CIT
CAPTIVEINSURANCETIMES

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JLT and Towers Watson in $250 million reinsurance brokerage deal

Jardine Lloyd Thompson Group (JLT) will acquire the reinsurance brokerage business of Towers Watson for a cash consideration of $250 million.

The combined business will be branded for a transitional period as JLT Towers Re, before being known as JLT Re. The new business will reportedly have combined revenue of $266 million.

As part of the transaction, JLT Re and Towers Watson have entered into an alliance agreement that will ensure clients have continued access to Towers Watson's risk consulting and software services.

The agreement will also provide JLT Towers Re with continued use of Towers Watson's proprietary actuarial models and software, alongside analytical and modelling capabilities that will be acquired with the business.

Upon formal completion of the transaction, Ross Howard, who is currently head of Towers Watson's reinsurance brokerage business, will become executive chairman of the merged operation.

Alastair Speare-Cole, currently CEO of JLT Re, will become CEO of the new business.

Alan Griffin will step down as chairman of JLT Re, but will retain a board and advisory role.

Commenting on the transaction, Speare-Cole said: "We have long admired Towers Watson as one of the best reinsurance brokers in the world. Towers Watson is known in the industry as a fierce advocate for its clients with deep specialist and analytical expertise."

Howard added: "JLT offers our clients and our people a great opportunity to work with a company that shares our values and focus on clients. Together we will have the platform, market presence and support of a strong organisation to attract and retain the very best people in the market and improve our client offering."

FiscalReps launches captive advisory practice

FiscalReps has launched FR Global Advisors, an international consultancy practice that will advise captive managers on tax and regulatory compliance and operational efficiency gains.

Insurance and risk finance consultant, Stuart King will lead the practice as managing director. Asher Harris, a New York-based lawyer, will also offer his expertise to the new venture.

King has held roles with Aon, Marsh and Swiss Re. He has advised many leading corporates on insurance programme optimisation, working with brokers to challenge existing insurance arrangements and develop global risk transfer solutions.

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FM&A in Argentina joins Milliman

Global consulting and actuarial firm Milliman has strengthened its services in Latin America by partnering with Buenos Aires consultancy firm Fernando Mesquida & Asociados (FM&A)—Consultores Actuariales.

FM&A provides clients with consulting support on actuarial, economic, financial and administrative activities. Services include life insurance, general insurance, employee benefits, pensions and retirement, software, mergers and acquisitions, healthcare plans, and technical assistance.

"Milliman's client list includes many multinational insurance companies with presence in the region," said Bruce Winterhof, Milliman's life practice director."

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FiscalReps launches captive advisory practice

Continued from page 1

King said: "By providing a robust, reliable client service delivery platform which leverages the process, procedures and expertise of both FiscalReps and Asher Harris, FR Global Advisors offers our clients, regulators and tax authorities alike the assurance of continued compliance, as well as the best opportunity to improve operating margins and re-deploy resources to drive client revenue growth."

Mike Stalley, founder and chief executive of FiscalReps, said: "Together, our goal is to provide tailor-made advisory and support services to the captive industry, encompassing tax consulting, operational support, regulatory and compliance services."

"In particular, FR Global Advisors is building a suite of compliance solutions for captive management firms, enabling managers to save money on operational and compliance functions and focus their resources on serving and growing their client bases."

Harris added: "Over the past several years we have forged an extremely effective partnership with FiscalReps, offering insurers and captive management firms expert guidance on tax compliance in the US and internationally. FR Global Advisors formalises this partnership and we look forward to advising clients on a broader range of mission-critical issues."

FM&A in Argentina joins Milliman

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"With Fernando Mesquida and Hector Gueler taking a leadership role within our existing international team, Milliman is well positioned to substantially strengthen and grow its actuarial consulting and product offerings to both regional and multinational insurers in Latin America."

FM&A principal Fernando Mesquida noted: "We are delighted with this opportunity to provide enhanced services to our current clients, while working with Milliman to develop a broad based clientele across Latin America."

Barbican launches academy for the future stars of insurance

Barbican Insurance Group has created a new academy to encourage current and future insurance talent to develop their knowledge, acquire new skills, and build a long-term career within the industry.

As part of the Insurance Academy, Barbican has developed an integrated apprenticeship programme. During this structured programme, apprentices will undertake a range of training activities focusing on all aspects of the underwriting arena, as well as the insurance industry and the Lloyd's Market.

An internal placement scheme will see participants rotate across all divisions within the business.

In addition to gaining a thorough insight into the insurance market, apprentices will also complete their CII certificate, as well as achieving the L3 NVQ in providing financial services.

David Reeves, CEO of Barbican Insurance Group, said: "It is a privilege to be able to announce the launch of the Barbican Insurance Academy. The goal of this initiative is to help young professionals develop their skills and abilities, and by so doing build the solid foundations they will need not only to grow but to thrive in the insurance market of today and tomorrow."

A.M. Best rates NCMIC RRG

A.M. Best has affirmed the financial strength rating of "A (Excellent)" and an issuer credit rating of "a+" to NCMIC Risk Retention Group, based in Burlington, Vermont.

The rating actions reflect NCMIC RRG's role within the National Chiropractic Mutual Holding Company (NCMHC), the benefits derived from its affiliation with NCMIC Insurance Company (NIC) and its well-recognised brand.

CITINBRIEF

CAPTIVATING

THE CAPTIVE INSURANCE INDUSTRY

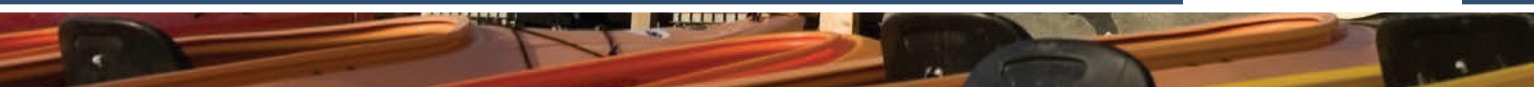
The secret is out. Not about South Carolina's pristine beaches, beautiful golf courses and warm, southern climate, but about our ideal captive insurance environment. That's because we know there's more to deciding about where to establish or relocate your captive insurance than sand, surf and sunny weather.

When it comes to the captive insurance industry, South Carolina has established an environment where you can grow and prosper. In fact, South Carolina is among the top captive domiciles in the world. All top seven captive managers have a market presence here – and it's not just because of our quality of life.

We are open to new ideas that enable this industry to thrive and we promote quality and innovation over quantity. Besides our business-friendly environment, we are on the forefront of captive insurance regulation in this country and have brought practicality to many of the regulatory standards for the captive insurance industry. And, as a dedicated partner, we work with you and the greater captive industry, to recommend laws that promote responsible development and growth.

Learn more about what makes South Carolina the ideal domicile for your captive insurance program at **www.doi.sc.gov**.

SC CAPTIVE INSURANCE



NCMIC RRG was formed in 2013 to provide coverage, limits, policy attributes and rates substantially similar to those provided by NIC for chiropractors in selected jurisdictions where rate stability has been difficult for NCMHC to secure for its members.

Alterna to offer medical captive management services

Alterna has entered into the alternative risk marketplace, focusing on providing medical professional liability to physicians, clinics, and hospital groups via one company.

Alterna offers in-house expertise in financial reporting, regulatory compliance, underwriting and policy issuance, risk management consulting and live support, continuing medical education, claims administration, and other management services including marketing, reinsurance, and web hosting.

Most group insurance facilities, such as risk retention groups (RRGs) and captives, have several third-party service providers supporting their core structure that can result in gaps in service and information sharing.

The use of third-party service providers is why "we formed Alterna with a one company approach," explained Mary-Lou Misrahy, CEO of Alterna, in a recent release.

"In addition to being able to unbundle services when wanted by the insured group, we are also leveraging our deep in-house expertise to the advantage of physicians and hospitals. This way groups have a choice to stick with their existing vendors, or they can receive all the needed expertise and service under one roof."

In the release, Alterna explained that physicians, clinics and hospitals have a variety of captive insurance structures to choose from, all with different regulatory requirements depending on the US state in which the captive is located. The participants in the captive, however, do not have to be located in the same state as the captive.

"All this can get complicated which is why the deep expertise of the captive management company is critical," added Misrahy. "It's time that physicians, clinics, and hospitals had both deep medical professional liability experience combined with captive management expertise."

Telefónica reinsurance captive gets straight As

A.M. Best Europe has affirmed the financial strength rating of "A- (Excellent)" and issuer credit rating of "a-" of Casiopea Re, the reinsurance captive of Telefónica.

Casiopea Re's ratings reflect its strong risk-adjusted capitalisation, which is underpinned by a comprehensive retrocession programme, as well as a good, albeit relatively volatile, financial performance.

Offsetting factors are the weaker domestic position of its parent company, Telefónica, which operates in a challenging macroeconomic environment and also has a high debt position.

"Casiopea Re's risk-adjusted capitalisation is expected to remain very strong over the next two years benefiting from a comprehensive retrocession programme that provides good protection to its balance sheet," said A.M. Best.

Marsh urges lawmakers to reauthorise TRIA

Peter Beshar, the executive vice president and general counsel of Marsh & McLennan Companies, testified before the US House of Representatives Committee on Financial Services on the future of the Terrorism Risk Insurance Act (TRIA).

US Congress is currently deciding whether to reauthorise TRIA, which is set to expire on 31 December 2014.

Beshar said: "We consider TRIA to be a model public-private partnership. TRIA restored insurance capacity at a critical time after 9/11 and

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Save the Date

FiscalReps' 8th Annual Indirect Tax Academy: Setting the Pace

Date: Wednesday 27 November 2013
Venue: Trinity House, Tower Hill, London EC3N 4DH, UK
Time: 08:45 – 16:00

This year marks FiscalReps' 10 year anniversary and the hosting of its 8th Annual Indirect Tax Academy.

Recently named 'Tax Advisory Firm of the Year' at the UK Captive Services Awards 2013, FiscalReps is the leading European supplier of premium tax compliance services.

Hosted by Mike Stalley FCA, Chief Executive, and supported by industry expert guest speakers, this year's Annual Indirect Tax Academy covers a wide range of topics including an Insurance Premium Tax Update, IUA discussions with the European Commission on Premium Taxes and a European Tax Compliance Case Study.

There will also be opportunity to attend breakout sessions on: -

- The Changing Landscape of Spanish IPT
- Fiscal Federalism in Italy
- VAT Issue for Captive Managers
- Non-EU Captives with EU Tax Exposures
- Rise of Eastern European IPT
- Settling Legacy Taxes
- Federal Excise Tax & FATCA
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continues to be the backbone of a healthy terrorism insurance market."

"In our judgement, the existence of a private terrorism insurance market, backstopped by TRIA, actually serves to protect the government and taxpayers from absorbing virtually all of the financial loss in the event of a terrorist attack."

Beshar's testimony came just a day after Marsh representatives shared their views on TRIA with the director of the Federal Insurance Office.

At the meeting of the Federal Advisory Committee on Insurance (FACI), Christopher Flatt, leader of Marsh's workers' compensation centre of excellence, and Aaron Bueler, managing director and leader of Guy Carpenter's workers' compensation practice and terrorism task force, presented the firm's views.

After addressing FACI, Bueler said: "The continuation of TRIA is essential. Non-renewal or a major change in the programme will negatively affect the affordability and availability of commercial lines insurance vital to the economy."

"Since TRIA's enactment in 2002, the terrorism reinsurance market has become a critical component of risk management strategy for many insurers. A dramatic change in the federal backstop could lead to a contraction in both the insurance and reinsurance marketplace."

Flatt stressed that TRIA affects the state-regulated workers' compensation market, especially in the areas of pricing and capacity.

He said: "The uncertainty in the market is causing some carriers to reduce their available capacity and aggregate exposures in large cities, and workers' compensation prices on these risks are certainly going up."

Aon also expressed its views on a TRIA extension when it called on the US government to extend the act.

Aon's call for the TRIA extension came in response to the US Treasury Department's request for comment on the long-term availability and affordability of TRIA.

In its response, Aon advised that renewal of TRIA would ensure the continuation of a functional market for commercial property and casualty terrorism coverage.

"Today's successful terrorism risk marketplace relies on the TRIA programme. TRIA minimises price volatility and coverage uncertainty. This makes TRIA reauthorisation imperative for our country and the economy," said Aaron Davis, managing director at Aon Risk Solutions.

"Should the programme expire, Aon's market intelligence suggests that more than 85 percent of insurers will no longer continue to insure terrorism risk. Ultimately, in the unfortunate event of a large-scale attack, the US government would face the full burden of the associated costs of said terrorism."

Ed Ryan, a senior managing director with Aon Benfield, the firm's global reinsurance business, said, "The main hurdle in assessing and underwriting terrorism risk is that the frequency of loss from terrorism is neither predictable nor random. Therefore, terrorism insurance is unlike any other marketplace risk. The uncertainty surrounding terror risk makes insurance coverage unique and this requires a novel approach."

A.M. Best rates LAMMICO RRG

A.M. Best has affirmed the financial strength rating of "A- (Excellent)" and issuer credit rating of "a-" to LAMMICO RRG.

LAMMICO RRG's ratings reflect its solid risk-adjusted capitalisation, strong reinsurance protection, and A.M. Best's expectation of a modest operating performance for a startup company.

Significant reinsurance support is provided to LAMMICO RRG by its sponsoring organisation, Louisiana Medical Mutual Insurance Company.

"These positive rating factors are partially offset by LAMMICO RRG's risk of adverse losses from being a start-up company, expanding into new states and the concentration risk of primarily writing one line of business in a somewhat limited geographic area," said the rating firm in a release.

The outlook is based on A.M. Best's expectation that LAMMICO RRG will have improved capitalisation and favourable operating performance going forward, as well as the potential ongoing benefits from the favourable tort environment.

Upward rating actions for LAMMICO RRG could result from long-term favorable performance on both an underwriting and operating basis and the consistent generation of surplus and maintenance of strong capitalisation.

Extra domiciles could cause slip in regulatory standards

According to a new report by Fitch Ratings, domiciles may sacrifice practical regulatory oversight to attract and maintain a minimum number of captive registrations, as the number of active locations rises.

Fitch believes that some jurisdictions may not be successful domiciles if they are unable to achieve the scale necessary to support a captive insurance regulatory infrastructure.

There is also a risk that the proliferation of captive domiciles may strain the regulatory infrastructure, as currently there are a limited number of individuals possessing experience in regulating captive insurance.

To date, two additional US states have enacted captive insurance legislation in 2013. This brings the total number of US states with captive legislation to 32, including the District of Columbia.

This represents an increase of approximately 50 percent in the number of US captive domiciles in the past 10 years. Nine domiciles license 100 or more captives but half of the current US domiciles license five or fewer captives.

"Some states view captive growth as an important potential source of revenue and some are very actively courting the captive market," said Don Thorpe, senior director at Fitch. "States will need to carefully manage the potential conflict of interest between rapid growth in captive registrations and prudent captive oversight."

Keith Buckley, managing director at Fitch, added: "While some captives will manage themselves with prudence regardless of the regulatory flexibility afforded them, Fitch suspects many would weaken their risk management if allowed by weak regulation."

Despite the risks, Fitch thinks that the proliferation of captive domiciles also potentially provides captive sponsors with a number of benefits by keeping taxes and fees to reasonable levels; by streamlining the review and approval process; and by allowing sponsors to innovate new structures and uses for captive insurance.

'Wolf of Wall Street' to speak at Cayman Captive Forum

The Insurance Managers Association of Cayman has announced that the "infamous and reformed" 'Wolf of Wall Street' Jordan Belfort will be the keynote speaker at the 2013 Cayman Captive Forum.

Belfort, who went from earning $1 million per week on Wall Street to eventually spending two years in prison for securities fraud, certainly has an interesting story to tell. It been turned into a best-selling book and has recently been adapted into a movie starring Leonardo DiCaprio and Matthew McConnaughey.

Recognising the pain caused by his actions, Belfort has committed 100 percent of the royalties from the book and the movie to compensate investors for the $200 million he wrongfully gained through his fraudulent schemes.

Belfort now takes his message on the road, delivering presentations to large and mid-sized corporations about effective and ethical sales techniques.

Seamus Tivenan, co-chair of the Cayman Captive Forum, said: "Selecting the keynote speaker at our annual Cayman Captive Forum is an important decision. We want someone who is charismatic—someone with experience in business and someone with a fascinating story to tell."

Erin Brosnihan, co-chair of the Cayman Captive Forum, added: "Belfort's brutal honesty

about his mistakes and his efforts to repay his debts, alongside his obvious entrepreneurial nature, make him an ideal speaker. With the movie due out literally days before his Cayman presentation, we anticipate this creating quite a buzz about the forum."

Hawaiian captives reach $14 billion in assets

The Hawaiian insurance division has reported that Hawaii-domiciled captive insurance companies ended 2012 with just over $14 billion in assets.

According to the Hawaii Captive Insurance Council (HCIC), Hawaii currently has 180 actively licensed captive insurers that contribute $20 million in direct spending on professional services and tourism-related activities.

The HCIC recently sought the professional opinion of Paul Brewbaker, a local economist, to better understand the captive insurance industry's quantitative and qualitative impact on the local economy.

Brewbaker explained that Hawaii's captive insurance industry has benefited from starting early and "scaling up ahead of its rivals".

The state's cost of regulating the Hawaii-domiciled captive insurance companies is funded by the premium taxes and fees collected by the state from captives.

Gordon Ito, Hawaii's insurance commissioner, said: "With four new examiners, we are excited to be able to expand our outreach and support to our captives and potential new captives. We will continue to maintain prudent regulatory oversight while being responsive to our captives to ensure its continued success."

"Hawaii is fortunate to have a tremendous infrastructure consisting of knowledgeable and experienced regulators, captive managers, attorneys, and financial institutions who support our captives."

Fay Okamoto, chair and director of the HCIC, said: "What's great about this business segment is that we've built an internationally competitive industry here in Hawaii that has grown organically, leverages local professional expertise and infrastructure, and attracts long-term business into the state."

Chris Mertes, president and captive owner executive of the HCIC, added: "Hawaii attracts high quality companies in good measure because of the prudent regulation from the insurance division. When Hawaii first passed its captive law, Vermont was the only real leading US captive domicile but today over 30 states have captive insurance laws on their books."

"Hawaii is now facing meaningful competition from multiple domestic domiciles, and as a result, now more than ever, regulatory and legislative innovation and drive from the state are key elements that will assist the captive industry in maintaining its competitive position and grow."

Guernsey racks up two more TIEAs

Guernsey has signed tax information exchange agreements (TIEAs) with Switzerland and Hungary.

Guernsey's chief minister, Peter Harwood, who signed the two agreements in London, said: "Guernsey's relationship with Switzerland is of great value and we have much in common as finance centres outside of, but working, with the EU."

Dominik Furgler, the Swiss Ambassador to the UK, said: "I am very pleased to sign this TIEA with Guernsey, which will contribute to strengthening the relationship between Switzerland and Guernsey, and further demonstrates Switzerland's commitment to implementing international standards."

Commenting on the Hungary agreement—which was signed by the country's ambassador to the UK, Janos Csak—Harwood added: "I am very pleased to sign this agreement with Hungary, a country which sits at the heart of the EU and is now a long-standing member of the Organisation for Economic Co-operation and Development and the World Trade Organization."

GC report highlights latest critical emerging risks

Guy Carpenter has named cyber risk, climate change and space risk as the three main emerging risks that are facing the reinsurance sector in its latest report.

The report, Tomorrow Never Knows, seeks to identify pressing emerging risks confronting the sectors, as well as analyse their implications on businesses and reinsurers.

David Flandro, global head of business intelligence at Guy Carpenter, said: "It is critical that reinsurers are prepared to anticipate and react to a rapidly-changing and uncertain risk landscape."

"We are observing the rise of many new risks as technological, economic and scientific advancements are made, meaning there is often precious little historical data available for modelers and underwriters to utilise. Only by analysing and seeking to better understand these risks can we mitigate the element of surprise posed by emerging risks and identify potential growth opportunities."

Cyber risk

Rapidly developing computer technology and the evolution of cyber risks presents one of the biggest challenges to the reinsurance sector. Liabilities from cyber attacks and threats to the data security of cloud computing and social media have become significant emerging risks for carriers.

Firms may also be vulnerable to risks to their supply chain as a result of cyber threats, as technology has become a critical enabler of a supply chain's operations.

According to the report, technology failure and cyber attacks represent a greater threat to most organisations than adverse weather, fire and social unrest combined. Given the growing loss potential from supply-chain risks, companies need to ensure they understand their supply chains and offer all data to their insurers.

Climate change risk

Climate change and global warming is a growing area of concern for the reinsurance sector.

The Intergovernmental Panel on Climate Change (IPCC)—a United Nations body for the assessment of climate change—has concluded that global warming over the last 50 years cannot be explained without "external radiative forcing".

The most pervasive hazard of global warming is coastal flooding. According to the IPCC, a sea-level rise of at least 25 to 50 centimeters is expected by the end of the century.

Global warming is also affecting drought and wildfire patterns around the world, according to the IPCC. Areas that see diminished precipitation will face water shortages, while other areas that are supplied from glacial sources will face the same problem to an even greater severity.

Space risk

Space debris and solar storm activity, the two primary risks that emanate from space, have the potential to cause disruption and trigger substantial losses for reinsurers.

The most serious threat to high-value satellites and space infrastructures in the Earth's orbit today is the risk of collision with other satellites or space debris.

As more satellites are sent into the Earth's orbit to provide services and technology the area is becoming increasingly cluttered.

While the cost of insuring a satellite during launch has traditionally been higher than the cost to cover its life in orbit, this is likely to change as underwriters become increasingly aware of increased collision risk.

Solar weather is another space-related risk that has the potential to cause huge disruption to infrastructure and businesses Major solar disturbances have the potential to cause significant losses as they can severely disrupt electricity supply, cause satellite damage and trigger GPS signal disturbance.

On the forefront

As well as being the largest reinsurance captive domicile in the EU, Luxembourg is also keeping ahead of regulation. CIT investigates

JENNA JONES REPORTS

Luxembourg, or the Grand Duchy of Luxembourg as it is officially known, may be a landlocked country, but that certainly hasn't restricted the market as the Western European jurisdiction still stands as the largest reinsurance domicile in the EU.

Last year, the Centre des Conférences in Kirchberg was the venue for the European Captive Forum, which was organised by the European Captive Insurance and Reinsurance Owners Association, proving that Luxembourg is definitely a recognised European destination.

Claude Jacoby, audit partner at PricewaterhouseCoopers (PwC) Luxembourg, explains that in 1984 the country set up a legal, regulatory and tax framework that was favourable to reinsurance companies.

Jacoby says: "[The framework] thus anticipated the 2005 European directive on reinsurance (2005/68/EC), which established a prudential framework for reinsurance as far back as 1991. This anticipatory measure has made Luxembourg an appealing place to set up a reinsurance captive."

Based on figures published by the insurance and reinsurance regulator as of 1 July 2013, 237 reinsurance entities currently reside in Luxembourg. Popular parent companies of the captives tend to reside in the manufacturing, banking, insurance, and retail industries.

Sophie Vandeven, business development manager at Aon Insurance Managers in Luxembourg, explains that the domicile mainly manages reinsurance captives and reinsurance companies.

Jacoby adds: "PwC Luxembourg has developed a strong captive expertise with dedicated specialists across a variety of business areas. Our insurance and reinsurance practice offer a wide range of services to our clients, from regulatory set-up to audit and transaction support services; we also cover relocation matters from other EU or non-EU countries to Luxembourg."

According to Jacoby, PwC recommends Luxembourg as a potential captive domicile for a number of reasons.

Luxembourg is strategically placed at the heart of Europe, he says, with a neutrality, welcoming and safe environment, and financial well-being that makes it a potential destination for captives.

It also has a skilled multilingual workforce and excellent infrastructure, while being host to top-level multinational financial and IT clusters, and flexible and open-minded authorities.

He says: "Moreover, Luxembourg has demonstrated over the last decades that it is a prime location for the insurance and reinsurance sector within the EU. Lawmakers, decision-makers and regulators are all at close quarters and have traditionally enjoyed a relationship of mutual understanding with business people. This led to a rapid decision-making process as well as a stable and friendly business environment."

Jacoby explains that in 2005, the European Reinsurance Directive "implicitly endorsed" the regulatory framework established by Luxembourg back in 1991.

"Since then, Luxembourg benefits from this framework which allows a captive under the supervision of its member state of origin to cover risks within the EUwithout having to apply to other member states for a licence and also lays down prudential regulations relating to technical provisions and representative assets."

"The directive also explicitly endorsed Luxembourg's prudential system, which allows reinsurance undertakings to equalise claims fluctuations over a future period of time, and to cover special risks through the claims-fluctuation provision (equalisation provision)," adds Jacoby.

Vandeven also sees the country's compulsory equalisation reserve "to build up non-taxed risk capacity" as a reason for settling in Luxembourg, alongside 'client friendly' control authorities.

Keeping in check

As the Solvency II train steams ahead, it seems that Luxembourg is not as wary of the regulation as other domiciles, even choosing to implement early.

Jacoby explains that in order to pass the law as soon as the EU will come to an agreement on the final content and date of application, Luxembourg has already included Solvency II regulation into two draft bills, which are currently being revised by the the country's parliament.

"The regulator has been working on Solvency II from 2009 onwards to ensure that the market players will be ready to go live when required. Since 2010, the regulator has progressively introduced additional requirements in the reporting framework, such as technical provisions' best estimate determination, and economic balance sheet," he says.

But despite the rush towards implementation, Jacoby says that reinsurance undertaking shouldn't be specifically disturbed by Solvency II challenges, which "might not necessarily result in much more capital requirements, provided that the equalisation provision qualifies as eligible own funds". CIT

TRIA Captives Seminar

Date: 8 October 2013
Location: Washington, DC
www.dccaptives.org

Captive insurance companies play an important role today in providing for terrorism-related coverage for companies in various industries and geographic locations. Learn everything you need to know about TRIA captive structures, prospects for congressional action and licensing considerations in the District of Columbia.

SIIA 33rd Annual Conference

Date: 21-23 October 2013
Location: Illinois
www.siia.org

The SIIA National Conference & Expo is the world's largest event focused exclusively on the self-insurance/alternative risk transfer marketplace, typically attracting more than 1,700 attendees from throughout the US and from a growing number of countries around the world.

ASHRM Annual Conference

Date: 27-30 October 2013
Location: Texas
www.ashrm.org

Being prepared for what lies ahead in the healthcare industry is essential for risk managers. At the 2013 annual ASHRM conference there will be over 70 exceptional educational sessions designed to help you prepare for managing risk in the changing healthcare environment.

DCIA 2013 Fall Forum

Date: 6-7 November 2013
Location: Delaware
www.delawarecaptive.org

Delaware is one the leading captive domiciles in the world and has experienced steady growth over the last several years. DCIA's Fall Forum is the premier educational and networking event for those doing business in this domicile.

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Industry appointments

Charles Potok and **Salvatore Correnti** have been elected to Builders Insurance Group's board of directors, effective immediately.

Builder Insurance Group is a mutual captive insurance company based in Atlanta. The company delivers innovative workers' compensation, general liability, property and umbrella insurance through independent agents to customers throughout the Southeastern, mid-atlantic and mid-western US.

Potok is a retired president of Companion Property & Casualty Group, a South Carolina-based property casualty insurance and service provider.

He was previously employed by the South Carolina Department of Insurance as chief actuary and director of the property casualty division.

Most recently, Correnti was CEO of Conning Asset Management until his retirement in 2012. He remains on Conning's board of directors.

Correnti previously held roles at USF&G Insurance and Swiss Re.

Allen Richardson, chairman of the Builders Insurance board, said that he "was delighted to have two individuals with such deep expertise in the insurance industry join the board of Builders Insurance," and that he "was sure that each would contribute significantly to the company."

Patrick Mitchell, president and CEO of Builders Insurance, added: "Both individuals will provide a broad perspective on the property and casualty industry as the company continues to grow."

Wilmington Trust has hired **Joanne Shaver** as captive account manager for the firm's captive management services division.

Shaver is part of a team of captive management professional responsible for the design, implementation, formation, and ongoing management services requires by captive insurance companies.

She will be based in Wilmington, Delaware, and report to Kirk Mooneyham, managing director of captive management services.

Prior to joining Wilmington Trust, Shaver was a principal as Cover & Rossiter, a Wilmington-based certified public accountant firm, where she headed the captive insurance practice.

Mark Kleinlein has joined Honigman Miller Schwartz and Cohn LLP as partner in the firm's insurance department.

Kleinlein has worked as an attorney, an insurance broker and an insurance company executive. He has served global clients, including those with captives in Bermuda, the Cayman Islands and Vermont.

He also has experience dealing with insurers and reinsurers located in England, Germany, France and Switzerland.

Prior to this role, he worked at Aon in Dallas, Texas. He will be based in Honigman Miller Schwartz and Cohn's Detroit office.

The International Risk Management Institute (IRMI) has named **Lisa Harrington** as vice president of marketing and sales.

Harrington has held a number of roles in the insurance industry including, educator, writer, editor, underwriter, sales agent, field rep, and agency operations manager.

Prior to joining IRMI, Harrington was the COO and acting CEO for the Network of Vertafore Users (NetVU). Before NetVU, Harrington served as vice president of education for the Florida Association of Insurance Agents for 11 years.

Paul Murray, who formerly served as vice president of marketing and sales and will continue serving on the IRMI executive team and board of directors, will become vice president of business development.

Jack Gibson, IRMI's president and CEO, added: "Harrington brings new perspectives and ideas to our company from which our customers will benefit by helping us better understand and meet their needs. We have aggressive plans to develop new products and services in the coming years, and she is a high-energy and thoughtful professional who can help steer them to success."

Daniel MacLean has been named the new co-director of Strategic Risk Solutions (SRS). He will be joining current co-directors Wayne Cowan, Ron Sulisz and Seamus Tivenan.

MacLean is joining SRS from Aon Insurance Managers (Cayman) where he held the role of managing director.

"We have built a very solid captive management business in Cayman, with well respected, highly qualified professionals and a strong client base. [MacLean] will help us take our Cayman business to the next level, both in terms of local presence and the quality of the services we provide. Our captive clients value the expertise and involvement of senior level staff and the consistency of customer service," said Brady Young, president and CEO of SRS.

Cowan added: "I am confident that [MacLean's] knowledge, energy and integrity will fit well with SRS's culture." CIT

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Take 5 with...

....Joanne Shaver

Joanne Shaver of Wilmington Trust takes time out to talk to CIT about self-educating, controlling industry growth, and enjoying the beautiful Delaware countryside

How did you get into the insurance industry?

In 2005, the Delaware Department of Insurance re-wrote its captive insurance statute in an effort to attract more captive insurers to the state. At that time, I was involved with a committee that was part of the Delaware State Chamber of Commerce that included a number of attorneys and bankers. I had a long history of working with this group throughout my career in public accounting. A number of the committee members went on to form the Delaware Captive Insurance Association and because of my strong affiliation with them, I chose to become a member of the association as well.

At that point in my career, I knew very little about the captive insurance industry, but decided it was something I needed to learn more about if I was going to be a member of the association. I spent the next two-plus years attending seminars and specialised programmes to absorb as much as I could about captive insurance companies. I have since completed the Associate in Captive Insurance Program from the International Center for Captive Insurance Education.

To what extent has working in the industry met your expectations?

There seems to be a fair amount of collaboration in the captive insurance industry. I consider myself a people person and so I derive the most satisfaction from working with others as part of a collaborative team to solve problems and/or assist others in accomplishing their goals. The nature of the captive industry is such that you have to work collaboratively with captive owner(s), risk managers, other service providers, and the department of insurance to provide your clients with the appropriate level of service.

What do you see as the biggest challenge facing the industry right now, and why?

In my opinion, the biggest challenge facing the industry right now is controlling the growth. There are so many new domiciles entering the market, something that typically means new service providers. In my opinion, the domicile regulators need to make sure they know who they are doing business with before they allow service providers to do business in their state. That being said, it's also possible to be overly cautious, which could have the opposite effect on growth. Growth comes with a cost and the regulators need to walk a fine line between meeting revenue goals and preserving their reputation as a creditable domicile.

If you weren't working in captive insurance, what would be your dream job?

I have always wanted to be a life coach, assisting others in meeting their goals or working to their full potential. My training and experience have all surrounded the accounting field and there is clearly job security in that field, so I'm not going anywhere.

What are your ambitions?

My ambitions are to work with the captive team at Wilmington Trust SP Services to help put Wilmington Trust at the top of the list of captive insurance managers in the country. The captive team at Wilmington Trust is extremely knowledgeable and everyone has a very strong work ethic. I feel honoured to be a part of the team.

If you could go back in time, what would you change or do differently in your career?

I wouldn't change a thing right now. If it weren't for the experience I gained at Cover & Rossiter, I wouldn't be here at Wilmington Trust.

What are your hobbies and interests?

I love spending time with my family. My husband and I have three children and we love spending time with them and being involved in their lives. When the weather is nice enough, I try to go cycling with friends and enjoy the beautiful scenery of the local Brandywine Valley. We are very fortunate to have such a charming countryside within minutes of downtown Wilmington. CIT

> "Growth comes with a cost and the regulators need to walk a fine line between meeting revenue goals and preserving their reputation as a creditable domicile"

Joanne Shaver
Captive account manager
Wilmington Trust

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