



North Carolina officially enters the captive insurance market

Insurance commissioner Wayne Goodwin has announced that North Carolina is open for business as a captive insurance domicile.

The North Carolina Captive Insurance Act, signed into law on 19 June, is now in effect, allowing for the formation of captive insurance companies in the state.

The law became effective with the appropriation of funding from the North Carolina General Assembly to implement the act.

Goodwin said: "Entering the captive insurance market will provide economic opportunities for North Carolina and help accommodate the needs of businesses in our state."

"We have a state of the art captive law, and the department of insurance is committed to making North Carolina an attractive new home for captives."

In June this year, North Carolina state governor Pat McCrory signed the NC Captive Insurance Act into law. The bill received unanimous support in all committees and both legislative chambers on all three readings.

To support the new laws, the state formed the North Carolina Captive Insurance Association (NCCIA) to promote the formation of captives.

The officers of the NCCIA are Alex Webb (chairman), Thomas Adams (president/CEO), Richard Lane Brown (vice president and tax director), Jeffrey Smith (vice president and treasurer), and Jesse Coyle (secretary).

Meanwhile, the Texas Captive Insurance Association has announced that its first conference will be held on 18 and 19 February 2014.

Regulators, officials and captive experts from around the US will speak on captive topics at the event, which will be held in Austin.

[readmore p2](#)

State regulatory debate causes uncertainty in US

A lack of consensus among state regulators on captive insurance companies and reserves is creating an uncertain environment for the US life insurance industry, according to a new Fitch Ratings report.

Earlier this year, the New York State Department of Financial Services published critical commentary alleging weakness in regulation exhibited by other states, and in the oversight by the National Association of Insurance Commissioners (NAIC).

The department's focus was on 'shadow insurance', principles-based reserving (PBR), and Actuarial Guideline 38—the life insurance policy regulation that set forth reserve requirements for all universal life products that employ secondary guarantees, with or without shadow account funds.

[readmore p2](#)

BMA announces fourth annual regulatory forum

The Bermuda Monetary Authority (BMA) has announced that its fourth annual international regulatory forum will be held on 19 November at the Fairmont Hamilton Princess Hotel.

The keynote speaker for the day event will be Dame Amelia Fawcett, chair of the hedge funds standards board.

Panel sessions will cover banking and asset management issues in the morning and insurance developments in the afternoon.

The forum will discuss the misconceptions around risk transfer versus shadow insurance in relation to the captive sector, and the future of alternatives in risk transfer for both regulators and the market.

[readmore p4](#)



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North Carolina officially enters the captive market

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Texas governor Rick Perry signed the state's captive insurance bill into law on 3 June, allowing the formation of pure captive insurance companies.

Speaking at the time, Burnie Burner, a leading insurance attorney in Texas who helped negotiate the language in the state's new captive insurance bill, said: "The state benefits from increased premium tax revenue, and jobs are created in Texas as opposed to other states."

State regulatory debate causes uncertainty in US

Continued from page 1

The department concluded that the reserve transfers related to the \$48 billion worth of shadow insurance transactions have 'artificially' inflated capital.

It also asserted that certain other states may be 'racing to the bottom' in governing such transactions, while concurrently making information on their captives unavailable to other state regulators.

Other state regulators declined to implement a moratorium on captives, and some criticised the New York State Department of Financial Services's allegations, adding that New York breached certain regulatory protocols in making its statements. There has also been push back on the issue of PBR.

The new Fitch report, entitled New York Insurance Regulatory Criticisms, provides an analysis of the conflicting regulatory treatments of these issues.

Fitch believes that—as a matter of transparency—insurers should be required to publicly disclose key information in a systemic and consistent basis, and accelerate efforts already underway.

The shadow insurance enquiry was brought up at a Vermont Captive Insurance Association (VCIA) press conference in August.

David Provost of the Vermont Department of Financial Regulation, Daniel Towle of the state's Agency of Commerce and Community Development and Richard Smith of the VCIA commented on New York State Department of Financial Services's call for a national moratorium on captive insurance transactions from the NAIC.

Provost said that "the entire NAIC was perturbed at [the] report and comments", partly

CIT**INBRIEF**



Domicile profile

Missouri shows why it's the show-me state for captives

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Conference preview

ASHRM executives reveal what's in store at the association's annual conference

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People moves

Willis North America names new VP and resource consultant, ACE Group appoints global CEO, and more

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because it is the association's job to look at the issues that the financial services superintendent examined in his report.

Smith added: "[Shadow insurance is] a political ball [the department] wants to bat around. [The comments were] irresponsible—that's why it's maddening."

BMA announces fourth annual regulatory forum

Continued from page 1

The forum will discuss the misconceptions around risk transfer versus shadow insurance in relation to the captive sector, and the future of alternatives in risk transfer for both regulators and the market.

Other topics up for debate will include banking supervision and global financial stability, regulatory priorities versus business development in the asset management arena, and global regulatory initiatives for commercial insurance and implications for the Bermuda market.

Speakers will include commissioner James Donelon, president of the National Association of Insurance Commissioners, and Sir Andrew Large, former deputy governor of the Bank of England.

Jeremy Cox, CEO of the BMA, said: "The BMA is fortunate to once again have a range of highly recognised speakers from the top of their respective fields joining us. They will be sharing knowledge and strategic insights on global regulatory issues that are highly relevant to the Bermuda market."

"We're very pleased to have attracted this group of leaders from Bermuda and overseas for the event, and happy to facilitate access to additional pertinent information for the local financial services sector via the forum."

Guernsey signs FATCA-esque agreement with UK

Guernsey has signed an intergovernmental agreement (IGA) with the UK on a package of tax measures.

Peter Harwood, Guernsey's chief minister, signed the IGA in London alongside David Gauke, the UK's exchequer secretary to the treasury.

The IGA is similar to the model I type agreement being negotiated with the US relating to the Foreign Tax Compliance Act (FATCA) that is expected to be signed shortly.

The agreement enhances the automatic tax in-

formation exchange provisions already in place between Guernsey and the UK under measures equivalent to the EU Savings Tax Directive.

Fiona Le Poidevin, chief executive of Guernsey Finance, said: "I am very pleased that the island has signed this agreement with the UK. It enhances the provisions regarding automatic exchange of information which have already been in place since 2011 and, once again, demonstrates our determination to tackle tax evasion."

"The OECD has continually reaffirmed that Guernsey adopts international standards of tax transparency and exchange of information. This agreement further reinforces our status as a leader in making strides to combat tax evasion and we look forward to building on this even further by signing a similar model I agreement with the US, in relation to FATCA, in the near future."

Harwood added: "These measures are in line with the provisions of the agreement being negotiated with the US regarding FATCA, which we will be signing shortly. The two agreements with the UK and the US have been supported by our industry as being key to a sustainable future for the finance sector and securing our global reputation for tax transparency."

"When I announced this proposed agreement earlier this year, I emphasised that it was further

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illustration of Guernsey's commitment to combating tax evasion and the principle of automatic exchange. Our twin IGA approach to UK and US reporting will provide our industry with a very strong platform to compete on the world stage against weaker, less transparent jurisdictions."

Guernsey's IGA with the UK was signed at the same time that Ian Gorst, Jersey's chief minister, signed an equivalent agreement between Jersey and the UK.

Harwood also signed tax information exchange agreements (TIEAs) with Slovakia and Gibraltar. It also follows two 'partial' double taxation agreements (DTAs)—one for individuals and another for shipping and aircraft—with Poland.

Guernsey has now signed 48 TIEAs and 21 DTAs, including eight 'full' DTAs and 13 'partial' DTAs.

Aon reviews rating agency protocol in latest report

Aon Benfield has released its annual Evolving Criteria report that reviews the latest developments in rating agency protocol in the US and its impact on the insurance industry.

The report reveals that rating agencies Standard and Poor (S&P) and A.M. Best released 23 criteria updates with an additional seven updates in draft status.

Significant developments included the release of S&P's insurance rating criteria and A.M. Best's BCAR (Best's Capital Adequacy Ratio) model.

A.M. Best also released its analysis of the expiration of the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) of 2007, the US federal terrorism backstop, and its treatment of Florida hurricane catastrophe fund cover.

The report highlights an increase in ratings upgrades across the US property and casualty (P&C) insurance sector, outpacing downgrades and reflecting improved market conditions of near record capitalisation and favourable levels of profitability.

Patrick Matthews, head of rating agency Americas at Aon Benfield, said: "Today is an unprecedented time for the US P&C industry, where success can be attained by generating profit in the face of a slowly improving economy, low interest rates, and frequent catastrophic events."

"It is important that insurers can effectively manage risk at all levels of their enterprise in the face of an increasingly complex risk landscape. Meanwhile, understanding and managing rating agencies' evolving criteria has, and will continue to be an integral component of their success."

The report also reveals that insurers are concerned over the expiration of TRIPRA in December 2014, and highlights the growing importance of enterprise risk management (ERM) for insurers.

Matthews added: "ERM has evolved to become an increasingly complex, yet essential feature in the operation and management of a successful insurance company. The growing sophistication of ERM within the industry has raised the bar for companies to build a risk framework that fits their internal culture and demonstrates that they are constantly managing and mitigating risk effectively throughout the organisation."

Capstone launches new series LLC

Capstone has formed Lodestone LLC, a Delaware series limited liability company, which offers clients an easier entry into alternative risk planning.

It allows for unlimited segregation of membership interests, assets, and operations into independent series.

Each series operates in a unique manner with a separate name, bank account, and books.

IRS regulations recognise that special business units (SBUs) or cells can be an individual and distinct insurance company.

Domiciles including Delaware, Anguilla and

Bermuda have taken various approaches to this shared entity structure, using terms such as segregated or protected cell company, or incorporated cell company.

SBUs are 'standalone' entities for US tax purposes, allowing each of them to file separate and distinct US tax returns.

Lodestone is now available to clients.

Insurance M&A activity on the up, says State Street

According to a recent State Street survey, 87 percent of participants think that it is likely there will be more mergers and acquisitions (M&A) within the insurance sector over the next five years.

Only 8 percent of the 176 UK-based independent financial advisers (IFAs) asked believe that there will be less M&A activity.

Participants also expect to see more product innovation from the insurance sector over the next five years. Fifty-one percent anticipate more innovation activity, while just 13 percent expect a decline.

Over half of the survey's respondents also expect opportunities for insurers in the pension risk transfer market, with 55 percent of IFAs expecting the appetite from defined benefit plan sponsors to transfer pension liabilities to insurers to increase.

The survey also highlighted which insurance sectors are expected to be the most innovative. Thirty percent of IFAs said health insurers, followed by 28 percent who said the life and pensions sector.

Martha Whitman, senior vice president and head of State Street's insurance team in Europe, the Middle East and Africa, said: "The insurance sector is very reliant on intermediaries. As consumers increasingly need more help with their finances, the role of IFAs in the distribution of insurance products will remain pivotal."

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"Our findings provide a very interesting insight for insurers and their business partners. For example, 27 percent of IFAs said that over the next five years, they expect to place more emphasis on an insurer's profitability before recommending their products to clients."

CCIA celebrates the state's third captive licence

Thomas Hodson, president of the Connecticut Captive Insurance Association (CCIA), has described the licensing of Red Apple Risk Insurance Company—Connecticut's third captive—as "significant in so many ways".

Hodson said: "This event not only signals gaining momentum in Connecticut's captive insurance initiative, it is the first captive licensed since insurance commissioner Thomas Leonard created the captive division within the department and appointed industry veteran, John Thomson, to lead the state's regulatory efforts."

"The comments made by John Catsimatidis, chairman and CEO of the Red Apple Group, complimenting the speed and professionalism demonstrated by the Connecticut Insurance Department in processing the captive application, is validation that, as the 'insurance capital', Connecticut intends to be the domicile of choice in the US."

Law firm Anderson Kill & Olick acted as legal counsel on the Red Apple project through its Stamford office.

Robert Horkovich, managing shareholder of Anderson Kill & Olick, said: "We are very pleased that Anderson Kill's captive group was selected as counsel to help our client with this project and create Connecticut's third licensed captive insurance company."

"Thomson was wonderful to work with—responsive at every turn and committed to helping our team complete the job on an expedited basis."

Negative outlook for Sony captive

A.M. Best has affirmed the financial strength rating of "A- (Excellent)" and issuer credit rating of "a-" of PMG Assurance based in Bermuda. The outlook for both ratings is negative.

The ratings reflect PMG's excellent capitalisation, strong operating performance and strategic position as the captive insurance company for the Sony Group, whose ultimate parent is Sony Corporation.

PMG has a strong underwriting focus, writing mostly proportional property and marine reinsurance business. In the future the company expects to add a small amount of employee benefits coverage.

A.M. Best said: "Due to the nature of the relationship between PMG and Sony Corporation, the changes in Sony's credit risk profile have

put pressure on PMG's ratings. PMG's success is reliant on Sony's ability to increase its credit risk profile, competitiveness and risk management."

"The captive continues to be an integral component of Sony's risk management platform. A.M. Best's view of third-party credit ratings, as well as market-based credit risk measures of Sony indicates negative ratings pressure on PMG."

Caring Communities duo are rated

A.M. Best has revised the outlook to positive from stable and affirmed the financial strength rating of "A- (Excellent)" and issuer credit rating of "a-" of Caring Communities, a reciprocal risk retention group, and Caring Communities Insurance Company.

The ratings reflect the duos' excellent risk-adjusted capitalisation, good geographic spread of risk and consistently profitable operating results.

Partially offsetting the positive rating factors

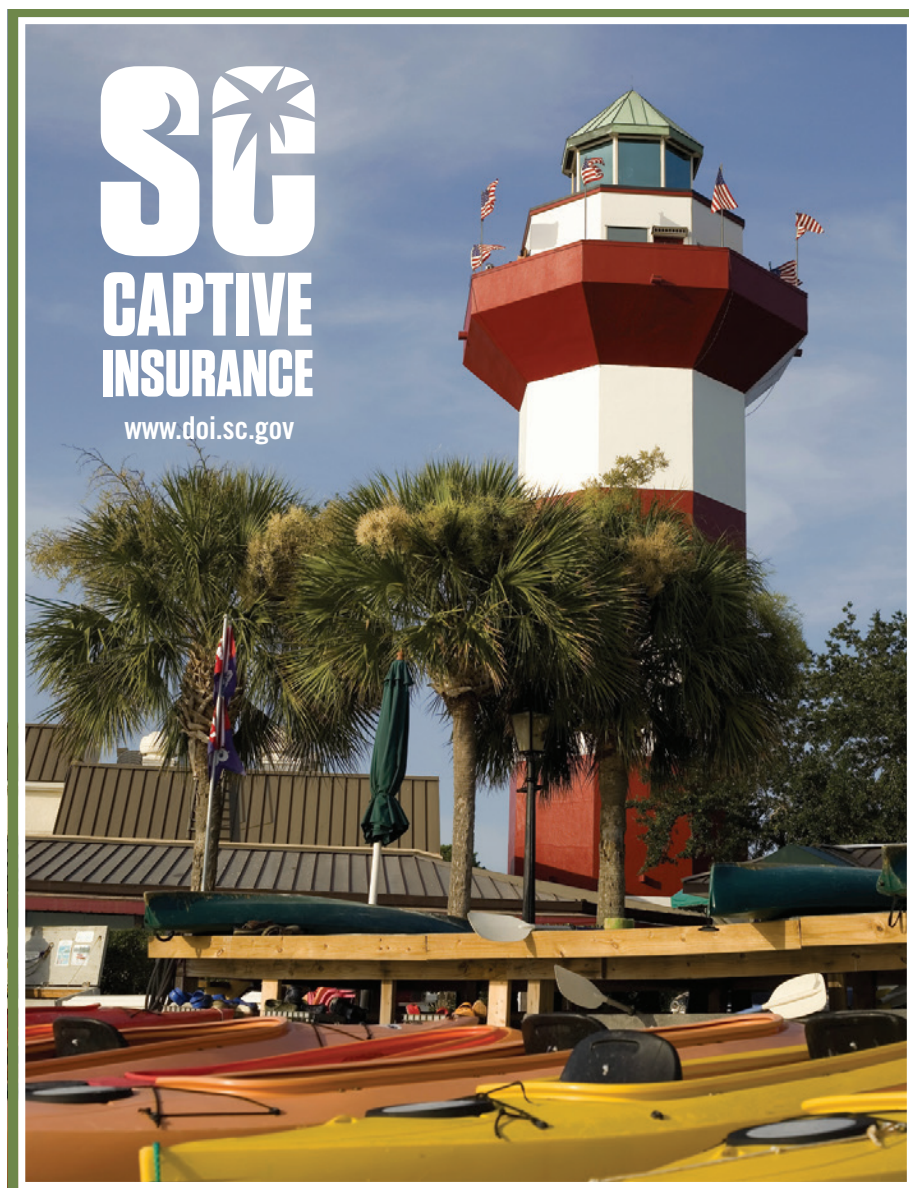
is the firms' reinsurance programme, which historically results in a moderately high reserve leverage statistic associated with long-tail casualty lines of business.

Ratings factors that could lead to an upgrade include a long-term consistently strong operating performance, maintaining strong risk-adjusted capital levels, and executing its business plan.

R&Q acquires Cypriot reinsurer

Randall & Quilter Investment Holdings has acquired the entire share capital of Flagstone Alliance Insurance and Reinsurance, a Cyprus-domiciled insurer and reinsurer, from the Validus Group.

Flagstone, which began underwriting in 2000, went into run-off in 2010 and comprises primarily international reinsurance business with net reserves of approximately \$16.4 million as of 30 June 2013.





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First is first

CIT takes a closer look at the show-me state and how it embarked on an overhaul to rival its fellow domiciles in the quest for captive domination

JENNA JONES REPORTS

Despite allowing captive formations since 2007, Missouri was home to three captives when state governor Jay Nixon signed House Bill 577 in 2009.

The 2009 law aimed to simplify the process of moving offshore captive operations to Missouri, and made it more attractive for companies that are based outside of the state to set up captive operations there.

In a statement at the time, John Huff, director of the Missouri Department of Insurance, said: "The Show-Me state has shown the insurance and business communities that we have an outstanding domicile for captive formation."

"These significant milestones in number of captives and premium volume demonstrate Missouri's commitment to a healthy, sustainable and long term captive industry."

Since then, Missouri has gone from strength to strength. In September 2012, the state celebrated the granting of its 25th licence and it now has 30 captive insurance companies to its name.

In May, Nixon modified Missouri's captive

insurance laws once again when he signed Senate Bill 287 into law, which allows segregated cell captives to be formed in the state.

The bill—that came into effect on 28 August—was intended to help lower the overhead costs for mid-sized businesses in Missouri that self-insure through captive insurance companies, and to encourage more captives to form in the state.

Under the new bill, a sponsored captive insurance company can be incorporated as a stock insurer with its capital dividend turned into shares and held by stockholders, as a mutual corporation, as a non-profit corporation with one or more members, or as a manager-managed limited liability company.

The bill also allows sponsored captive insurance companies to establish one or more protected cell companies to insure risk under certain conditions.

Alan Fine, partner in insurance advisory services at Brown Smith Wallace, explains that as the law only took effect a short time ago, it is premature to expect significant results, but it does "reaffirm Missouri's commitment to be to captive

domicile of choice for its citizens and provides the flexibility potential captive owners and advisors are looking for".

David Dimit, executive director of the Missouri Captive Insurance Association, says that the current laws in Missouri allow for captive flexibility and are responsive to the needs of businesses.

"There are already several potential cell captives being organised and the first application of this type are expected soon," he adds.

Dimit also explains that Missouri's 30 licensed captive companies have total annual premiums of \$6.6 billion, adding that the state also has the average highest captive premium in the world and ranks in the top five in total premiums.

Put into practice

There are currently six different captive structures available in Missouri: pure, branch and special purpose life insurance captives that each require a minimum capitalisation of \$250,000, industrial insured and segregated cell captives that require minimum capitalisation of \$500,000

and association captives that need a minimum capitalisation of \$750,000.

Fine explains what services teams at Brown Smith Wallace provide to captive insurers in Missouri and throughout the US.

He says: "Specifically, we assist our clients with feasibility studies to determine whether a captive is right for them, and if so, help design the structure and insurance coverages to be placed in the captive."

"After start-up, we stay involved in several ways. First, we provide the financial statement audits, which are required by Missouri law. We also prepare the requisite federal income tax returns for the captives. Finally, we consult on an ongoing basis with our clients to ensure that their captives are fully meeting their business needs."

According to Dimit, there are a number of factors that contribute towards Missouri's success as a captive insurance domicile. He explains that firstly, the state is centrally located in the US, which makes it easy for customers to travel there for meetings.

Dimit also highlights that Missouri's fees for licensing and renewal are fully deductible from future premium taxes and that the state offers

clients a "speedy application process, usually 30 days or less; and 60 days for special purpose captives as required by law".

And despite its relatively modest total of just 30 captives—that seems low when compared to the now 1000 strong Vermont—Fine thinks that Missouri should be commended for its regulatory environment that "compares favourably to other jurisdictions".

"The regulators appropriately oversee the formation of captives and their ongoing activities without being overzealous in their oversight. The Missouri Department of Insurance is also user-friendly as applications are completed and the captives organised."

Dimit adds that Missouri maintains a regulatory attitude that is supportive of captive formation. He explains that Missouri has amended its laws to allow for flexibility that responds to business needs, as it wants captives to succeed there.

"Regulators are available to travel, to visit with interested parties, and answer questions and address concerns. Missouri has captive specialists within the Department of Insurance, Financial Institutions & Professional Registration that are experienced, knowledgeable and dedicated to captive formation and operation."

"Missouri is [also] familiar with many captive formations; it hosts captives with premiums exceeding \$1 billion and those smaller than \$2 million. There are captives writing just one line of coverage and up to 25 lines—with coverage lines varying from workers' compensation to property and casualty life reinsurance and medical stop-loss."

While on paper Missouri certainly has a lot to offer with regards to a stable regulatory environment and coverage options, Fine ultimately feels that at this present time, captive owners have a wide array of choices on where to domicile their captives.

With US domicile numbers increasingly on the rise, without mentioning venturing offshore to favoured veteran destinations such as Bermuda, the Cayman Islands, and Guernsey, it is easy to see how a small domicile such as Missouri could get lost in the mix.

But on the contrary, Fine concludes: "It is important to select a domicile that provides the appropriate level of regulation as well as flexibility with respect to structuring options. Missouri is committed to the captive industry and its enabling statutes are now on par with other domestic domiciles." **CIT**



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Delaware Captive
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The voice of risk managers

CIT catches up with ASHRM executives ahead of the association's annual conference to find out what's in store for attendees this year

JENNA JONES REPORTS

Why was ASHRM established?

Andrew Oppenberg: ASHRM filled a previously unmet need in the healthcare environment. What began as the American Society for Hospital Risk Management evolved into the American Society for Healthcare Risk Management (ASHRM), a personal membership group of the American Hospital Association (AHA). We support healthcare risk managers by serving as their voice, building awareness about the profession, delivering the information they need and fuelling their career development. Today, nearly 6000 members and 40 affiliated local chapters represent

ASHRM's variety of healthcare-related entities with clinical, legal and financial interests.

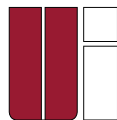
ASHRM was formed more than 30 years ago. Why do you think that the association has been so successful?

Oppenberg: Our continued success hinges on the unflagging commitment of our volunteers and past and current leaders. From the pioneers who first saw the need for a society of like-minded healthcare professionals to all of the members who have contributed to its

growth, it is their collective dedication that has made ASHRM a world-class organisation. We continue to be the global resource leader in the field of healthcare risk management by meeting our members' evolving needs through world-class education and effective professional networking opportunities, driven and supported by our dedicated member volunteers.

What has been on the agenda for ASHRM this year?

Oppenberg: Through careful analysis of industry trends, membership needs and shifts



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“ The initiatives and goals include facilitating effective decision making in the healthcare industry through the application of enterprise risk management, advancing patient safety through a value-driven approach, and leading the healthcare industry in embracing and implementing an enterprise risk management approach ”

in the healthcare risk management profession, ASHRM has identified four initiatives and subsequent goals that will serve as a guide for its leaders, staff and members. These goals will assist ASHRM in reaching its full potential in bringing healthcare risk management and patient safety to the forefront of the healthcare community, assuring safe and trusted healthcare for everyone. The initiatives and goals include facilitating effective decision making in the healthcare industry through the application of enterprise risk management, advancing patient safety through a value-driven approach, and leading the healthcare industry in embracing and implementing an enterprise risk management approach.

How effective is the captive insurance structure as a healthcare risk management tool?

Ellen Grady-Venditti: Captives typically offer an organisation more control related to risk mitigation decisions and early claims resolution. Additionally, the savings appreciated from lower premiums offered by the captive can be utilised for loss prevention/patient safety activities by the organisation. Many captives offer risk management grants for loss prevention activities in the organisation, which places risk management and loss prevention activities front and centre in the organisation, which is a benefit for patients, providers, staff and the organisation as a whole.

What can we expect from this year's ASHRM conference?

Oppenberg: Our conference is being held this year in beautiful downtown Austin, Texas. This year's theme, 'Everyone is a Risk Manager' (ERM), emphasises the vital role that all healthcare workers hold as guardians of patient safety—from nurses to paramedics, to pharmacists, physicians and beyond.

The myriad networking and learning opportunities along with the 70 educational sessions over six tracks—claims and litigation, risk financing, patient safety, leadership development, ERM, and legal and regulatory—offers something for every level. In fact, ASHRM strives to provide healthcare risk managers and patient safety professionals with the most efficient, effective educational programmes possible.

This year, as a result of recent efforts, the 2013 concurrent sessions will be offered according to the following levels:

Foundation level sessions: material covered is foundational for effective healthcare risk management. The material is designed for participants with three years or less experience in the domain of practice presented in the session.

Practitioner level sessions: material is designed for participants who have a working knowledge of the topic with a minimum of three years of experience in the domain of practice.

Advanced level sessions: material is designed for participants who have a detailed knowledge of the topic and specific experience applying or using this knowledge in a professional capacity over a period of at least 10 years.

Attendees will also enjoy a live educational simulation, lunch-and-learn events such as bite-sized learning sessions, presentations in our industry spotlight theatre, and so much more.

Are there any particular speakers/panel discussions that attendees should look out for?

Oppenberg: ASHRM has an impressive lineup of keynote speakers this year. On the first day of the conference, attendees will enjoy an informative and thought-provoking presentation by Ian Morrison, entitled The Future of the Healthcare Marketplace: Playing the New Game.

ASHRM's keynote panel, Everyone is a Risk Manager, will be moderated by Grace Crickette, senior vice president and chief risk and compliance officer at triple-A of Northern California, Nevada and Utah.

The panel will discuss ERM—the comprehensive, organisation-wide framework for risk management that includes all healthcare employees. Panel members will comment on their role in regards to patient safety and risk management and will offer insight into managing risks in their area of expertise.

Panelists consist of members from other personal membership groups from the AHA, including leaders from the societies that support

professionals in materials management, patient advocacy, HR, and healthcare engineering and facilities management.

ASHRM's closing keynote features astronaut, best-selling author and husband of former congresswoman, Gabby Giffords, Captain Mark Kelly, who will deliver an inspirational presentation on how we can 'endeavour to succeed' by combining teamwork, leadership, and communication while maintaining an unwavering commitment to family. **CIT**



Andrew Oppenberg
President
ASHRM



Ellen Grady-Venditti
Board member
ASHRM

Industry appointments

Retail insurance broker, IMA, has appointed **Lawrence Cook** as vice president of its risk management team. He will focus on the management of existing captive insurance programmes as well as the development of new group captive opportunities.

Cook previously worked with Travelers/Discover Re in various positions, ACE Captive Solutions as vice president, Risk Design Group as a consultant and Arch Insurance Company/First American Insurance Company as vice president and member of the board of directors.

Brian Sandy, president of IMA's special risk practice, said: "We are very pleased to have Cook on board at IMA. His incredible talent and wealth of experience will further enhance the continued development of IMA's captive programmes and other alternative risk initiatives."

Willis North America has appointed **Bruce Whitmore** as vice president and senior resource consultant for Willis's global captive and national healthcare practice.

Whitmore will be responsible for developing and implementing Willis's global captive strategies and captive consultancy services, focusing on the healthcare industry.

He will report to Les Boughner, executive vice president and managing director of the Willis captive and consulting practices (the Americas), and Frank Castro, national healthcare practice leader at Willis North America.

Prior to joining Willis, Whitmore served as national facilities and wholesale leader at Medical Protective.

Boughner said: "We are thrilled to have Whitmore join our team and we are confident that his deep experience and expertise will bring additional value to clients, particularly in the healthcare space."

ACE Group has named **Hendrik-Jan Wiersema** as global chief executive, based in the firm's Rotterdam and Antwerp offices. He will cover global insurance programmes in the Benelux region as part of ACE's global client executive practice.

Wiersema will work collaboratively with ACE's global clients and distribution partners to provide access to a range of global risk management solutions, with a focus on clients based in the Benelux region.

Prior to his new role, Wiersema was manager and client executive for ACE's major accounts in the region.

Ron Verhulsdonck, country president for the Benelux at ACE, said: "Multinational business

is an increasingly important aspect of ACE's business in the Benelux region as our domestic industries become more globally focused and our clients therefore demand seamless global cover."

Razi Sulaiman, a treaty reinsurance and takaful specialist, has joined Miller Insurance Services in Malaysia.

Miller Insurance Services is a specialist insurance and reinsurance broker, operating internationally and at Lloyd's.

Sulaiman has built up a broad knowledge of treaty and facultative reinsurance having specialised in technical support and claims previously.

He will work closely with Faris Davidson, a partner at Miller Malaysia, to help grow the firm's treaty and facultative book—focusing on Malaysia, Brunei and Indonesia.

Simon Weaver, head of Asia at Miller, said: "We anticipate significant future growth in the takaful sector and Sulaiman will help us to further develop our presence in this arena."

XL Group is expanding its insurance operations in Dallas by giving corporations local access to XL's underwriting experience and making a number of key appointments and promotions.

The firm's US risk management business—that will be setting up operations in Dallas—will welcome **Gabriel Martinez** as casualty underwriting director.

Martinez joins XL Group from Ironshore Insurance Services where he served as an assistant casualty manager.

Tom Fenner has been promoted to senior vice president and regional manager, central zone, for the firm's US risk management business.

Fenner will manage XL's growing team of casualty underwriters providing custom auto, workers' compensation and general liability programmes. Martinez will report to Fenner.

XL's excess casualty business has recruited **Deborah Balthazar** to focus on the continued growth of XL Group's commercial umbrella business throughout the region.

Balthazar previously held roles at AIG, Kemper, General Star Management Company and Wausau Insurance Company.

Finally, **Julie Hoss** has been named senior property underwriter for the firm's property business. She joins from Liberty Mutual and will focus on growing XL's property underwriting business in the region. **CIT**



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....Simon Phillips

CIT takes five with Simon Philips of Barclays to talk about industry challenges, considering a career in the military, and becoming his son's personal chauffeur

How did you get into the insurance industry?

When I started my banking career in London, I was involved in private banking, with a number of the clients I worked with being Lloyd's names. This gave me my first taste of the insurance sector.

As my career developed, I spent time in the Isle of Man, which is where I gained my first experience of the captive insurance market. This really sparked my interest and led me to undertake the certificate in captive insurance management through Glasgow Caledonian University. I was intrigued as to the crucial role a captive could play in the risk management structure of organisations and the various ways in which a captive could be used.

Since then, I've continued to focus on the captive insurance sector in my current role at Barclays, and now I have the pleasure of leading a team of industry experienced individuals who

are focused on delivering banking, letter of credit, investment and trust solutions to our clients in the key global captive locations.

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

As all of us spend a large proportion of our waking hours in some form of employment, I think it's a terrible shame if your job does not provide you with a sense of satisfaction and the opportunity to develop your knowledge and experience. From a personal perspective, I am very fortunate that during my career and in my current role, I have had the opportunity to work with some very capable individuals both as colleagues and clients, which has been very rewarding.

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

I would find it difficult to narrow the challenges down to one in particular. For me, it falls into two broad areas: regulation and returns.

I've never seen the pace of regulatory change be as great as it has been the last few years, and while I see this as broadly positive, it does bring challenges in understanding the impact and subsequent implementation of any change. The most obvious example is Solvency II and the uncertainty this has created for the captive insurance sector. One thing is for sure—the regulatory bar is going to continue to rise.

Returns are a key focus because global interest rates are at historically low levels. This means that, in the majority of cases, captives are seeing lower returns on their assets, which are not covering their costs. This presents an interesting dynamic as captives are looking to improve asset yields, while not exposing them to the potential risk of a loss of capital. How to tackle this is a frequent conversation we are having with existing and new clients.

Who are your role models?

I believe that the early years of your life play a very important part in the type of individual you grow into both from a business and personal perspective, with parents playing a key part. I was also very fortunate to have a number of very capable teachers through my school years, but there is one particular teacher who made a lasting impression on me. He taught me that while it was important to be the best you possibly could be in life, what was of greater importance was how you went about it. Even now, I see this as a good litmus test that I check myself against. I do not underestimate how valuable a great teacher can be on a child as he or she grows up.

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

This is a very difficult question, as I have thoroughly enjoyed my career to date.

I did consider a military career. I think in my younger days I saw this as a way I could see and do lots of exciting things, without at that time fully appreciating the valuable and sometimes dangerous role military personnel have.

What are your ambitions?

From a medium-term perspective, I want to build on the already successful Barclays captive insurance team, so that we are seen as the 'go-to bank' in the captive insurance jurisdictions we cover. I see us achieving this by ensuring we have strong relationships with captive managers and captive boards and their shareholders, and bringing to them the strength, knowledge and capability of the Barclays group.

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

I am fortunate to be able to say relatively little. With hindsight, I did have the opportunity a number of years ago to spend some time in Asia, but for a several reasons the timing was not right, but I do think this would have been a valuable experience from a professional and personal perspective.

What are your hobbies and interests?

With a son who is nearly six years old, I seem increasingly to be his official chauffeur! Aside from that, I am an average, but very enthusiastic skier and have recently completed my first triathlon, which I actually enjoyed. **CIT**



Simon Phillips
Head of captive insurance, wealth and investment management
Barclays

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