actuarial expertise in the Kingdom of Saudi Arabia.

The agreement will see employees of the Saudi regulator and selected industry professionals enrol in Bayes' postgraduate programmes, including the MSc in Insurance and Risk Management, the MSc in Actuarial Science, and the MSc in Actuarial Management.

The programme will run for a minimum of three academic years, beginning in September 2025.

Dr Cormac Bryce, director of the MSc in Insurance and Risk Management at Bayes, says the collaboration would benefit students on both sides and strengthen the global insurance community.

"It is our positioning at the interface of the insurance and actuarial professions that creates opportunities like this," he stresses.

"We are pleased to be supporting the Saudi Insurance Authority and the insurance and actuarial science professions in the Kingdom."

Bryce adds that the diversity of Bayes' academic community fosters "a tremendous atmosphere conducive to the exchange of knowledge and insights from different cultures".

Alderman Alastair King, Lord Mayor of London and City St George's rector, comments: "As a global centre for insurance, reinsurance and risk management, strengthening UK ties with key international markets such as the Kingdom of Saudi Arabia is vital to maintaining and advancing our leadership in the sector. ■


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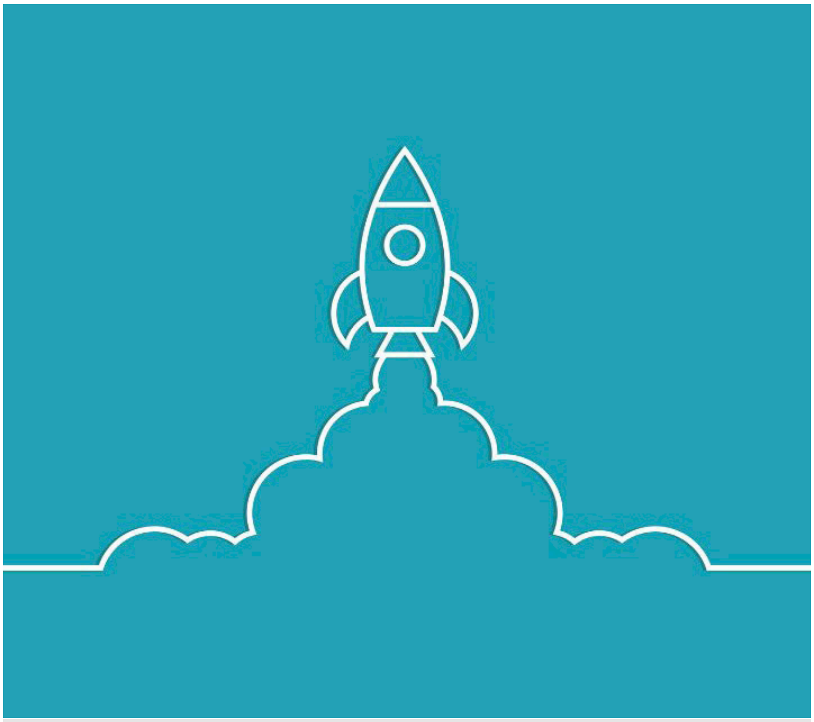


## Global Captive Management launches Outcomes SPC

Global Captive Management (GCM) has launched Outcomes SPC, a segregated portfolio company aimed at lowering barriers to entry for businesses considering captive insurance.

The new structure is designed to appeal to firms that may be too small or early-stage for a traditional single-parent captive but are seeking long-term risk management stability.

Outcomes SPC allows companies to benefit from the advantages of captive insurance while operating within a shared structure that reduces costs and administrative burden.

Participants retain control of their own insurance programmes, which remain entirely separate from others within the SPC, protecting both assets and liabilities.

Alanna Trundle, president of GCM, says Outcomes SPC "is intended for and attractive to candidates that would also be looking into a single-parent captive company, but who want a lower point of entry".

"These are companies who have an entrepreneurial spirit, they are willing to take on risk, they have a good loss control programme, they see the captive as a long-term investment, and they are looking for stability in premiums," she adds. ■

## Generali partners with Unum in UK employee benefits deal

Generali Employee Benefits (GEB) Network has entered into a strategic partnership with Unum to strengthen its international employee benefits offering in the UK.

As part of the agreement, Unum will assume renewal rights for Generali UK's employee benefits business, which includes its Group Risk products.

The arrangement will see Unum take on responsibility for administering in-force policies and claims, ensuring ongoing service continuity for customers. Unum will also integrate Generali UK's employee benefits team into its operations.

The partnership aims to enhance the GEB Network's ability to serve multinational clients, their employees and brokers through a broader range of solutions and improved service delivery.

Generali UK Group Risk policies will transition to Unum at the next rate review once policy terms are agreed. A formal transfer of remaining policies and claims will be pursued under Part VII of the Financial Services and Markets Act 2000, subject to regulatory approval. ■

**South Carolina passes captive reform bill**

South Carolina has passed Senate Bill 210 (SB 210), a major update to its captive insurance laws. It now awaits the Governor's signature.

The bill introduces key reforms aimed at enhancing the competitiveness and regulatory agility of the state's captive insurance framework.

Among the most significant changes is the formal recognition of foreign captive insurance companies, with new definitions and provisions designed to enable these entities to operate more seamlessly within South Carolina.

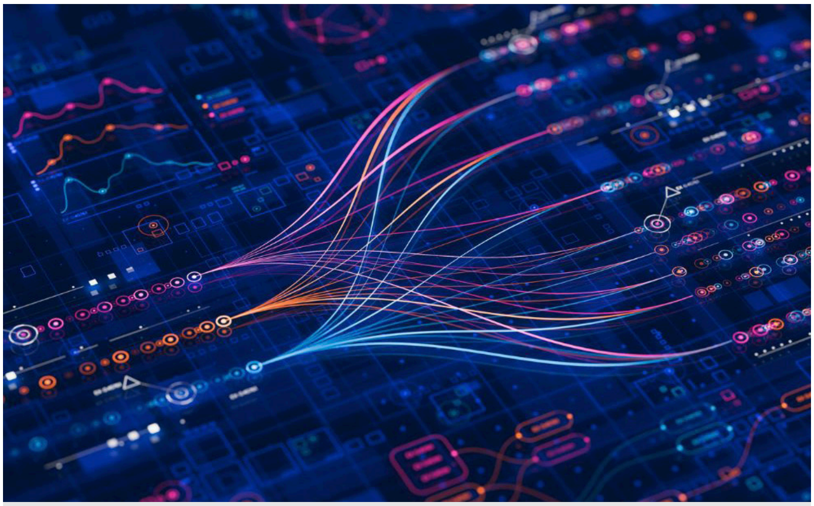
The legislation also expands the discretion of the director of the Department of Insurance in determining capital requirements, streamlining compliance obligations for captive insurers.

One notable amendment allows sponsored captive insurance companies to file a single actuarial opinion covering both the core company and its protected cells. This move is expected to reduce administrative burdens and support the growth of cell structures.

In response to increasing demand for international flexibility, SB 210 permits transactions in specified foreign currencies, subject to regulatory approval, marking a step forward in aligning South Carolina's captive regime with global market practices.

Additionally, the bill raises the portion of premium tax revenue allocated to the Captive Insurance Regulatory and Supervision Fund (CIRSF) from 20 per cent to 40 per cent.

This funding boost aims to strengthen regulatory oversight and support the continued expansion of the state's US$1 billion captive insurance sector. ■



## Blackwell partners with Outfox to offer AI benefits tool

Blackwell Captive Solutions has partnered with Outfox Health to offer AI-powered health benefits navigation to employers in its group medical stop-loss captive.

The collaboration introduces Outfox's generative AI copilot to new employer groups joining the captive, with the aim of improving employee engagement, reducing waste and enhancing long-term health outcomes.

The tool provides multilingual support and real-time translation, designed to increase benefits accessibility across diverse populations.

Outfox is already used by major US health plans and marks this as its first entry into the group medical stop-loss captive space.

According to Blackwell, the partnership reflects a strategy to deliver cost-efficient guidance to employees while safeguarding the financial sustainability of the captive.

A study from the Integrated Benefits Institute estimates that poor health costs US employers approximately US$575 billion annually in financial and productivity losses.

Scott Byrne, president of Blackwell Captive Solutions, says: "By embedding Outfox into our captive design, we are giving employees the guidance they need and helping employers contain costs effectively.

"It is a strategic move to protect the financial health of the captive while improving real-world outcomes."

Beth Ann Lopez, founder and CEO of Outfox Health, adds: "We are excited to help their members get more value from their benefits — and support employers in lowering healthcare costs." ■

## Georgia's new captive bill expands reinsurance and authority lines

Governor Brian Kemp has signed House Bill 348 (HB 348) into law, introducing the first new legislative support for Georgia's captive insurance sector since 2019.

The bill provides expanded reinsurance options for captive insurance companies and allows them to operate across more lines of authority.

Supporters say the changes will enhance Georgia's competitiveness as a captive insurance domicile.

The Georgia Captive Insurance Council (GCIC), the state's sole trade and advocacy body for captives and risk retention groups, welcomed the move.

The GCIC was formed following the formal dissolution of the Georgia Captive Insurance Association in 2023.

Travis Bowden, chairman of the GCIC and former captive supervisor at the Georgia Department of Insurance, says the legislation comes at a pivotal time for the sector.

"By signing House Bill 348 into law, Governor Kemp has once again helped to strengthen Georgia's commitment to the financial services industry," Bowden notes.

He adds: "This bill comes at an ideal time as the Georgia Captive Insurance Council works to revitalise the Georgia captive insurance industry."

Bowden stresses that legislators expressed strong support for expanding self-insurance and risk retention options. "Captive insurance companies and risk retention groups continue to drive the conversation of risk management options in Georgia," he says. ■

## Liberty Mutual Reinsurance unveils new parametric agriculture product

Liberty Mutual Reinsurance (LM Re) has launched a parametric insurance product to protect Colombian farmers against climate-related risks, in collaboration with XS Latam and SFA CEBAR. The livestock-focused cover, developed with data partners Floodbase and EarthDaily, aims to reduce financial hardship caused by floods and droughts.

The product builds on LM Re's earlier drought protection pilot and expands coverage to include flooding, using advanced flood mapping and satellite technology to trigger rapid payouts.

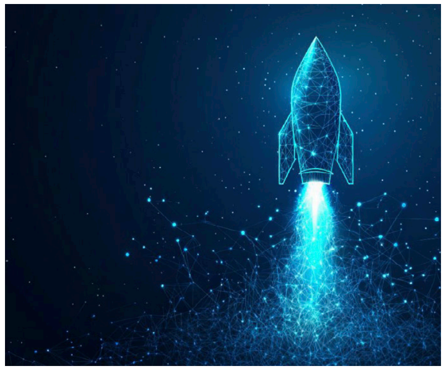
According to the firm, Colombia's topographical diversity makes it particularly vulnerable to both drought and excessive rainfall, with recent years marked by destructive floods and some of the worst droughts in the country's history.

Traditional satellite-based parametric products in the region have struggled due to persistent cloud cover, but LM Re says its new offering can provide daily index measurements to maintain data continuity and reliability.

The cover is designed to help farmers avoid the need to sell land to repay loans after weather-related losses and may also reduce lending risk for banks.

Jean-Christophe Garaix, head of agriculture and parametrics at LM Re, says: "With farmers in Colombia routinely relying on annual loans to farm their land, should adverse weather cause a herd loss, many must sell land to repay the loan.

"This product is designed to mitigate that risk, making farming much more resilient. It also simultaneously reduces the risk banks face in offering finance, creating the potential for cheaper loans, which will further help support resilient farming in Colombia." ■



## NexFrontier Risk Intelligence launches

NexFrontier Risk Intelligence has launched as a consulting practice focused on climate, catastrophe, and emerging risks for the (re) insurance sector.

The firm is led by Randy Liu, who brings more than 20 years of experience in catastrophe risk, technology, and the (re)insurance industry, including senior roles at SCOR.

Liu says NexFrontier aims to help (re) insurers, investors, and public sector stakeholders navigate climate risk with greater clarity and precision.

The firm works closely with geospatial intelligence and catastrophe and climate modelling companies to provide technical expertise and strategic advice.

Services include building and optimising risk modelling operations, developing proprietary risk views, and integrating advanced technology into risk management processes.

NexFrontier also supports underwriting, product design, and climate-aligned growth, as well as governance and compliance with regulatory and rating agency frameworks.In addition, NexFrontier offers advisory on public-private partnerships and climate governance strategies for long-term resilience. ■

**CaptiveSimple unveils platform to automate captive formation**

Insurtech startup CaptiveSimple has launched a new platform aimed at streamlining the captive insurance process through automation and real-time data.

The Wyoming-based company says its technology can reduce the cost of setting up a captive by more than 50 per cent compared to traditional methods.

Developed by a team of industry veterans, the platform automates key early stages — indication, viability, and feasibility — replacing manual processes with real-time digital tools.

It also offers instant updates and guidance to support faster decision-making by brokers, businesses, and advisors.

Additional tools include a shared interface for executives, legal teams and accountants, as well as an integrated learning hub called Captive University.

Delivered as a SaaS solution, the platform features multi-captive dashboards, financial reporting capabilities and support for ongoing management.

"Captive insurance has long been a complex and time-consuming process, leaving businesses in a data vacuum," says David Richter, CEO of CaptiveSimple.

"Our platform demystifies captives, making them more accessible and cost-effective," Richter adds. ■

## Washington fines Maple Shade Assurance's captive cell

The Washington State Office of the Insurance Commissioner (OIC) has imposed a US$5,000 penalty on one of Maple Shade Assurance's segregated cells, finding that the cell operated as a captive insurer in Washington without proper registration.

In issuing Order 25-0041, the OIC determined that the cell had written coverage for Washington risks without first registering under state law.

Under Washington regulations, insurers — including captives — must register with the OIC before covering risks or policyholders in the state, regardless of where the company is domiciled.

Hartley Hartman, an officer of Maple Shade Assurance, has a differing view with the OIC's handling of the application process. He says that OIC staff raised questions about meeting the US$1 million assets-over-liabilities requirement but then failed to follow up as it was referred up to a different division in the OIC.

"There was radio silence on this from OIC and a follow-up was sent in March 2024, and there was continued silence from the OIC until later in the year when they got back to us indicating that we needed to infuse US$1 million at which time the Series funding was increased to comply with the stated regulations," he explains. ■

## New York authorises Javits Center to form a captive

New York State has authorised the Javits Center to establish a captive insurance company as part of its 2026 budget.

Signed by Governor Kathy Hochul on 9 May, the US$254 billion budget includes a provision enabling the state-owned convention centre to form its own captive, potentially setting a precedent for other public-benefit entities.

Though the structure has yet to be outlined, the move is expected to help the Javits Center manage its insurance needs more directly and reduce reliance on the commercial market.

Experts say that while the budget does not introduce broader captive regulatory changes, it reflects growing recognition of captives as a viable risk management tool for public-sector organisations in the US. ■

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## Arizona lowers capital requirements for captives in latest bill

Arizona Governor Katie Hobbs has signed House Bill 2193 (HB 2193) into law, which reduces the minimum capital and surplus requirements for protected cell captive insurers to US$250,000. The bill passed in the Arizona Legislature in late April and amends the captive insurer section of the state's Insurance Code.

The bill also adjusts the annual licence renewal deadline, which will now fall between 1 July and 1 September.

A new provision allows dormant captive insurers — companies that have ceased underwriting and have no outstanding liabilities — to apply for a certificate of dormancy. These dormant insurers must maintain a minimum capital and surplus of US$125,000 and comply with financial reporting obligations.

HB 2193 also clarifies governance rules for captive insurers operating as limited liability companies (LLCs).

Industry experts anticipate that the new regulations will support continued growth and innovation in the captive sector in the state. The new legislation is expected to take effect in August or September 2025. ■



## IHC unveils AI-driven reinsurance platform in Abu Dhabi

IHC is set to launch a global reinsurance platform headquartered in Abu Dhabi Global Market (ADGM), in partnership with BlackRock and Lunate. The firm says the new platform will focus on property and casualty, life, and specialised insurance lines, offering tailored solutions across key international markets.

Designed as an AI-native reinsurer, the initiative aims to enhance underwriting, risk assessment, and capital efficiency using next-generation technology, free from legacy systems. With a strategic focus on the Middle East and Asia, the platform will also target global opportunities through a buy-and-build strategy.

The platform's initial liabilities are projected to exceed US$10 billion, supported by more than US$1 billion in equity commitments and additional hybrid and debt financing.

BlackRock will contribute its insurance asset management expertise, Aladdin technology, and a minority investment, while Lunate brings experience in private and public markets.

The venture will be chaired by Dr Sultan Ahmed Al Jaber, UAE Minister of Industry and Advanced Technology, and led by Mark Wilson, former CEO of Aviva and AIA.

Insurance is seen as a key pillar in advancing economic development in the Gulf, with the platform intended to strengthen regional capital markets through local reinsurance capacity. ■

# Ratings Roundup

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## AM Best assigns 'B++' rating to Mondelez's captive

AM Best has assigned a financial strength rating of 'B++' (Good) and a long-term issuer credit rating of 'bbb+' to Berkeley Re, single-parent captive of Mondelez International.

The outlook for these ratings is 'stable'.

These ratings reflect Berkeley Re's strong balance sheet, adequate operating performance, neutral business profile, and appropriate enterprise risk management.

The company's balance sheet strength is supported by its strongest level of risk-adjusted capitalisation, as measured by Best's Capital Adequacy Ratio (BCAR).

Berkeley Re also benefits from a highly liquid investment portfolio and limited reliance on reinsurance.

These strengths are partly offset by the company's exposure to large potential losses in its property line of business, though this is mitigated in part by a deed of commitment from its immediate parent.

Between 2020 and 2024, the captive reported a five-year average combined ratio of 67.6 per cent, reflecting good but volatile underwriting results.

While performance is expected to remain positive in most years, volatility may persist due to exposure to high-severity property risks.

Berkeley Re is a composite reinsurer writing property damage, business interruption, and employee-related risks. Its underwriting portfolio is diversified across both lines of business and geographies. ■

image by beatrice_preve/stock.adobe.com

## AM Best affirms 'Excellent' ratings for BNY Mellon's captives

AM Best has affirmed the financial strength ratings of 'A' (Excellent) and long-term issuer credit ratings of 'a+' (Excellent) for BNY Trade Insurance and The Hamilton Insurance Corporation, both single-parent captives of The Bank of New York Mellon Corporation.

The outlook for both Bermuda-based captives remains 'stable'.

BNY Trade's ratings reflect a balance sheet strength assessed as 'strongest' by AM Best, supported by robust risk-adjusted capitalisation, consistent profitability and excellent liquidity.

Meanwhile, Hamilton receives a balance sheet strength assessment of 'very strong', underpinned by the highest level of risk-adjusted capitalisation, according to AM Best's Capital Adequacy Ratio, and liquidity metrics above industry averages.

Both companies also maintain strong operating performance, neutral business profiles, and appropriate enterprise risk management frameworks.

As single-parent captives, the insurers play a core role in the group's risk management strategy by reinsuring various risks on behalf of their parents. ■


## Lumen Re maintains ‘Excellent’ credit rating

AM Best has affirmed the financial strength rating of ‘A’ (Excellent) and the long-term issuer credit rating of ‘a’ (Excellent) for Bermuda-based reinsurer Lumen Re.

The outlook for both ratings remains ‘stable’.

The ratings reflect Lumen Re’s balance sheet strength, which AM Best evaluates as the strongest level, alongside adequate operating performance, a limited business profile and appropriate enterprise risk management (ERM).

The company’s liquidity, asset quality, asset/liability management and use of internal capital models further support its balance sheet strength.

The reinsurer also uses fully collateralised third-party retrocession to reduce exposure to losses and credit risk. Although its leverage ratio, based on retained limits to equity, has increased, it remains low.

Lumen Re has renewed its designation as a reciprocal jurisdiction reinsurer in 37 US states for 2025, which is expected to lower operational burden and costs.

Given current market conditions, AM Best expects the reinsurer’s operating performance to remain favourable.

Lumen Re’s business profile continues to be assessed as limited, as it primarily writes catastrophe excess of loss contracts and a small number of reinsurance protection programmes.

The company partners with established cedants in mature markets, and mitigates product concentration risk through diversification across regions, perils and cedants.

Its pricing strategy is supported by strong modelling capabilities, including both vendor and independent tools, and by coverage exclusions for start-ups.

Lumen Re’s ERM is deemed appropriate, with a structured framework and governance processes in place to identify, monitor and report on underwriting, investment and other relevant risks. ■



## AM Best affirms ratings for NiSource's captive

AM Best has affirmed the financial strength rating of ‘A’ (Excellent) and the long-term issuer credit rating of ‘a’ (Excellent) for NiSource Insurance Corporation (NICI), a single-parent captive insurer of NiSource, with a ‘stable’ outlook.

The affirmation reflects NICI’s strong balance sheet, favourable operating performance, neutral business profile, and appropriate enterprise risk management.

AM Best says NICI maintains the strongest level of risk-adjusted capitalisation, as measured by Best’s Capital Adequacy Ratio (BCAR).

The captive’s balance sheet is further supported by ample liquidity, conservative reserving and investment practices, and the financial flexibility provided by its parent.

AM Best notes that NICI has shown consistently favourable reserve development over the past decade, although this is partially offset by a high retention to surplus ratio tied to the limits it provides to the parent.

The strong operating performance is underpinned by favourable combined and operating ratios that outperform AM Best’s commercial casualty composite.

NICI benefits from a low underwriting expense structure, typical of a single-parent captive, and loss ratios that continue to trend positively.

According to the rating agency, NICI has organically tripled its surplus over the past 10 years, supported by its niche captive focus, disciplined underwriting and risk management capabilities. ■

**Paul Lewis**
Chief business development officer
MAXIS GBN

# A strategic partnership for the future

**Paul Lewis, chief business development officer at MAXIS GBN, explains how captives can serve as a long-term strategic partner for multinationals looking to deliver inclusive, competitive, and cost-effective employee benefits**

### How have employee expectations around benefits packages evolved in recent years, and what key factors are now driving their choices?

In the years following the Covid-19 pandemic, we have seen a shift in what employees value when it comes to work and benefits. People are more aware than ever of the importance of health and wellbeing and in turn, are looking for opportunities that offer flexibility and a good work-life balance. This is something employers have had to respond to. 'The Great Resignation' a couple of years ago saw many people leave roles that weren't meeting these needs. Employers who want to attract and retain the best talent must ensure they are responding to employee expectations by offering an attractive benefits package that supports health and wellbeing, no matter what stage of life they are in.

Changing workforce demographics are also a key factor influencing expectations. Multinational companies now often have up to five generations within their workforce, alongside a mix of genders and cultural backgrounds — which has a huge impact on the types of benefits employees want and need. The one-size-fits-all approach to employee benefits (EB) is no longer appropriate for meeting the needs of a diverse workforce. Instead, employers must provide tailored, personalised benefits that reflect the varying priorities and life stages of their people.

For example, some employees may be saving for a house and would benefit from financial advice, while others may value fertility and family-building support, or benefits that support them through menopause. This continues through to those preparing for retirement, who may need different forms of support. Employers who tailor both their benefits and communications to these specific needs are best placed to retain valued staff — ultimately strengthening their business in the long term.

### Beyond cost management, what strategic factors are driving multinational organisations to explore alternative funding mechanisms for their EB programmes?

Keeping costs down and looking after the bottom line is a key consideration for multinationals when it comes to their EB programmes, especially in the face of rising costs and medical inflation. However, increasingly, this is no longer the sole driving factor in EB financing. We have recently seen more multinationals incorporating EB into a captive to gain greater control over plan design, with many writing EB at break-even pricing or reinvesting any savings into enhanced benefits. There is also a growing trend of employers using their captives to help them implement a global minimum standard of benefits for their people around the world.

Providing greater access to benefits — as well as providing equitable benefits that are tailored to their people's needs — is front and centre for most organisations, especially as employees become more aware of their own health and wellness needs and demand more when it comes to their benefits, supporting employees is a key driver when it comes to deciding how EB programmes are financed — and this is where captives can play a crucial role.

By using a captive, employers can take a deeper look at their EB offering, identify and address coverage gaps, respond to local market challenges, and ultimately offer more meaningful support to their people around the world.

**What are the comparative advantages and disadvantages of using a captive for employee benefits versus traditional insurance arrangements, especially for organisations with a global footprint?**

At MAXIS, we strongly believe that captives are the most effective and efficient way to manage global EB risks. Using a captive allows multinationals to tailor their EB programme to meet the specific needs of their workforce by removing plan exclusions or adjusting the table of benefits to address coverage gaps. This means they can provide broader access to benefits, ensuring equity even when certain cover might not be standard in the local market. This is important for benefits such as fertility, family-building and menopause support, as well as cover for same-sex couples. By using a captive to customise plan design and address these gaps, multinationals can demonstrate their commitment to employee health and wellbeing — ultimately building a happier, healthier and more productive workforce, which benefits the business as well.

That said, despite the clear advantages of using a captive to manage global EB risks, multinational pooling can be the right fit for some employers. This is particularly the case for those that are slightly smaller and do not have the resources to implement and run a captive programme, or those that are managing EB at the global level for the first time. Pooling allows stronger risk management and better global governance, meaning multinationals can have better visibility of their global EB risks. As a profit-sharing arrangement, a well-performing pool can also result in a dividend for the multinational.

**What are some examples of innovative EB that can be delivered through a captive to support diversity, equity, and inclusion, such as inclusive healthcare cover, enhanced family leave policies, or educational opportunities?**

More and more, we have been working with clients to implement a global minimum standard of benefits for their people. This involves reviewing global policies, adjusting cover limits, and ensuring that every employee — regardless of location — receives at least the minimum level of coverage. In markets where benefits are already more generous, there may be no change. However, in regions where certain benefits, such as life insurance, were previously at a lower threshold, employees are now brought up to the minimum standard set by the employer. Using a captive makes this achievable, as the captive is the ultimate risk bearer.

In addition, we have helped many clients to implement benefits that support employees through all stages of life. Fertility and family-building support is particularly valued by our clients and their people, along with support for women experiencing perimenopause and menopause — whether that is through healthcare and access to medical support, or greater flexibility, such as the option to work from home when symptoms are particularly bad.

Ultimately, the specific benefits multinationals should consider depend on their workforce and the challenges they face. Employers should engage with their people to understand their unique priorities and needs, as well as analysing data from their EB programmes to make informed decisions about the benefits they offer.

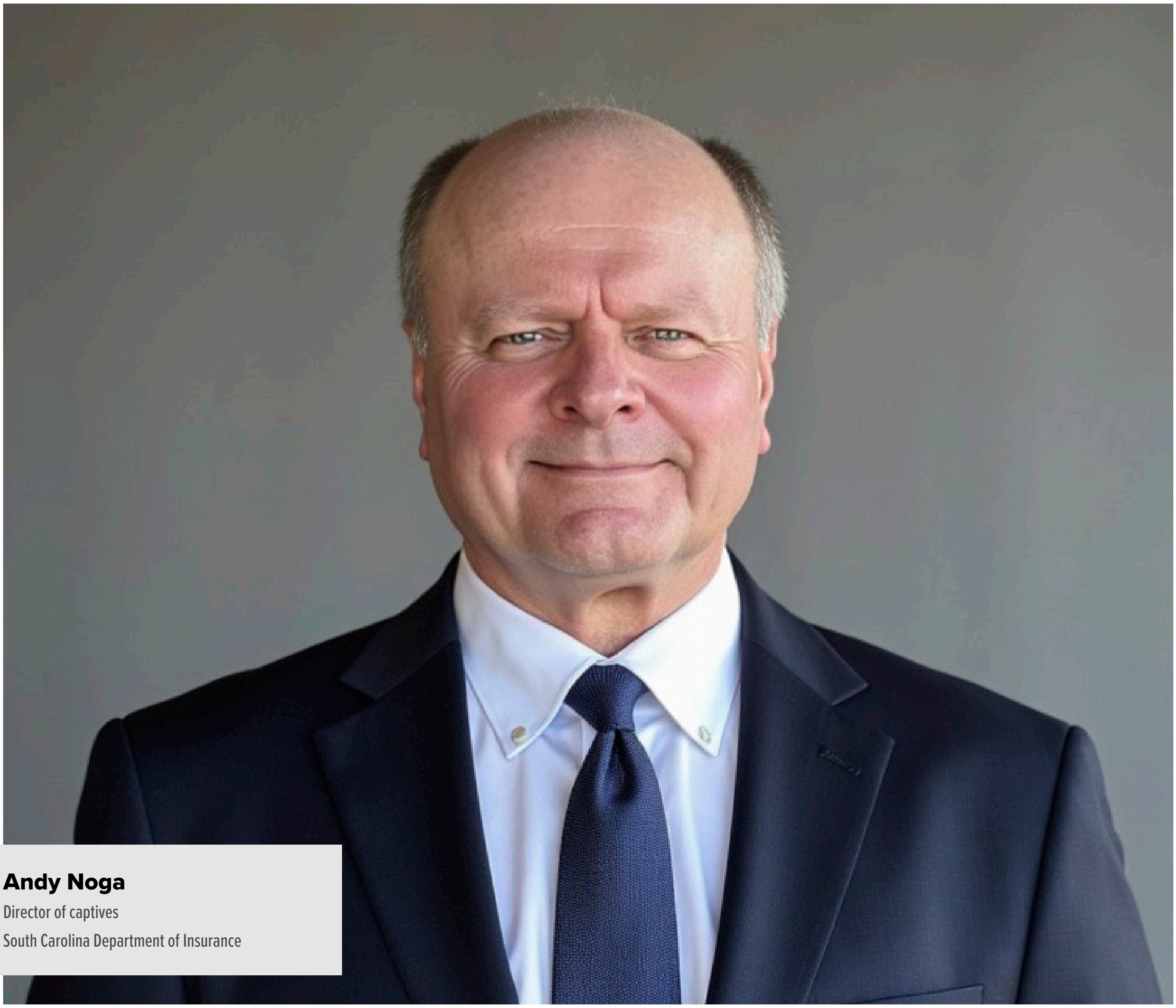
**How can multinational organisations ensure their captive-funded EB programmes remain adaptable and responsive to shifting employee needs and broader societal expectations over time?**

Data is key — not only does analysing claims data help multinationals understand the performance of their global EB programme, it also enables them to better understand their people and their needs: what benefits are being used? What medical conditions are being claimed for? How can they continue to adapt to meet employee needs?

Multinationals writing EB via their captive can then use these data insights to deliver personalised, targeted solutions to address the specific challenges their employees are facing. For example, one trend we are seeing in our data is rising cancer claims. Our recent whitepaper highlighted this concerning trend, noting that the average age of cancer claimants is getting younger. Multinationals seeing trends like this in their data can use their captive to address the problem head on. For example, they could fund advanced cancer treatments such as precision medicine.

While data analysis is crucial for understanding the benefits employees are using, it also helps identify gaps in the current offering. This is where communication comes in. Who better to tell you what your people want and need than the employees themselves?

Multinationals that regularly check in — and genuinely listen — are best placed to respond to their workforce's evolving needs and can utilise their captive to do so. ■



**Andy Noga**
Director of captives
South Carolina Department of Insurance

# With success comes growth

Andy Noga, recently appointed director of captives at the South Carolina Department of Insurance, shares with Diana Bui how the state is maintaining its momentum in cultivating a strong captive insurance marketplace

**With over 30 years in the insurance industry, how do you see that experience shaping your approach as the director of captives at the South Carolina Department of Insurance?**

Throughout my career, I have worked with a variety of state insurance departments and have seen first-hand what tends to work well. Regulators need to be well informed by the companies they oversee in order to avoid surprises. In turn, companies want clear direction from their regulators about expectations and the opportunity to communicate effectively. My experience helps shape how I would like the relationship between our Captive Insurance Division and its regulated companies to evolve. Gaining a thorough working knowledge of the business placed into a captive entity and its associated risks, maintaining effective communication between the regulator, captive manager and owner, and building trust through action — for example, avoiding surprises — are all critically important to fostering a successful regulatory environment.

We want our South Carolina captives to thrive, and effective, timely communication on both sides helps build trust and a constructive working relationship.

**South Carolina has been cultivating a strong captive insurance marketplace since 2000. What are your immediate priorities to continue that momentum?**

First, absorbing as much as possible about the historical workings of the Captive Insurance Division, including its business appetite and goals, from the current team. Then, engaging with the captive service providers managing South Carolina's captive business to understand their perspectives on existing and emerging issues and needs in the captive market. The overall goal is to reinforce the recognised strengths of the current regulatory process and captive environment, while addressing any identified areas of challenge.

**How many active captives are currently licensed in the state, and what steps is the department taking to support their growth and attract new formations?**

We have more than 235 active captives in South Carolina, with the number continuing to grow due to new applicants. The best way to encourage growth is by working closely with captive owners and their service providers to efficiently address questions and maintain a robust regulatory environment that supports existing captives.

When the regulatory and business environment is both supportive and efficient, word of mouth naturally helps attract new formations. We also have a positive story to share in South Carolina. We are always open to meeting prospective captive owners to discuss our history, the advantages of domiciling in South Carolina, and the strength of our regulatory relationship with captives.

**What specific advantages does South Carolina offer captive insurers compared to other leading domiciles?**

South Carolina has a long and established history of supporting the captive insurance industry since enabling legislation was passed in 2000. The South Carolina Department of Insurance (SCDOI) has considerable experience in licensing and regulating captive insurers, with dedicated and knowledgeable staff in its autonomous Captive Insurance Division. This strong foundation has fostered a capable and supportive infrastructure of captive managers, actuaries, accountants, and lawyers, primarily based in South Carolina, who are well-versed in captive formation and ongoing regulatory and financial compliance. The combination of extensive regulatory experience and robust infrastructure makes South Carolina an excellent place to do business.

**Are there any upcoming regulatory changes or legislative initiatives aimed at strengthening the state's captive sector?**

South Carolina's regulatory and legislative framework is very strong. There are few material restrictions in either that would limit captive formation and growth in the state. That said, we will remain mindful of evolving market and regulatory needs and, where appropriate, propose legislative changes to strengthen or clarify the existing framework. We do not intend to pursue the latest fad in captive oversight, but will consider constructive changes that intelligently and prudently promote the captive industry in South Carolina.

**How does the SCDOI engage with captive owners to ensure a business-friendly environment? What strategies are in place to attract new captive formations to South Carolina?**

We encourage our captive owners and managers to have a discussion with our team before submitting applications to introduce a new captive programme.

This allows us to ask questions that may help guide the information provided during the application process. These discussions also offer an opportunity — albeit rarely — to provide a quick 'no' if a programme falls outside our risk appetite, ensuring the prospective captive does not waste time or money pursuing a proposal in South Carolina that would ultimately not be approved.

Avoiding inefficiency and unnecessary delay is a key part of building strong relationships with our managers, service providers, and captive owners. Following licensing, we also encourage ongoing discussions between captives, their managers, and our team. Identifying problems early, before they escalate into a crisis, helps foster trust, improve communication, and ideally lead to better outcomes.

## How does the department balance regulatory oversight with encouraging innovation and flexibility for captive insurers

Within the existing legislative and regulatory framework, we aim to remain open to new and creative solutions in the insurance space.

Over the course of my career, I have encountered many emerging risks that required innovative approaches — and those approaches often evolve into established, effective methods for more efficient and cost-effective risk management. The captive market is designed to address gaps in commercially available coverage, and here in South Carolina, we recognise the unique role that captives are intended to play.

## What role does South Carolina's infrastructure and talent pool play in supporting the captive insurance market?

Infrastructure and talent play a major role in supporting the captive market in South Carolina. Owing to the state's long-standing involvement with captives, a robust and professional service industry has developed to support those licensed here. New and existing captives have access to a wide range of professionals to assist with formation and ongoing operations, each bringing specialised knowledge of South Carolina's regulatory and business environment. This support system helps attract and retain talent within the state.

In addition, South Carolina's university system produces young professionals with educational backgrounds in risk management, offering them opportunities to stay in-state and work either with the Department of Insurance or within the service sector supporting captives.

## As the sector continues to grow, are there new areas of specialisation or emerging risks that captives in the state are starting to address?

We encourage companies with new risk mitigation approaches or emerging risks to speak with us about their proposals, so we can jointly determine whether the proposed approach — or another viable alternative — would offer a workable solution. We believe the experience and cumulative industry knowledge within the Captive Insurance Division can foster new and creative solutions to emerging risks and their associated financial management.

The industry as a whole is now addressing changes in catastrophic weather patterns and severity, as well as the growing use of artificial intelligence and other technological advances that will inevitably influence the direction of captives.

## What challenges does the state's captive market face, and how is the SCDOI working to address them?

With success comes growth, and we must maintain the ability to remain nimble and efficient as our captive market continues to expand. Whether that efficiency comes through new technology or improved processes, we intend to continually evaluate our opportunities to improve.

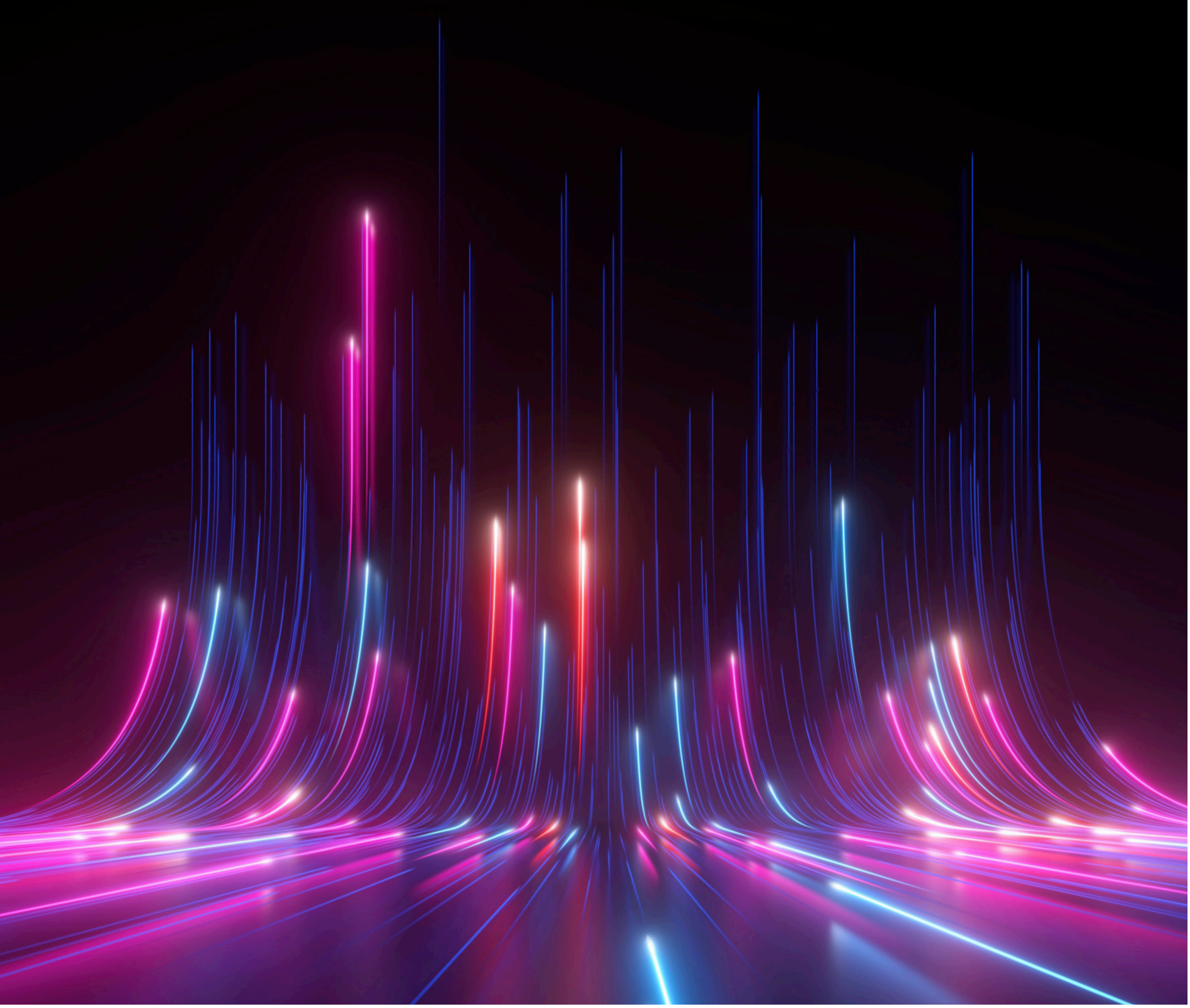
At the same time, attracting and retaining highly capable and motivated individuals with an interest in a career in insurance remains a constant challenge — even when we are fortunate to be located in a region where talent is available.

## Looking ahead, what is the long-term vision for South Carolina's captive insurance industry?

The long-term vision for South Carolina's captive insurance industry is to support the steady and measured growth of new, high-quality captives, while providing prudent and efficient solvency regulation for those already domiciled in the state.

Our mission is to be the domicile of choice for high-quality captives and their industry partners. ■

# Quantifying captives' strategic value



*SIGMA's Michelle Bradley and Enoch Starnes share insights on how actuarial analysis is helping captives deliver broader strategic value beyond cost savings*

### What strategic advantages — beyond cost savings and tax benefits — can a well-structured captive offer its parent, particularly in terms of efficiency, continuity and responsiveness?

In our experience with captive clients, one of the key benefits inherent to captives is the level of flexibility they provide. The types of coverage offered are often bespoke in nature and are limited only by the capacity and performance of the parent's risk portfolio. As a result, parent companies tend to be less tethered to overall market conditions and are better able to focus on achieving their own risk-financing objectives.

### How can actuarial science evolve beyond loss projections to better measure the strategic value captives bring through risk control and customised coverage?

Thanks in large part to the captive industry, actuarial methodologies are increasingly well positioned to assess the financial impact of enhanced risk control measures. Claim frequency analyses, for example, can help identify improvements in the overall number of incidents, as well as any reduction in reporting lags. Trends in both frequency and severity can also be reviewed to better quantify the effect of such measures. On a more granular level, analyses that segment a portfolio by cause of loss can offer valuable insight into the key drivers of overall performance.

### What are some innovative actuarial metrics or key performance indicators captives can use to demonstrate strategic value beyond cost savings, and how can these be effectively communicated to non-insurance stakeholders?

From a purely analytical perspective, we believe tracking pure loss rates (losses/exposure), claim frequency, and claim severity over time is key. These are not the only available metrics, however. In some cases, it may be important to monitor claim reporting lags and claim settlement lags.

Overall financial performance can be assessed over time using metrics such as total cost of risk or economic cost of risk.

Ongoing financial statement modelling — similar to that completed during the initial pro forma analysis of a feasibility study — is another valuable strategic tool. For captives that have added new coverages over time, this modelling should ideally take into account the growing impact of the portfolio effect on the captive's financial resilience.

### How can advanced actuarial analysis help captives turn proprietary data into deeper risk insights, spot emerging trends, and support broader strategic decisions beyond insurance?

There are two scenarios to consider in response to this question. The first is when a prospective captive policy already has a significant amount of data compiled for the underlying risk. In this case, there are numerous tools available to analyse seasonality, reporting lag, causal event types, litigation trends, and more. Many of these tools are beginning to incorporate emerging AI capabilities. These approaches can be applied not only to the loss component of a risk but also to the exposure component. Analysis of the underlying exposure and any potential shifts in the risk profile can also benefit from such tools.

The second scenario involves a risk with very limited data being placed into a captive. Often, companies believe they have no historical data for a particular risk, but formally placing it in a captive encourages a more detailed review of past events that may have stemmed from that risk. The policy implemented going forward will formally define what constitutes a claim, allowing for clearer monitoring in the future.

### How can the actuarial profession collaboratively develop customised analytical frameworks and tools that go beyond traditional reports for captives?

The actuarial profession requires ongoing continuing education for credentialed actuaries. It also supports numerous educational conferences, resources, and research initiatives. For example, the Society of Actuaries and the Casualty Actuarial Society publish a comprehensive annual survey and report on emerging risks.

### How can captives strengthen risk management culture within parent organisations, and what actuarial tools can quantify the financial impact of this shift?

Since captive regulation generally requires the establishment of a board, parent company staff who may not typically be involved in risk management often become part of captive-related discussions.

The benefits of their inclusion can be multi-faceted. For example, regular reviews of captive performance can help less experienced board members better understand how decisions made within their departments might affect the captive's risk profile.

Conversely, board members already involved in risk management may not always fully grasp how external decisions influence their overall strategies. Including board members from outside these roles can open lines of communication that were not previously considered essential. Moreover, board members without a risk background can offer valuable insights into more complex risks that may lack sufficient historical data. Their understanding of the potential cost and underlying dynamics of a loss event can be particularly useful for actuarial analysis.

### How can captives and advanced actuarial analysis be better integrated into enterprise risk management to offer a more strategic view of risk and opportunity across the organisation?

An enterprise risk management (ERM) process is grounded in sound corporate governance, focusing on risk identification, quantification, mitigation, and overall strategy. Involving an ERM consultant — or an actuary with ERM expertise — can help establish a framework for identifying both initial and ongoing risks related to captive placement.

The ERM process should encourage collaboration across multiple disciplines, including roles both internal to the organisation and external, such as captive service providers.

As mentioned earlier, these discussions should consider the impact of captive placement not only for individual ERM-type risks but also within the context of the broader captive portfolio.

### How can actuarial insights help captives shape reinsurance strategies that align with their parent company's long-term goals while optimising coverage and cost?

While actuarial consultants are often tasked with preparing analyses that focus on losses retained within the captive layer, their capabilities can also include the evaluation of losses outside that layer. Depending on the availability of historical data, an analysis of losses above the captive layer may require benchmark information, loss simulation software, or the use of metrics such as increased limits factors.

The results of these analyses can certainly be used for reinsurance negotiation purposes, but they are also important when reviewing a captive's overall programme structure. Evaluating losses on a gross basis enables an iterative approach to captive placement, in which multiple retention scenarios are assessed across various risks. This allows captive owners to determine an optimal financial structure that balances captive retentions with commercial reinsurance pricing.

### Could you share examples of how advanced actuarial analysis demonstrates the financial benefits of captive coverage for risks that traditional insurers frequently overlook?

One of the most compelling recent examples we have seen is the placement of wildfire risk in a captive. Even for evolving, climate-related risks such as this, there is significant industry data that can be evaluated alongside a company's unique geographic exposures. In the parametric space, we have also seen customised solutions for wind — another risk supported by substantial industry data.

For risks like these, it is crucial to identify both internal and industry data to help quantify the exposure. Once this process is complete, captive owners should then be in a position to discuss potential workable policy structures.

### How can actuarial analysis help captives demonstrate their strategic value by supporting innovation and insuring emerging risks within the parent organisation?

Communication among all involved parties is key. In situations where new or expanded operations are being considered, it

can be very helpful for the consulting actuary to engage in discussions with the parent company, the captive manager, and the regulator to agree on a shared approach.

These discussions may involve how best to quantify the new risk portfolio for inclusion in the captive — particularly in the case of new ventures or technologies where market quotes are unavailable.

Understanding which industry databases can be incorporated, or identifying proxy risks with similar characteristics, can support innovative approaches to estimating frequency and severity.

**In today's volatile environment, how can advanced actuarial modelling in captives quantify the financial benefits of rapid disruption response and securing long-term stability for the parent company?**

The modelling of a captive's pro forma financial statements is often viewed as little more than a requirement for captive feasibility purposes, but it can also provide valuable insights for existing captives. We would encourage both new and existing captive owners to identify key financial metrics to monitor, potentially supplemented by updates to the captive's pro forma to assess its short-term financial outlook.

Similarly, comparing captive policies with market quotes is another useful way to demonstrate a captive's ongoing financial value.

This type of discussion is particularly important for risks where the commercial market has limited or no capacity, such as emerging or highly specific complex risks.

In some cases, a company without relevant captive cover could be left to bear the full cost of a potentially significant loss event.

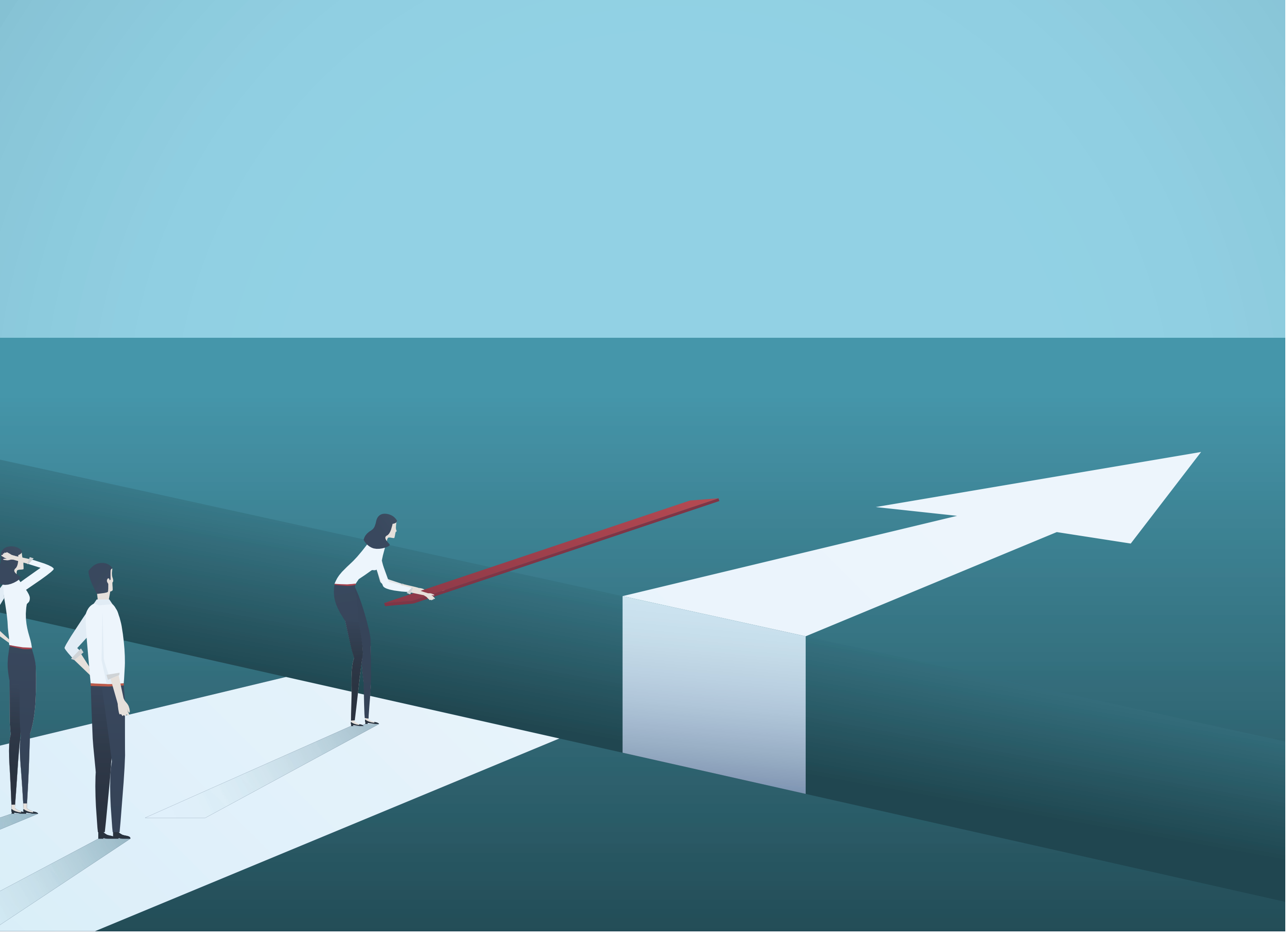
Including such catastrophic scenarios in an 'adverse' model and comparing them with a scenario where some or all of the cost is absorbed by an adequately reserved captive can help illustrate how a captive insurance programme supports a company's overall adaptability and financial resilience. ■

**Michelle Bradley**
Consulting actuary
SIGMA


**Enoch Starnes**
Actuarial consultant
SIGMA

# Bridging the gap

**Yousif Capital Management's Dale McCann and Global Captive Management's Jessica Dontas explore how collaboration between captive and investment managers strengthens risk oversight and drives financial performance in modern captive structures**



### Can you elaborate on how effective collaboration between captive and investment managers manifests in practice?

**Dale McCann:** Open communication between the captive manager and investment manager is essential to ensure both parties understand each other's needs, constraints, and objectives. This combined approach between operations and investments helps the captive achieve its financial goals while managing risk effectively. Collaboration with the captive manager ensures the captive not only fulfils its insurance obligations but also maximises its investment potential for long-term success.

**Jessica Dontas:** As a captive manager, our focus is on the financial reporting and regulatory compliance of our clients, whereas an investment manager's primary focus is on optimising the captive's investment portfolio to support growth and provide coverage for potential future claims. While both captive and investment managers work towards a shared goal — the captive's longevity and financial success — an effective partnership between the two must include regular communication and ongoing monitoring of investment performance.

### How does Yousif Capital Management approach creating an investment strategy for a new captive?

**McCann:** Because each captive is unique, at Yousif Capital Management (YCM), the investment strategy must be tailored to address its specific circumstances and objectives. Our approach to developing an investment strategy for a new captive insurance company is multi-faceted. It involves a thorough understanding of the captive's needs, an assessment of its risk tolerance, liquidity requirements, regulatory constraints, and the creation of a diversified and balanced portfolio aimed at meeting both short- and long-term investment goals. By aligning the investment strategy with the captive's operational needs and financial objectives, the investment manager plays a vital role in supporting the financial stability and success of the captive insurance programme.

### How do you ensure alignment between the captive's operational goals and the investment strategy?

**Dontas:** When drafting the captive's investment policy statement (IPS), it is important to ensure the strategy is based on the captive's risk tolerance, underwriting risk, and the estimated payout pattern of expected losses. At Global Captive Management (GCM), we regularly review the IPS against the regulatory requirements of the captive. This, along with ongoing financial monitoring, ensures the strategy remains aligned with the captive's operational results.

**McCann:** To align the investment strategy with the captive's overall objectives, the investment manager and captive manager must work collaboratively to ensure the strategy reflects the captive's financial needs, risk tolerance, and regulatory requirements. By establishing clear communication, developing a shared understanding of the captive's goals, creating a comprehensive investment policy, and continuously reviewing and adjusting the strategy, both teams can help ensure the long-term success and financial stability of the captive.

This partnership is key to balancing a new captive's operational needs with its investment goals. In addition to regular day-to-day dialogue, board meetings to assess investment performance and liquidity requirements are essential to achieving the captive's overall objectives.

### What are the key risks YCM considers when managing assets for a captive, and how do you balance these risks with the desire for returns?

**McCann:** Our primary objective is to limit volatility and preserve capital, while aiming to generate consistent, long-term returns. The key risks we consider — and how we balance these with the pursuit of returns — include market risk, liquidity risk, interest rate risk, credit risk and inflation risk.

To manage these risks, our aim is to construct a portfolio that maximises returns within an acceptable risk threshold, ensuring the captive remains financially stable, is able to meet its obligations, and has the potential to grow over time.

### Can you describe the process of balancing risk retention with financial growth in a new captive structure?

**Dontas:** During the start-up phase of a new captive structure, the programme's risk retention is often lower than that of a more established entity with a larger capital base. Central to any decision-making is the captive's risk management framework, which, among other areas, assesses the entity's investment risk exposure and identifies the types of financial assets suitable to support the timing and scale of losses and operational expenses.

We work closely with our clients to produce financial analyses and projections, supporting the IPS drafting process in collaboration with the investment manager. A joint effort between the captive's board of directors and its insurance and investment managers ensures an appropriate balance between conservatism and financial growth, while safeguarding liquidity and the preservation of the captive's minimum regulatory capital requirements.

### What strategies do you use to ensure a captive's investment portfolio maintains enough liquidity to meet potential claims while still pursuing long-term growth?

**McCann:** The most effective strategy for managing investments within a new captive insurance company is a diversified, balanced portfolio comprising liquid assets for immediate claims needs and growth-oriented assets to support long-term financial stability. By combining liquid investments, short-duration bonds, high-quality corporate bonds, and equities with defensive characteristics, investment managers can maintain sufficient liquidity while also pursuing growth opportunities.

**Dontas:** As a new insurance programme is established, it is important to ensure sufficient liquidity is maintained to support the captive's claims and operational expenses. Cayman Islands licensed entities must also comply with the minimum and prescribed capital requirements of their licence classes at all times. This often includes a mandated cash balance to be maintained in a Cayman Islands banking institution. We work closely with client investment managers to establish an IPS that supports the captive's long-term objectives while meeting its short-term liquidity needs. During the start-up phase, forward-looking financial projections form the basis of these discussions, and we rely on the expertise of each captive's investment manager to assist with appropriate asset allocations that support growth in a managed and balanced way.

### What factors does GCM consider when recommending an investment manager for a new captive?

**Dontas:** At GCM, our corporate service philosophy is built on forming transparent partnerships grounded in honesty, integrity, and open communication. When we recommend investment managers to new licence holders, we prioritise service providers whose approach to client service aligns closely with our own. One of the biggest barriers to entry for new captive structures establishing an investment strategy is the minimum required investment amount. Investment managers who are able to accept a lower starting portfolio value offer clients the opportunity to begin growing their asset base earlier — a valuable support to income growth during the initial years of formation.

"A joint effort between the captive's board of directors and its insurance and investment managers ensures an appropriate balance between conservatism and financial growth"

**Jessica Dontas**
Vice president
Global Captive Management

### How has YCM's role as an investment manager evolved as the captive industry has become more complex?

**McCann:** Our role within the captive insurance industry has evolved significantly over time, shaped by changes in the regulatory landscape, market dynamics, investment opportunities, and the increasing complexity across the captive segment. Investment managers are no longer solely responsible for selecting assets; they now play a critical role in aligning investment strategies with the broader financial objectives and risk management needs of a captive.

As captives have become more sophisticated in their investment approaches, our role as an investment manager has also expanded to encompass a deeper understanding of the various associated risks.

### How does GCM see the role of technology in improving collaboration between captive and investment managers in today's rapidly changing financial environment?

**Dontas:** The role of technology has become increasingly important in streamlining reporting processes and enhancing data accuracy across the financial services industry. At GCM, one of our strategic initiatives over the next 24 months is to enhance client reporting through automation solutions. Access to real-time reporting and automated data processing enables both the captive and investment managers to focus on financial planning and analysis. This supports more informed investment discussions and tailored solutions that can evolve and adapt as the captive grows.

### What final thoughts do you have on how the collaboration between captive and investment managers can continue to evolve and support the long-term success of captive structures?

**McCann and Dontas:** The relationship between captive managers and investment managers is a vital partnership that directly influences the success of new captive structures.

Through effective collaboration, clear communication and shared objectives, these professional partnerships lay the foundation for both short-term stability and long-term growth.

As the industry continues to evolve, this relationship will only become more important, requiring ongoing adaptation and innovation from both captive and investment management professionals. ■

"Open communication between the captive manager and investment manager is essential to ensure both parties understand each other's needs, constraints, and objectives"

**Dale McCann**
Director of sales and marketing
Yousif Capital Management

# A competitive organisational edge

## As global uncertainty persists, effective risk management, including the strategic use of captives, can support better decision-making and help organisations create and protect stakeholder value

***Mark Dugdale reports***

### Managing risk in a volatile world

Amid tit-for-tat trade tariffs between the world's largest economies and multiple geopolitical conflicts, global uncertainty is at its highest since the onset of the Covid-19 pandemic. It is no surprise, therefore, that those leading risk management in their organisations are 'very involved' or 'somewhat involved' in strategic decision-making, according to 66 per cent of respondents in the February 2025 Airmic Big Question survey.

The survey predates the US's introduction of tariffs in April and the subsequent shocks to financial markets. Nevertheless, it offered additional insight into a trend highlighted in the October 2024 World Economic Forum (WEF) report on the outlook for chief risk officers, which noted that 95 per cent of respondents believe an effective risk function provides a competitive organisational edge.

Julia Graham, CEO of UK risk management and insurance association Airmic, explains why these trends have emerged: "In the current somewhat chaotic and uncertain global context, effective risk management will enable better decision-making, leading to enhanced stakeholder value creation and protection.

"There is an upside and a downside to most risks, and geopolitical risk is no different. Risk professionals must be able to step up to help their organisations anticipate emerging geopolitical risks and to support informed decision-making. To do this they must have the necessary information, knowledge, and skills to help their organisations seize opportunities, cushion the impact of crises, and enhance growth potential where possible."

The WEF report also noted what Airmic described as "lingering cynicism" about whether risk management can contribute to strategic opportunities for businesses. The WEF report said that 47 per cent of chief risk officers 'agreed' or 'strongly agreed' that "the risk function can block innovations or growth initiatives based on its risk assessment".

But Graham maintains that chief risk officers "have a role in helping to synchronise business reactions with external realities". She says: "To do so, they must master new technologies, understand business and technology dynamics, and partner with the business and their other business peers."

### Captive insurance as a strategic tool

Chief risk officers with a captive insurer under their remit may have an extra advantage. Graham comments: "The use of captives for the incubation of emerging risks, blended catastrophe risks and sustainability projects can directly align the use of captives to the strategies of organisations in an increasingly connected, complex and fast-moving world."

Nancy Gray, regional managing director for captive and insurance management at Aon, says that captives play a crucial role in executive decision-making, particularly when it comes to aligning short-term risk management with long-term business objectives. As she puts it: "Captives are tools for organisations to manage risk retention and risk transfer."

She points out that the advantages of a captive become especially apparent during challenging market cycles. "During hard market conditions when capacity is limited and risk transfer pricing is cost prohibitive, a captive can be utilised to fill gaps or provide additional capacity to reduce total cost of risks," Gray explains.

However, she adds that the value of a captive does not diminish when conditions soften. "When market conditions ease, captive retentions can be analysed to determine whether an organisation should change its risk retention strategies," she says.

Gray also emphasises the long-term strategic role of captives. "A captive should also be part of an organisation's long-term business goals to mitigate and manage risks through loss prevention and loss control programmes," she says.

A captive insurer can also help its parent organisation pursue new opportunities or markets while effectively managing associated risks.

Gray says: “A captive can provide capacity for their own risks that are difficult to insure or risks that are uninsurable, such as wildfire or earthquake.

“There are certain third-party risks that organisations may understand better than traditional markets — such as supplier risks, customer risks, or employee risks. For these types of exposures, an organisation can utilise its captive and create a profit centre.”

Jonathan Habart, senior vice president of captive management at Davies and former director of captive insurance at the Tennessee Department of Commerce and Insurance, points out that, at its core, a captive insurer represents a strategic decision to manage your own risk rather than go to the market.

He explains: “One of the client sayings I have picked up is, basically, since we have to pay for our risk anyway, whether it is in the market through increased premiums or through a captive, we might as well just pay for the straight risk. That’s their captive philosophy.”

When it comes to balancing immediate risk concerns with long-term organisational goals, Habart says: “First things first, you need to know what your company’s goals are. What are your goals for the captive and what are your goals for managing risk? What is your risk appetite and at the end of it, what is on your balance sheet and what can you manage yourselves? Captives are a self-financing mechanism, ultimately you own it, it is your risk, you are taking that risk on, and can your captive help achieve your company’s goals?”

## Measuring captive performance

It is possible to build on that strategic decision and shape a captive that best serves the organisation. Reflecting on his time as a regulator, Habart says he regularly raised this topic with captive leadership during in-depth state exams, which are held every five years. These meetings provided an opportunity to sit down with organisational leaders — such as presidents and chief risk officers — and discuss the performance and scope of their captives.

He explains that he would always ask about operations, a practice he has continued at every board meeting with his clients: “I would ask whether there is any other line of business they could insure with the captive. For example, if the captive is covering workers’

"Risk professionals must be able to step up to help their organisations anticipate emerging geopolitical risks and to support informed decision-making"

**Julia Graham**
CEO
Airmic

comp, could it also cover property? Are the limits and rates right? Are current coverages the right fit for what the captive is doing?"

Regular review is essential, Habart says, urging organisations to consider whether their captive operation is truly meeting their needs and to identify what other risks the captive could help manage.

He also highlights the importance of surplus management. Organisations, he suggests, should assess whether to hold on to surplus, issue a dividend, or use it to manage additional risk. "I know many captives that have added new lines as surplus has built up, having started out with the intention of doing that," Habart notes. As surplus increases, captives are able to accommodate higher levels of risk — a key consideration for any growing captive, he says.

Echoing this view, Gray adds: "A captive should always be part of an organisation's broader strategic initiatives. On a regular basis, organisations should assess their risk tolerance and risk retention strategies to ensure proper alignment to reduce total cost of risks."

Moving forward, organisations must measure the success of their captive in contributing to their overall risk management strategy and strategic objectives. According to Gray, both quantifiable and non-quantifiable measurements should be considered when assessing a captive's performance.

Quantitative measures focus on whether the captive has helped reduce the organisation's total cost of risk. This is typically evaluated by reviewing the strategy for combining risk retention and risk transfer, and understanding how this approach impacts the company's overall risk expenses.

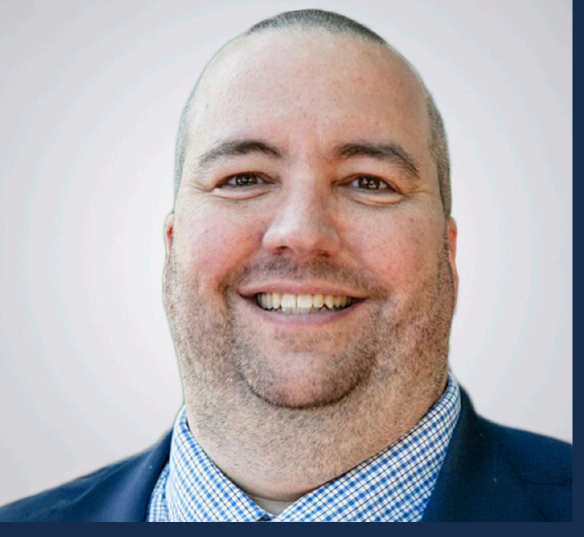
Gray also notes that a captive's value extends beyond internal cost savings. She points out that captives can be leveraged to influence external markets' pricing, either by serving as an alternative to traditional insurance capacity or by providing access to additional markets as reinsurance to the captive.

Despite some chief risk officers viewing the risk function as a block to innovation or growth initiatives, Habart is seeing strong awareness of and interest in captive insurance as a strategic opportunity. He notes that, since entering the insurance industry in 2016 — most of it spent working with captives — he has witnessed the market continually evolve.

"In the past, you had to go out and find interest," he explains. Now, however, companies are proactively seeking out captive solutions.

**"Since I started, we have more than doubled the number of captives globally and, with the way the property market has been, we have been booming"**

**Jonathan Habart**
SVP of captive management
Davies



He attributes this shift partly to executives who have used captives in previous roles, word of mouth among peers, and brokers increasingly incorporating captives into risk management strategies.

Habart points to the dramatic rise in captives globally, alongside the growing number of jurisdictions promoting them as a viable structure.

"I used to say that captive insurance was not a niche market, it was a sliver, but it has grown. Since I started, we have more than doubled the number of captives globally and, with the way the property market has been, we have been booming — here at Davies and so have our competitors," he says.

He adds that organisation leaders are increasingly taking note of these developments and are asking how captives might work for their own businesses.

Meanwhile, Graham believes that managing risk is essential for organisations looking to seize growth opportunities, but warns that the rigidity found in many risk management and internal control frameworks can sometimes "inhibit thinking and flexibility". She notes that tools like risk registers and heat maps, while important, can become obstacles if used in a formulaic way.

She emphasises that risk professionals must "be responsive to the pace and nature of change and continuously encourage organisations to consider adjustments in their activities to reflect the changing purpose, culture, and risk appetite of the business."

Graham adds that they must also have the courage to "speak up with informed and timely recommendations for collectively adjusting their approach when there are signals indicating a change is needed".

Graham notes that Airmic is helping organisations overcome scepticism about risk management's ability to drive strategic opportunities by bringing together risk professionals, insurers, and business leaders.

She explains that the association is "harnessing its unique convening role in bringing not just risk professionals and the insurance industry around the table, but crucially also the businesses and organisations which our members help to lead and navigate."

For Graham, "engagement is key here for businesses and organisations to understand how risk management can help them drive strategic opportunities," whether through roundtables, special interest groups, forums, or online channels. ■

**"A captive should always be part of an organisation's broader strategic initiatives"**

**Nancy Gray**
Regional managing director for captive and insurance management
Aon

# Collateral Trust Services

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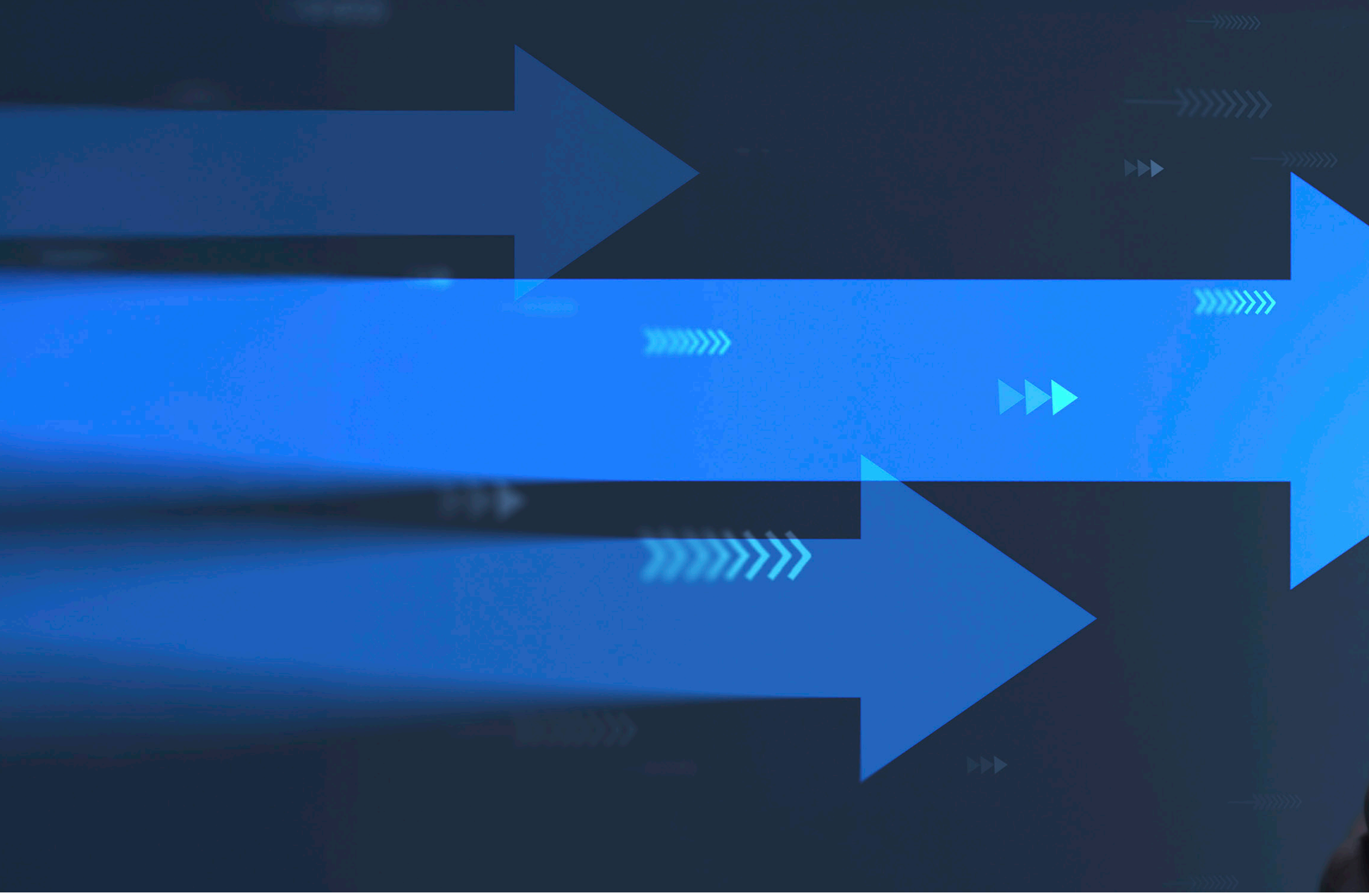
# A captive domicile on the rise

Travis Bowden, chairman of the Georgia Captive Insurance Council, speaks with Diana Bui about how legislative reforms, strategic economic advantages, and proactive regulatory support are positioning the jurisdiction as an emerging domicile for captives in the US



Long known for its influential role in the civil rights movement, its vibrant film industry, and as the home of iconic brands such as Coca-Cola, Georgia is now building a reputation in a very different arena: captive insurance.

Over the past decade, state policymakers in Atlanta have streamlined regulation, reformed financial laws, and provided tax incentives, creating a regulatory environment competitive with established captive hubs such as Vermont and Bermuda.

"Part of the growth is due to Georgia's vibrant economy," says Travis Bowden, chairman of the Georgia Captive Insurance Council (GCIC) and former captive supervisor at the Georgia Department of Insurance. "Georgia hosts several industry leaders. Another reason for this growth is the cap on premium taxes at US$100,000. Georgia also offers many competitive options with structuring and with lines of authority."

## Legislative breakthrough

Georgia's captive insurance momentum received a significant lift in May 2025 when Governor Brian Kemp signed House Bill 348 (HB 348) into law. It marked the first major legislative support for Georgia's captive sector since 2019. The bill expanded reinsurance options for captive insurance companies and broadened the scope of permissible lines of authority — previously confined to six categories — to include any line approved by the insurance commissioner. Supporters say the changes will enhance Georgia's competitiveness as a captive insurance domicile.

"By signing HB 348 into law, Governor Kemp has once again helped to strengthen Georgia's commitment to the financial services industry," says Bowden. "This bill comes at an ideal time as the GCIC works to revitalise the Georgia captive insurance industry."

Bowden says the measure received strong legislative backing, with clear support for expanding self-insurance and risk retention options. "Captive insurance companies and risk retention groups continue to drive the conversation of risk management options in Georgia," he says. "Other domiciles around the world have noticed that Georgia captives are back."

The bill also enhanced access to global reinsurance markets and introduced more flexible financing structures. "Captives may now explore lines of authority that the Commissioner may deem

"Other domiciles around the world have noticed that Georgia captives are back"

permissible," Bowden explains. "The previous strict language hindered interest from several filers exploring Georgia who wanted something more customised."

## Economic advantages

Georgia's captive insurance industry benefits significantly from its robust economic environment. Ranked consistently as one of the top states for business in the US, Georgia offers a mix of economic stability, business-friendly regulation, and financial incentives, attracting companies seeking captive structures.

Georgia's regulatory framework, marked by experienced supervisors and streamlined processes, complements its economic appeal. A capped premium tax of US$100,000 offers predictability for large programmes, making the state particularly attractive to major corporations.

"Georgia has one of the largest economies in the country and has been ranked as the number one state to do business in the US for the last 11 years," says Bowden. "The largest companies are here, and the emphasis on financial services, particularly insurance, is strong here. My former colleagues at the Georgia Department of Insurance have a wealth of training in every line of authority. Georgia Governor Brian Kemp and his team are also experts in recruiting numerous industries to relocate here. That is also a captive insurance driver."

The state's location is another selling point. With access to major airports and a strong logistics infrastructure, Georgia makes it easier for national and international firms to manage captive operations. Atlanta's emergence as a financial hub has also supported the development of professional services — legal, actuarial, and consultancy — that captives depend on.

## A bright future

The GCIC remains actively engaged in promoting Georgia's captive potential nationally and internationally. Bowden is currently developing additional legislative proposals aimed at further simplifying captive formation and embracing new innovations such as digital asset collateralisation.

"There is already another modernisation I am speaking with our lawmakers about for next session that will continue Georgia's economic growth in the captive insurance sector," Bowden says. "This proposed legislation will also make Georgia an even more competitive place to self-insure. I expect to have an announcement on that in the next few months as my talks with House and Senate leadership continue."

Education remains a key priority for the council. "While captive insurance has existed for decades, several business owners and executives don't understand the widespread use of the captive mechanism, the types of structuring, and the ability to customise the abilities and utility of a new formation," Bowden explains. "This is often addressed by communicating the ability to maximise coverages and options to those seeking a formation in Georgia."

Bowden says that many large companies in Georgia operate captives with an emphasis on industrial needs for property and casualty. "Many of these captives have remained active since their initial formation in the large influx of formations in the mid-2010s," he notes.

"Professional service captives working within the casualty line for those in medicine and health have also been represented. Another common captive type is small to mid-size pure captives operating with family-held businesses that work within real estate and industrial sectors."

The scope of risks being covered is also expanding. Cyber, employee benefits, business interruption, and environmental liability are now being written into captive programmes in Georgia. This trend mirrors broader developments in the US market, where the flexibility of captives is increasingly used to cover volatile or hard-to-place risks.

Looking ahead, Bowden expects growth to continue. "As Georgia is one of the country's largest economic engines, we are always looking to find new ways to grow our international presence as a captive domicile," he says.

"We have ideas to help with this industry growth in part through modernised legislation and through the recruitment of new industry and new captives looking for an alternative to their current domicile. Those talks are always ongoing."

On emerging risks, Bowden says: "It is crucial to communicate to filers that while captives allow for customisation, there's still a regulatory standard that must be met and adhered to at all times. By working to calibrate the expectations of regulatory requirements toward filers and offering creative solutions for bespoke self-insurance, we can ensure that filers know what a strong captive application looks like in this domicile."

Recent years have seen a rise in the complexity of exposures businesses face, from cyberthreats and supply chain fragility to reputational and ESG-related risks. As a result, regulators are sharpening their expectations, and captive managers must navigate both innovative risk structures and compliance obligations. Georgia's approach, according to Bowden, is to support this balance with clear, informed guidance.

He also sees potential for Georgia to develop thought leadership in this space. "Georgia has a real opportunity to lead — not just follow — in developing best practices for risk retention and alternative risk financing," he says.

"We want to be known not only for welcoming captives but for helping them thrive."

"Over the next five years, I would like to see Georgia continue to grow its presence as a captive domicile through recruitment of new companies as filers and possibly through major redomestications of large companies," Bowden says.

He points out that this kind of movement has precedent.

"It has definitely happened before with major companies moving their interests to Georgia."

For Bowden, sustainable growth will depend not just on attracting new business, but on keeping Georgia's legislation up to date. He stresses the importance of staying aware of broader industry shifts.

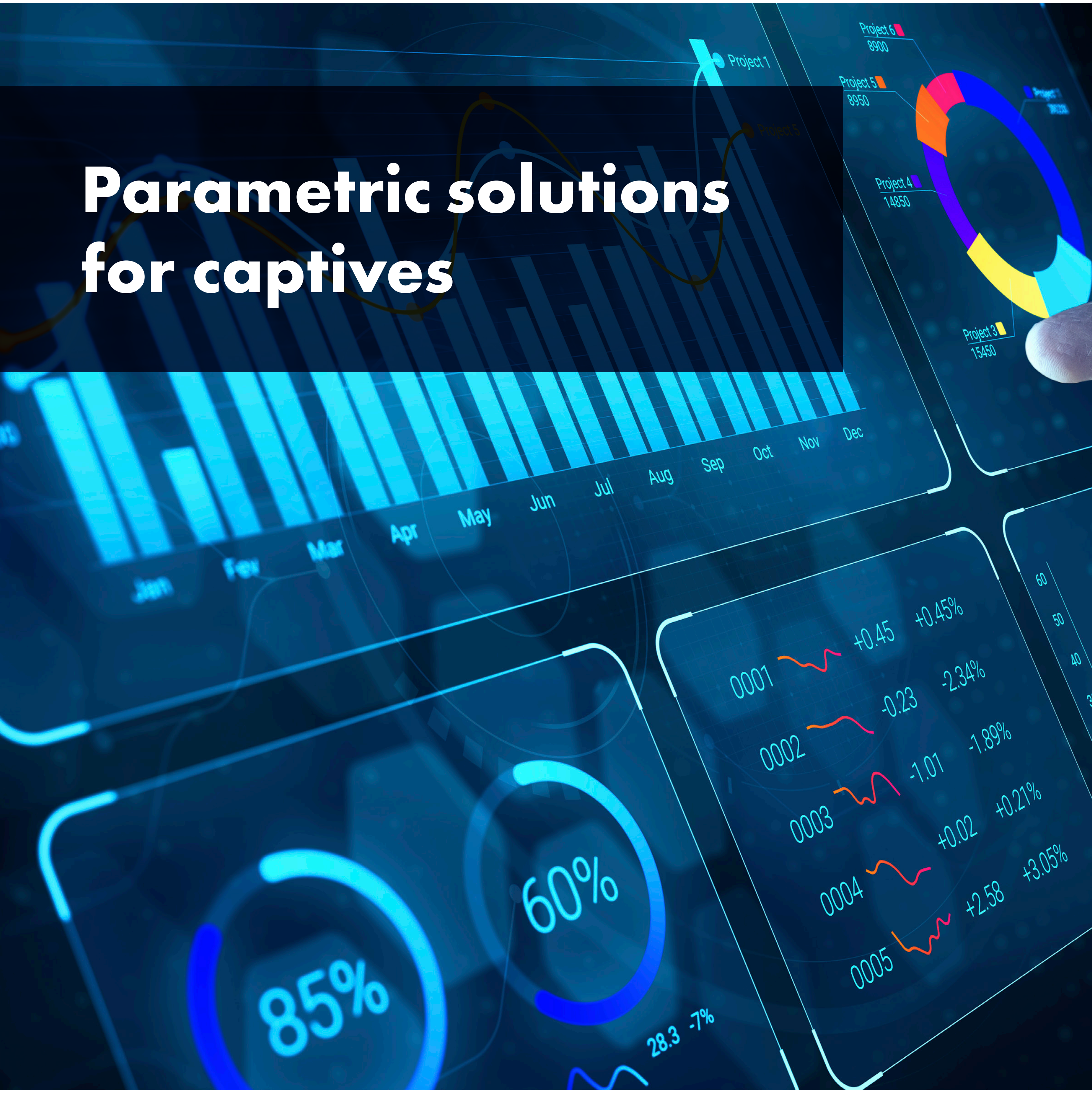
"I would also like our legislation to be reviewed and innovations used by other states examined to see if they can also be implemented to help Georgia add to its captive insurance roster of entities," he says.

"The work is ongoing, but it's exciting to see the captive insurance sector in Georgia grow once again." ■

"As Georgia is one of the country's largest economic engines, we are always looking to find new ways to grow our international presence as a captive domicile"

**Travis Bowden**
Chairman
Georgia Captive Insurance Council

# Parametric solutions for captives




## Industry experts gather to examine the surge in parametric insurance adoption among captives, spurred by escalating climate volatility and emerging risks

*Diana Bui investigates*

The global parametric insurance market, valued at US$16.2 billion in 2024, is projected to reach US$51.3 billion by 2034, reflecting a 12.6 percent annual growth rate over the next decade, according to the latest forecast from Research and Markets.

As climate threats increase and traditional insurance markets come under pressure, companies around the globe are exploring more efficient and transparent ways to manage risks. One increasingly popular solution is integrating parametric insurance into traditional programmes. Rather than reimbursing actual losses, it pays out based on predetermined, index-based triggers.

### Inside the parametric model

Parametric policies are simple in concept. Once independent data confirms that a trigger threshold is breached, a predefined sum is released — often within a short period. Martin Hotz, head of Parametric Nat Cat at Swiss Re Corporate Solutions, describes the key strengths as speed and flexibility.

"In a parametric insurance policy, the loss is pre-agreed," he explains.

"This allows for very fast claims payments, within days to a few weeks of the covered event, after a pre-agreed parameter — which serves as loss proxy — has been reported and confirmed."

He adds that "there are no exclusions, and physical damage is not required." As a result, parametric solutions are increasingly being used to address losses that are otherwise uninsurable or underinsured. This approach supports insurers, including captives, by offering highly liquid instruments that complement indemnity policies.


Originally framed for major natural catastrophes, parametric covers now span a range of exposures including drought, wildfire, crop failure, and pandemic disruption. The expansion has been driven by advances in technology in recent years, like the integration of Internet of Things (IoT) sensors, satellite imaging, and big data analytics.

However, the effectiveness of this approach rests on a foundation of rigorous, comprehensive analytics, requiring continuous refinement of data models and validation processes to ensure trigger accuracy and reliability. Randy Liu, principal consultant at NexFrontier Risk Intelligence, warns that many insurers still rely on traditional catastrophe models as opaque ‘black boxes’.

He notes that these legacy tools often fail to reflect fast-changing climate patterns and secondary hazards.

“Over-reliance on vendor models limits the adoption of new data sources,” Liu explains, as he highlights a critical gap in internal expertise for validating external outputs.

To close these gaps, Liu recommends integrating parametric analytics with advanced data streams and dynamic modeling techniques. He further illustrates the transformative potential of this integration by contrasting established methods with newer, agile approaches.

While traditional catastrophe models have long served as the backbone of underwriting, portfolio management, and regulatory reporting, they remain inherently static and not forward looking enough. At the same time, much of the current innovation is coming from newer players.

“These advancements offer a step-change in capability. Insurers and captives are no longer limited to static, backward-looking assessments; they can now monitor how natural catastrophe and climate risks evolve dynamically — month to month, season to season — instead of waiting for the next five-year model release. With this more granular and timely intelligence, organisations can adjust their risk strategies faster and with greater precision.”

In addition, Paul Ramiz, associate partner of Parametric Solutions, Augment Risk, notes that parametric risk transfer is both cost-effective and transparent, with minimal paperwork and short claims processes. He highlights that these covers are especially useful for property damage, business interruption and non-damage business interruption, offering flexible tools that align well with traditional programmes.

Hotz agrees that the value of parametric insurance lies in its clarity and reliability: “Clients benefit from a much broader palette now of perils that can be covered, on the basis of analytical advancements and a thriving market ecosystem.”

He also notes that “the parametric insurance policy is typically not designed to replace, but to complement an indemnity-based policy” — it fills in the gaps where traditional coverage may fall short, such as for non-damage events or delays in payout.

Meanwhile, Liu adds that more attention must be paid to evaluating how well these structures perform in practice, particularly in aligning payouts with actual loss outcomes.

He insists insurers conduct continuous back-testing, matching trigger events to real loss data and fine-tuning analytics to keep basis risk tight and ensure payouts stay aligned with reality.

## Innovation and market momentum

Alejandro Solorzano, associate partner of parametric solutions at Augment Risk, points out that AI is reshaping parametric trigger design by enabling captives to simulate complex scenarios and fine-tune structures with unprecedented precision

“Parametric covers enable the efficient transfer of catastrophic risks into captives using clear, predefined triggers,” he says, adding that this approach “improves liquidity and payout speed” and renders captive capital more fungible across diverse exposures. In Solorzano’s view, these innovations have fostered “a more resilient and transparent risk-financing strategy,” aligned with the growing need for agility in today’s volatile environment.

These advancements have coincided with a transformation in how parametric solutions reach risk managers. Digital marketplaces and insurtech platforms now offer streamlined policy placement, real-time exposure tracking and plug-and-play dashboards, reducing administrative friction and broadening access.

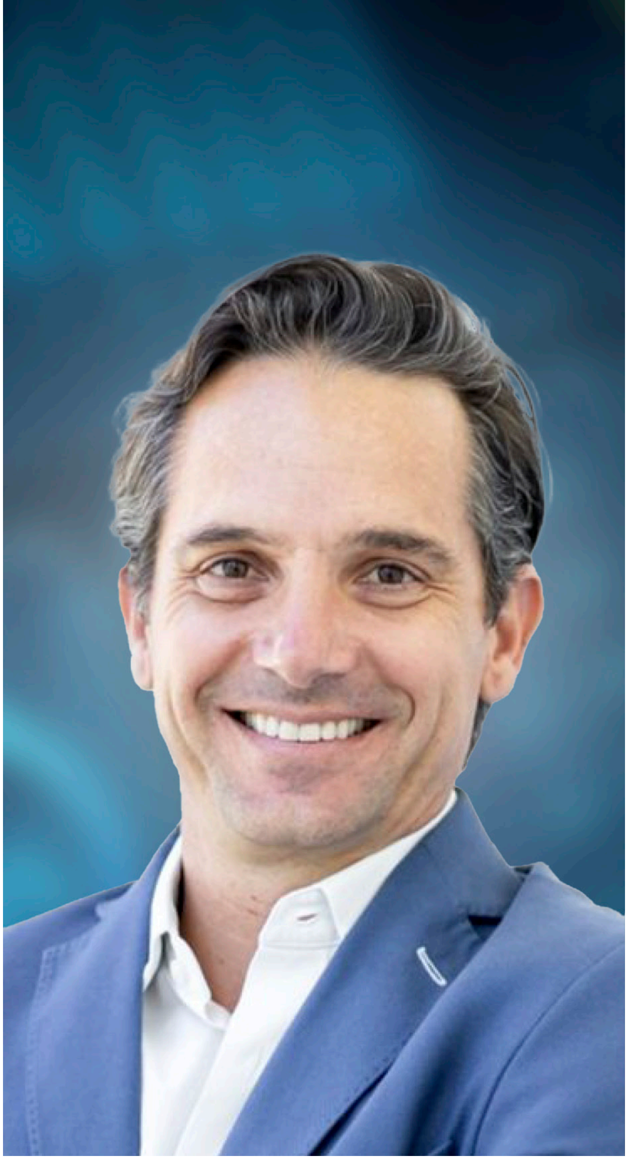
New data providers are also entering the game, leveraging high-resolution satellite imagery, AI-driven geospatial mapping and live climate feeds. This enriched data ecosystem empowers underwriters to monitor exposures in near real time, bypassing the multi-year wait for model updates while keeping trigger thresholds in step with shifting risk patterns.

**"Clients benefit from a much broader palette now of perils that can be covered, on the basis of analytical advancements and a thriving market ecosystem"**

**Martin Hotz**
Head of Parametric Nat Cat
Swiss Re Corporate Solutions

"Parametric covers enable the efficient transfer of catastrophic risks into captives using clear, predefined triggers"

**Alejandro Solorzano**
Associate partner for parametric solutions
Augment Risk



Liu highlights how the convergence of AI, remote sensing and dynamic hazard modelling is taking this a step further.

"One of the most promising developments is the packaging of these capabilities into digital twin models — virtual representations of assets, portfolios or entire geographies that can simulate risk scenarios in near real time," he says. Such digital twins allow insurers and risk managers to test mitigation strategies, optimise risk-transfer structures and watch climate risks unfold dynamically, rather than relying solely on historical assumptions.

Energy and utility companies were among the first buyers of parametric solutions, hedging against adverse conditions such as lower wind speeds, reduced rainfall or suboptimal solar radiation — events that cause financial loss without physical damage.

"These situations don't cause any property damage, but financial losses," Hotz explains. "A classic example of how parametric insurance can provide risk transfer while there's no physical loss to adjust."

He adds that parametric solutions have proven adaptable across sectors: "With more than 400 live policies in our global portfolio, we probably have clients from every conceivable industry. What unites them is their risk exposure and the realisation that it's smarter to transfer risks with a liquid and highly transparent cover, instead of retaining these risks in full."

Based on Swiss Re's latest research, global insured natural catastrophe losses are growing at a steady annual rate of between five and seven percent. As supply chains stretch into hazard-prone regions, many companies find that conventional indemnity policies no longer match their evolving risk footprint.

"Most of their assets are now intangible — and indemnity cover is good for tangible assets where loss can be adjusted — yet supply chains are increasingly complex, often resulting in goods being sourced from exposed areas overseas," Hotz says. "These are some situations where captive managers turn to parametric insurance to obtain natural catastrophe reinsurance coverage."

In parallel, insurers are exploring parametric solutions for secondary perils and supply chain disruption. Steve McElhiney, partner for Captives and Alternative Risk Transfer Solutions at Augment Risk, notes that while most enquiries still centre on natural catastrophe perils, there is growing curiosity about general business risks. "The product is definitely of interest," he says.

“Chief finance officers already hedge currencies and interest rates; parametric provides a natural extension for concentrated risk exposures.”

McElhiney highlights zonal structures that protect clusters of assets across a region from a single event, parametric layers that shore up storm deductibles and sub-limits, and emerging covers for secondary perils. He emphasises that additional education is needed for captives to fully grasp the potential.

As parametric solutions proliferate, regulators are taking notice. In New York, Governor Kathy Hochul signed Assembly Bill 10344 (A10344) in December 2024, amending the insurance law to explicitly define and regulate parametric products, establish requirements for trigger documentation and require carriers to maintain transparent audit trails for parametric payouts.

Meanwhile, the European Insurance and Occupational Pensions Authority (EIOPA) published an Opinion in November 2024 urging national supervisors to adopt proportionate, risk-based oversight of captive and parametric programmes. This guidance encourages member states to recognise parametric instruments within solvency calculations and to ensure consistent reporting standards. “Most regulators by now clearly see the benefit parametric insurance brings to improving financial resilience, and also explicitly endorse it,” Hotz says.

He explains that compliance with standard checks — such as insurable interest verification — is fundamental. To guard against unjust enrichment, policies feature a succinct loss confirmation step, and nominal policy amounts typically mirror the captive’s self-insured retention, preventing concurrent coverage overlap and keeping structures lean and transparent.

## What is next for captives?

Setting parameters for volatility has transformed parametric insurance from a novel experiment to an essential asset of most insurers' toolkits, including captives. From a capitalisation perspective, parametric claims deliver agreed-value payments that captives can deploy in versatile ways.

Ramiz explains that fungibility is now at the heart of parametric design: “Claims can cover property damage, business interruption and critically, non-damage business interruption, there is a clear need for the products to sit alongside and complement traditionally placed lines.”

He observes that there is an existing market that is hungry for captive risk, on a parametric basis, that is under utilised.

“It should be a fundamental tool in the tool kit for captive management when it comes to risk transfer, certainly in the Nat Cat space,” Ramiz adds.

He also emphasises that structuring parametric programmes is a collaborative, iterative exercise: “This is a critical question: captives can do it alone, or they can work with a broker,” he stresses.

Ramiz says: “It requires client data to understand the risks we protect parametrically, and they rely on our expertise to structure an efficient solution.”

Meanwhile, Solorzano believes parametric solutions will transform captives over the next decade, evolving them from passive retention vehicles into proactive platforms for liquidity management and balance-sheet resilience.

“Parametric solutions should be viewed as a core tool for diversification and capital efficiency, not just a niche product,” he states. His advice for captives is clear: go beyond traditional perils to cover non-damage business interruption, supply-chain exposures and emerging risks; leverage internal and external data to tailor precise, responsive triggers; and link those triggers directly to real economic losses.

Solorzano also urges captives to think globally, structuring covers across entities and geographies to optimise capital use, and to integrate parametric covers into ESG and sustainability strategies. He foresees that, as historical data improves and modelling frameworks mature, parametric structures will unlock new reinsurance and insurance linked securities capacity for risks that were once considered uninsurable.

In a world marked by rising climate volatility and emerging risks, parametric insurance empowers captives to shift from reactive measures to proactive risk management.

The convergence of data science, climate modelling, and insurance innovation is driving this transformation and paving the way for wider adoption in the near future.

For captives, unparalleled insights into their parent companies' exposure and loss histories not only bolster resilience but also enable the creation of customised, data-driven strategies that address real-world challenges. ■

**Hartley Hartman**
Business development manager for captive insurance
Risk Partners

# Curiosity, captives and career growth

Risk Partners' Hartley Hartman speaks to Diana Bui about his unexpected entry into the captive space, the power of mentorship, and how staying curious and engaged helps him shape bespoke solutions for clients across industries

**Can you tell us a bit about your journey into the captive insurance industry? What initially drew you to this field?**

Like many in the captive space, I did not set out to build a career here — it found me. During my junior year of college, I stumbled upon a part-time internship with AIG, which was known as Chartis at the time, in Burlington, Vermont. I did not know much about insurance, let alone captive insurance, but I took a chance and applied. That internship turned into a full-time job post-graduation and introduced me to a fascinating world of alternative risk solutions. What really drew me in — and what has kept me here — is the flexibility and creativity captives allow. Every client, every solution is different, and that dynamic nature really fuels my curiosity and keeps me engaged.

**What does your day-to-day role look like, and what has been the most rewarding project or achievement in your career so far?**

As manager of captive business development at Risk Partners, my role centres on crafting and executing captive strategies that align with our clients' broader business goals. I am also deeply involved in expanding awareness and understanding of captives across industries.

One of the most rewarding aspects of my work has been guiding clients from scepticism or confusion to confidence — watching them realise how a captive can truly transform their risk management approach. On a broader scale, I am proud to contribute through my roles with the International Center for Captive Insurance Education (ICCIE), the Tennessee Captive Insurance Association (TCIA), and the South Carolina Captive Insurance Association (SCCIA), where I help strengthen and educate the next generation of captive professionals.

**Have you faced any significant challenges in your role, and how did you overcome them?**

One of the biggest ongoing challenges I face is educating others about captives. Captives are often misunderstood or seen as too complex. Helping clients understand their purpose and value requires patience, clear communication, and sometimes a bit of myth-busting.

I have found that demystifying the process and focusing on real-world outcomes — cost savings, control, flexibility — can be incredibly effective. Staying active in industry associations and continuing to teach through ICCIE also helps others stay sharp and informed, which is key to navigating complex client conversations and evolving market demands.

**What do you enjoy most about working in the captive insurance sector, and how do you see the industry evolving in the coming years?**

I love the problem-solving aspect. Captives give us the tools to design customised, forward-thinking solutions for risk financing, offering options that are not always available in the traditional market. The collaboration within the captive community is another highlight. It is a tight-knit industry that thrives on shared knowledge and innovation.

> *"I looked to recruit Hartley for Risk Partners because he had the outgoing personality, the building block experience from captive management and captive auditing, and he was already working on associations and speaking at conferences. He has only developed further in the three and a half years we have worked together and he is well positioned to be an industry leader now and for decades to come."*
>
> ***Gary Osborne, vice president, Risk Partners***

Looking ahead, I see continued growth in the use of captives for emerging risks such as cyber, supply chain, and environmental exposures, along with a rise in medical stop-loss applications. Technology and data analytics are also game changers, allowing us to make better, faster decisions for our clients.

### What advice would you give to other young professionals considering a career in captive insurance?

Explore it! Captive insurance is still a bit of a hidden gem — there is tremendous opportunity for growth, learning, and advancement. It is a field that welcomes diverse backgrounds, whether you come from accounting, law, underwriting, or consulting.

I also recommend getting involved in industry associations, seeking mentorship, and pursuing designations like the Associate in Captive Insurance (ACI). Those are great ways to gain credibility, build your network, and discover all the directions your career can take within this space.

### Are there any mentors or colleagues who have played a significant role in your development?

Yes, I was lucky to have a fantastic mentor during my early years in the industry who really helped me understand the intricacies of captives and the potential they offer. That early guidance laid the foundation for my entire career.

Since then, I have continued to learn from peers, clients, and colleagues across the industry — many of whom have generously shared their knowledge and experience. It is one of the things I love most about this industry — there is always someone willing to help you grow.

### How do you continue to grow your knowledge and skills within such a specialised industry?

I am a big believer in continuous learning. I stay active with ICCIE, where I teach and learn from others.

I also serve on committees and boards, which keeps me connected to new developments and emerging best practices.

Conferences, webinars, and even informal conversations with peers are constant sources of insight. Because the industry is always evolving — regulatory shifts, new risks, innovation — there is never a shortage of opportunities to grow. ■

### *Personal bio*

*Hartley Hartman is an energetic professional in the captive insurance space, die-hard Green Bay Packers fan, and firm believer that life should be a balance of professional purpose and personal adventure.*

*Hartley started his career as a staff accountant with AIG Captive Management Services in Burlington, Vermont. From there, he advanced into increasingly strategic roles at Johnson Lambert, honing his expertise in insurance and accounting. In 2021, he brought that knowledge to Risk Partners, where he now serves as business development manager, working closely with clients to develop and implement custom captive insurance strategies aligned with their long-term risk goals.*

*Originally from Vermont, Hartley relocated to Charleston, South Carolina, in 2016 and quickly fell in love with the Lowcountry lifestyle. When he is not immersed in captive structures or speaking at conferences, you will find him on the golf course, checking out the local craft beer scene (and brewing his own), or hopping on a plane to catch a concert from one of his favorite bands. A lifelong Packers fan, he is always up for traveling to a good game or a great show.*

*Community involvement is another important part of Hartley's life. He has regularly volunteered with youth mentorship programmes and the American Red Cross in both Vermont and South Carolina.*

# Industry Appointments

## HDI Global names McDowell to lead captives sales

HDI Global SE has appointed Phil McDowell as global sales and distribution lead for international programmes and captives.

Based in London, McDowell will be responsible for strengthening relationships with global brokers and enhancing the firm's multinational insurance capabilities.

He will also collaborate with local sales and distribution teams to develop marketing campaigns aimed at reinforcing HDI Global's value proposition across local and international markets.

McDowell brings experience from previous leadership roles at RSA and Allianz, with a particular focus on multinational insurance and broker engagement.

Commenting on the hire, Melanie Windirsch, head of international programmes at HDI Global SE, says: "We are excited to welcome Phil McDowell to our team. His expertise and approach are vital as we continue to expand our reach in multinational insurance. ■

## Nevada captive council appoints new board

The Nevada Captive Insurance Council (NCIC) has elected a new executive board as it marks the retirement of two longstanding members, Bill Wetherall and Niki Neilon.

Josh Miller, CEO of KeyState Captive Management, has been elected as NCIC president, while Renea Louie, CEO of Sotera Global Management, has been re-elected as secretary.

Leon L. Rives II, chief visionary officer at RH CPAs, has been elected as treasurer.

Miller brings more than 30 years of experience in investment management and captive services to the role, having launched KeyState's captive management business in 2008. Under his leadership, KeyState manages captives in nine US onshore domiciles including Nevada, Vermont, and Delaware.

"I am honoured to lead our respected state association and build on the strong foundation laid by the board since its inception," says Miller.

Louie, who has been active in Nevada's captive space for over 20 years, says she looks forward to advancing NCIC's legislative and regulatory agenda.

"Under Nevada insurance commissioner Scott Kipper's leadership, we will support our members and bolster Nevada's prominence through key legislation and a robust regulatory framework," notes Louie.

She adds: "Commissioner Kipper's return with his staff has revitalised Nevada's appeal as a captive insurance domicile. Nevada's business-friendly policies and Kipper's proven expertise make it an attractive destination for companies seeking flexibility and efficiency." ■

## BIBA appoints Caroline Barr as incoming Chair

Caroline Barr has been named the next Chair of the British Insurance Brokers' Association (BIBA), succeeding Jonathan Evans at the end of 2025.

The announcement was made today by BIBA CEO Graeme Trudgill during his opening address at the BIBA Conference 2025.

Barr is currently a non-executive director at BIBA and will become the association's first female chair.

She has sat on the BIBA main board for six years and currently chairs its Access to Insurance Committee, which leads work on signposting and financial inclusion.

Her previous roles include deputy director at HM Treasury and membership of the Financial Services Consumer Panel. She is also a non-executive director at BlackRock Life.

Speaking at the conference, Barr said she was proud to take on the role and committed to continuing the momentum built under Evans' leadership. ■

## WTW appoints Leclere to lead French captive team

WTW has appointed Edwina Leclere as associate director of captives and insurance management solutions for France.

Leclere will lead the firm's captive growth strategy in the French market and build a dedicated management team based in Paris.

The new team, housed within WTW's Risk and Analytics division, is created in response to increased client demand and the growing uptake of captives in the French market. It will focus on consulting and managing captives domiciled in France, offering tailored support that aligns with the evolving risk profiles of parent companies.

WTW's France-based team integrates actuarial, compliance, placement and risk financing expertise, supported by advanced analytical and modelling tools.

Leclere's role will include developing the management platform and strengthening WTW's position in France's alternative risk financing sector. She brings over two decades of experience in insurance and reinsurance, including 12 years in international roles.

Her previous positions span PwC Luxembourg, ONEY Group and BPCE, where she managed insurance operations, transformation initiatives, and captive deployments across Europe.

Nick Dussuyer, managing director of WTW France and head of Corporate Risk and Broking for France, highlights: "Edwina Leclere's arrival illustrates our commitment to addressing the current challenges of French clients and the growing market interest in these solutions. Her experience and past achievements are assets to confirm and continue our development as one of the leaders in this field." ■

## Hiscox names Peter Clarke as new Chair

International specialist insurer Hiscox has appointed Peter Clarke as chair designate, effective from 1 July.

Clarke joined the board on 1 June and succeeds interim chair Colin Keogh, who is stepping down from the board the following month.

A qualified solicitor, Clarke brings significant experience across executive and non-executive roles in financial services companies. He spent two decades at Man Group, where he served as both group chief financial officer and CEO.

Clarke has also held non-executive positions at Axa Investment Managers, Sainsbury's Bank, and most recently served as chair of Lancashire Insurance Holdings for seven years.

He currently chairs investment firm Redwheel and sits on the US, European and Swiss boards of Lombard Odier Asset Management. ■

## Almond named new president and CEO of NCCIA

Zach Almond has been named the next president and CEO of the North Carolina Captive Insurance Association (NCCIA), effective from 1 October.

He was introduced during the opening plenary of the 2025 NCCIA Annual Conference, held this week.

Almond currently serves as partner at Almond Miner Government Relations, where he has lobbied for clients including NCCIA and supported business development and strategy for a range of organisations.

His background includes public service, political consulting, and lobbying, having been elected to the Stanly County Commission at age 23.

## Lloyd's names Tiernan as next CEO

Lloyd's has appointed Patrick Tiernan as CEO, with his tenure set to begin on 1 June. Tiernan, selected by the Council of Lloyd's, succeeds current CEO John Neal, who has held the post since 2018. He currently serves as Lloyd's chief of markets, a role he took up in May 2021, where he oversees underwriting, claims, market oversight, international regulation and innovation initiatives including Lloyd's Lab and Lloyd's Academy.

Tiernan brings nearly three decades of experience in the insurance sector, including senior leadership positions at Aviva, StarStone Insurance and Zurich.He is a chartered accountant and fellow of the Institute of Chartered Accountants in England and Wales, and holds a degree in business and law from University College Dublin. ■