CIT CAPTIVEINSURANCETIMES

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New acting insurance commissioner in DC following Obama criticism

The Washington DC Department of Insurance has appointed Chester McPherson as acting commissioner.

McPherson, who has served as the deputy commissioner for the department since 2011, succeeds William White. He claims he was dismissed from his post after making statements that were critical of US President Barack Obama.

President Obama recently gave states the ability to extend existing healthcare insurance policies, an action which does not comply with his flagship Patient Protection and Affordable Care Act, through 2014.

But White issued a statement on 14 November that was critical of the decision to pass the responsibility over to state authorities, saying: “The action ... undercuts the purpose of the exchanges, including the District’s DC Health Link, by creating exceptions that make it more difficult for them to operate.”

The US insurer trade group Health Insurance Plans backed White’s criticisms. Its president and chief executive said: “Changing the rules after health plans have already met the requirements of the law could destabilise the market and result in higher premiums for consumers.”

The Washington DC Department of Insurance declined to comment on White’s departure, which was confirmed on 15 November.

Previously, White served as director of the captive insurance division for the department, from 2003 to 2004.

He was then selected to head a programme to attract captive insurance companies to Delaware, a post that he left in 2009.

Deputy mayor Victor Hoskins said: “Chester McPherson’s extensive management and leadership background make him an ideal candidate to lead the department of insurance.”

Survey finds lack of Solvency II understanding

PA Consulting Group has launched a survey to assess how prepared the insurance industry is for Solvency II.

Only half of insurers understand the full impact of the regulation and less than a third have an adequate budget in place to complete the programme, according to the survey of insurers.

After a long period of uncertainty, 2016 is now the proposed implementation date. The study concludes that despite the implementation approaching, fundamental issues remain to be overcome in the insurance industry. Challenges were highlighted across all the three pillars of the directive.

The survey found that two thirds of insurers do not expect to be ready to meet European Insurance and Occupational Pensions Authority’s preparatory guidelines on the System of Governance by January 2014.

readmore p2

Capstone turns 15

Captive insurance manager Capstone Associated Services celebrated its 15th anniversary on 20 November.

Capstone began in November 1998 with the formation of four captive insurance companies.

Today, Capstone is the largest third party administrator of property and casualty insurers for closely-held middle market companies in the US.

Capstone also reported strong record growth among its middle market clientele. The captive manager’s clients are located in 28 different US states.

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Survey finds lack of Solvency II understanding

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Although the guidelines are preparatory and there is no need for a costly or rushed implementation, firms must immediately build a credible plan to achieve compliance.

Four out of five insurers questioned expect reporting to start by mid-2015 and almost all expect to be ready in time. The survey indicates that there is a risk that the industry is underestimating the challenge as, despite the demands of Solvency II reporting, no firm has spent more than 25 percent of its budget on developing reporting systems.

The biggest overall delivery worry for insurers is further change to the timetable or requirements, followed by the availability of operational staff.

Asesh Sarkar, an insurance expert with PA Consulting, said: “As insurers and regulators prepare to step up their Solvency II activity, firms need to ensure their activity—and their budget—is focused in the right places. This means taking a hard look at the value of internal models and ensuring they are investing enough in IT to prepare for Solvency II.”

Capstone turns 15

Continued from page 1

“Our continued growth is a reflection of the broadening acceptance of alternative risk planning beyond the larger, publicly held companies where captive planning is commonplace,” said Clete Thompson, vice president of business development at Capstone.

Late in 2012, Capstone announced its 120th captive formation and this year expects to approach 150.

“The utilisation of captives among middle market companies over the past decade has been consistent and incremental,” said Thompson. “Forming a captive is among the best risk management and financial planning tools available for middle market businesses.”

“Capstone’s clients use alternative risk financing strategies to reduce insurance costs, improve risk management, customise coverages and increase cash flow,” added Helen Nguyen, vice president of insurance operations at Capstone.

“Over 90 percent of Fortune 1000 companies and many successful mid-market companies have captives,” said Nguyen. “It is estimated that over 50 percent of all property and casualty premiums are written through captives.”

Former Qatar Petroleum captive puts plans on hold

Al Koot, an insurance subsidiary of Gulf International Services, has put plans to convert the business into a reinsurance entity on hold.

A spokesperson for the company told Qatar’s stock exchange that “the discussions have been put indefinitely on hold”.

The company has not announced the reason for the change in its plans, saying only that “no major change is expected in the company structure or in its operation”.

Al Koot was the captive of Qatar Petroleum, before diversifying its risk coverage to other firms.

As the majority of Qatar’s reinsurance underwriting takes place abroad, the conversion was seen as a positive step by market analysts in the Gulf state.

Shadow insurance study raises concerns

The size of the shadow insurance sector could lead to losses of $15.7 billion for the life insurance industry, according to a study by economists at the Minneapolis Federal Reserve Bank and the London Business School.

The study looked at the scope of captives and their impact on the life insurance industry.

The study noted that there are benefits to shadow insurance, finding that without the

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presence of captives the cost of life insurance could rise by 5 percent.

The authors of the also found that there is a possibility of systemic risk from captive transactions. If a large life insurer that was involved in shadow insurance failed, the losses could be systemic, leading to large losses for the industry as a whole.

The study also found that there is a lack of public disclosure with regards to reinsurance, which impedes “accurate assessment of their investment risk and the fragility of their funding arrangements.”

Guernsey signs MoU with China

The Guernsey Financial Services Commission has signed a memorandum of understanding with the Chinese Securities Regulatory Commission.

William Mason, director general of the Guernsey commission, and Xiao Gang, chairman of the Chinese commission, signed the agreement.

Mason said: “Guernsey has high regulatory standards and this has been demonstrated to, and recognised by, the [Chinese commission] during the course of our discussions which have culminated in signing the MoU. The MoU provides the basis for a framework of cooperation and exchange of information between the two sets of authorities in relation to securities and futures business.”

The memorandum sets out a statement of intent to establish a framework for mutual assistance and to facilitate the exchange of information between the authorities to ensure compliance with their respective laws and regulatory requirements.

The Guernsey Financial Services Commission signed a similar agreement with the China Banking Regulatory Commission in 2011.

A.M. Best rates Schlumberger captives

A.M. Best has assigned a financial strength rating of “A (Excellent)” and issuer credit ratings of “a” to Castle Harbour Insurance, Harrington Sound Insurance and Colliers Bay Insurance. The outlook assigned to the Bermuda-based captives is stable.

The ratings and outlook reflect the excellent capitalisation and conservative operating strategy of the captives.

The ratings also consider the critical role and favourable profile the captives enjoy as part of their parent company, oilfield servicing firm Schlumberger Limited. The rating also takes into account the excellent operating performance of the captives during the past five years.

Partially offsetting the positive rating factors are the relatively large limits in general liability and property lines of business held by the captives.

A.M. Best views the management and corporate strategy as a strengthening factor in its ratings, given the group’s conservative underwriting, operational goals and transparency.

Other factors considered in A.M. Best’s ratings process include the diversification in line of business and geography, as well as the support and commitment of the parent and the group’s mission.

A.M. Best expects the future operating performance to be stable but strong, and the stable earnings profile should further support the companies to control growth and business writings, which are consistent with the capital and surplus position of the captives.

Bank report suggests big data solution to catastrophe gap

The number of catastrophe bonds outstanding could double between now and 2018, according to a new report from BNY Mellon.

The study looked at ways in which insurers and the capital markets can harness big data to close the gap between between insured and economic costs following a natural catastrophe.

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Protected Cell Legislation - Protected Cell Companies can be incorporated in Malta, enabling cell promoters to write insurance through a cell. The law ensures proper protection and insulation of cell assets and liabilities from those of other protected cells and the core of the protected cell company.

A Stable Regulatory Framework - The Malta Financial Services Authority (MFSA) is reputed to be "firm but flexible" - encouraging discussion with promoters at all stages of an application process and also on an ongoing basis.

Extensive Double Taxation Treaty Network - Malta has over 70 tax treaties with various EU and non EU countries.

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FinanceMalta is the public-private initiative set up to promote Malta's International Financial Centre

Dean Fletcher, head of EMEA corporate trust at BNY Mellon, said: "The initial investor base was dominated by hedge funds and private equity, but we are seeing more long-term investors such as pension funds buying cat bonds. Investors are attracted by the high yields in the current low interest rate environment."

Natural catastrophes cost the insurance industry approximately $13 billion globally in the first half of 2013, and the overall economic losses were estimated at around $45 billion. The industry covered less than a third of natural catastrophes.

Paul Traynor, BNY Mellon's international head of insurance, said: "Insurers and the capital markets can help reduce the disaster gap by working together with big data to deploy new capital to cover new perils in new regions. This will reduce the cost of rebuilding for governments and provide a positive contribution to society."

The report suggested that a combination of legacy and predictive big data models will produce more robust risk modelling for cat bonds. These models should include unstructured data, fast changing data and data generated from an increasing number of sensors, mobile devices and social media applications.

Captive solution for US futures market

The National Futures Association (NFA) has compiled a report on the economic feasibility of adopting an insurance regime that would serve the US futures industry.

The research follows several high profile failures of futures market speculators, such as that of MF Global in 2011.

The study was commissioned by four sponsoring organisations, including the NFA , in November 2012. It was carried out by Compass Lexecon, an economic consulting company.

Christopher Culp, a risk management consultant, led the team at Compass Lexecon.

The objective of the study, Culp said, was to analyse and quantify the potential costs of various scenarios, including a government-mandated solution similar to what exists today in the securities industry, as well as voluntary market-based solutions provided by private insurance companies."

The study examined four potential insurance models and developed estimates for the potential costs involved.

The report favoured an insurance structure where several futures trading companies jointly formed a captive that would provide insurance to its participants.

The proposed captive would retain first-loss retention, meaning that in the event of a catastrophic loss, claims would only be paid by the members that were not failing, and reinsurance would cover claims in excess of the captive's capital limit.

No new captives in the British Virgin Islands

No new captives have been formed in the British Virgin Islands in the past three months, according to statistics released by its Financial Services Commission.

There are more than 150 captives domiciled in the islands, but growth in the sector appears to have stalled in Q3.

General company incorporations in the islands fell by 1.3 percent during the first six months of 2013 compared to the same period in 2012.

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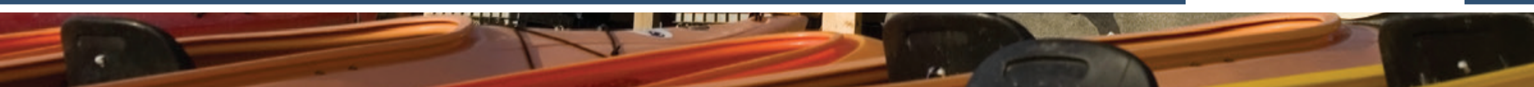

The British Virgin Islands adopted captive legislation relatively early. The islands passed the Insurance Act in 1994, together with the Insurance Regulations Act of 1995. The islands are tax-neutral, as they do not add extra layers of taxation to that paid by a parent company in its home country.

Texas accepts captive applications

The Texas Department of Insurance is now open to applications from captive insurance companies. The state will begin by licensing captives that are located in other jurisdictions that would like to relocate to Texas.

In the past, Texas-based companies that wanted to self-insure through a captive were forced to form the operations outside of the state.

Julia Rathbeger, the state's insurance commissioner, said: "I am pleased that the Texas Department of Insurance is moving forward with the implementation of SB 734, which authorises the creation of captive insurance companies in Texas."

Senator John Carona, who sponsored the bill in Texas, said: "My hope is that this legislation will encourage businesses to form captive insurance companies within the state and also provide incentive for those companies with existing captive insurance companies to redomesticate in Texas."

The Texas statute requires that parent companies have significant operations in Texas in order to form a captive in the state. The bill passed in Texas prohibits captives from accepting insurance policy risks of an insurance affiliate.

A.M. Best affirms Northwind debt rating

A.M. Best has affirmed the debt rating of "a" on $800 million of notes issued by Northwind Holdings, a Delaware limited liability company and wholly owned subsidiary of Unum Group.

Northwind Holdings was formed to hold the stock of Northwind Re, issuing the notes and engaging in other activities incidental to the performance of its duties. Northwind Holdings is the sole shareholder of Northwind Reinsurance Company, a special purpose financial captive insurance company domiciled in Vermont.

A.M. Best's rating takes into consideration the operating subsidiaries' current financial strength rating of "A (Excellent)" and issuer credit ratings of "a".

Northwind Holdings's debt rating and outlook may come under negative pressure if an unfavorable earnings trend develops over a prolonged period or if certain benchmarks are not achieved or deteriorate relative to its forecast. However, the debt rating and outlook could benefit from a favorable trend in the company's operating performance.

Reinsurance conference looks to the future

PricewaterhouseCoopers and Standard & Poor's have held a reinsurance conference in Hamilton, Bermuda.

Opening a panel discussion, Matthew Britten, PwC's managing director in Bermuda, asked whether today's market conditions are driving such significant changes and innovations that this point in time may be reflected upon in the future as a key period in the market's history.

Britten said: "There seemed to be broad agreement that while this particular point in the reinsurance market's history may be remembered for the influx of alternative capital into the market, there are a number of other major forces that will influence the shape and future landscape."

Discussion on how reinsurers can best partner with governments and support the opportunities in emerging markets with low insurance penetration was particularly topical. Montpelier Reinsurance president, Christopher Schaper, said: "Who's going to take care of the Philippines? Having uninsured losses like that is very significant."

The British Virgin Islands

The British Virgin Islands' (BVI) legislation provides for the formation and regulation of captive insurers. The application process is seamless; once the established criteria for the issue of a licence has been met a licence to carry on insurance business from within the BVI is issued. Local Insurance Managers provide the necessary expertise.

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Multiple interests

CIT talks to Peter Mackay of Global Captive Management about the conflict of interest that can arise without an independent manager focused on service

MARK DUGDALE REPORTS

What is the premise behind Global Captive Management?

Global Captive Management was licenced in 1982 to provide management services for captive insurance companies. Our largest selling point is the fact we are independent and, as such, uninfluenced by the income streams from primary brokerage, fronting, banking services, investment advisory services or reinsurance brokerage. Our focus is on providing excellent service, not the selling of services to our clients.

A testament to the quality of service we provide is the fact that we have grown to one of the 10 largest captive managers worldwide while maintaining our independence and personalised client focus.

What are the benefits of using an independent captive manager as opposed to a broker-owned manager?

There are no conflicts of interest with an independent manager. Independent managers work for the best interests of their client. Our goal is to truly maximise the potential of our client's captives and provide them with information on all available options to make informed decisions.

If the broker is also providing management services, then when an issue arises (for example, one of the parties is underperforming), a conflict of interest may arise when it comes to reporting this issue to the client. Also, brokers will often use a captive as a defensive mechanism, instead of using the captive to its full potential. An independent manager can inform clients about market trends they are seeing with other brokers and captives, so that clients can maximise the potential of their captives.

Bundling of services does not necessarily mean that you end up with the service provider that best fits your needs. Using the broker's captive manager without reviewing other managers means the client will not know what other options exist outside of that broker's sphere of influence. However, if a captive is with an independent manager, then the independent manager can advise the captive's board what various brokers and markets can offer.

Moreover, sometimes what brokers advise may not be in the captive's best interests. For example, taking a higher retention to gain a premium reduction may reduce commission opportunities for the broker. This may lead to conflicts between its role as a manager and its corresponding broker role. Global Captive Management avoids this conflict by only charging a flat fee.

What other benefits does Global Captive Management offer to its clients?

We are one of the most stable firms in the Cayman Islands. We have low staff turnover, as well as a number of experienced professionals who come from audit, regulatory, as well as tax backgrounds. Recently, Ian Bridges, formerly director of tax with PwC in the Cayman Islands, rejoined the firm. He can assist in discussions in regards to various tax considerations, including required filings for the Foreign Account Tax Compliance Act, which was recently enacted in the US.

While this does not constitute formal tax advice, having someone on staff who understands the US tax issues and can assist clients in this way is a bonus. Personally, I have been working in the captive insurance industry for 32 years, and we have a wealth of experience here in Cayman.

Is your captive portfolio specialised or varied in terms of type of structure and industry, and what are you seeing in terms of new business?

It's varied, but approximately 40 percent of our business is healthcare. This is split between hospitals (not-for-profit and for-profit), physician-owned practices, nursing homes and home health organisations. Our client portfolio also includes captives that provide insurance/reinsurance coverage for retail operations, construction companies, transportation companies, hotels, life and other long-term business. We also have a significant number of group captives and segregated portfolio companies (SPCs).

In terms of new business, we are seeing more interest from the European market and at the moment, we are working on setting up a captive for a Romanian company. The reduced solvency requirements of setting up a captive in Cayman are seen as appealing to the European marketplace.

Our business is very diverse, but at the end of the day the captive programme and structure has to make sense. In all honesty, we probably turn down more captives than we accept—mainly due to the issue of feasibility. If you cannot obtain a tax deduction, for example, a captive does not make sense to for-profit entities.

There is no point going down the road of setting up a captive that is not going achieve the objectives of the captive's owners. We look at what the captive owner's objectives are right up front and if it makes sense, and it passes our 'smell test', then we will move forward with the client.

Have you seen any structures becoming more popular recently?

Group captives and SPCs seem to be the structures that are growing the quickest recently.

I think that group captives are becoming popular because it is almost impossible for a single company to obtain a tax deduction in the US due to issues of risk transfer and/or risk distribution requirements. If a single firm is not large enough on its own to set up a captive, by joining a group captive it can alleviate the issues of risk transfer and financing, as well as gain the advantage of the overall size of the group captive as a whole. Group captives are also typically good at offering safety and risk management tools to members.

We have also seen more captives either converting to or initially forming an SPC in order to achieve risk transfer, or offer coverage to affiliated/third parties.

We have been in a recession. Premiums have decreased because exposure is down, but interestingly enough, there seem to be more unusual captives that do not operate along traditional lines. In particular, we are seeing increased interest in reinsurance of long-term business including life and disability coverage.

Are you seeing any trends occurring in the Cayman captive market specifically?

The Affordable Care Act, otherwise known as Obamacare, is definitely affecting the industry in healthcare. We are seeing a lot of healthcare clients looking to affiliate or merge, because when revenue is going down, cost cutting is the only way to go.

There are advantages and disadvantages to the mergers of firms. Firms are looking to merge to try and reduce costs. You can have two captive insurance companies in Cayman with different managers whose parents merge, so naturally, one of these managers is going to lose their client once the captive programs merge too. On the flipside, you also have smaller hospitals being purchased, and we are seeing some for-profit entities purchasing hospitals. They may decide to start working with captives. There will be new business coming in—but business will also be lost. On an overall basis however, I'd say that we are seeing a greater interest in forming captives this year as well as re-domestications from other domiciles. **CIT**

Peter Mackay
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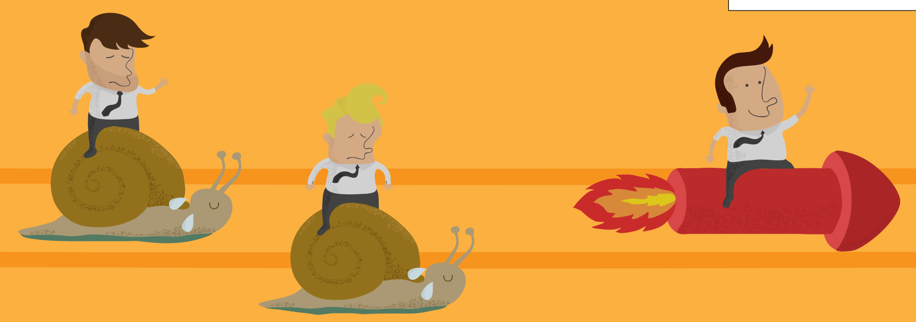

Guernsey stays ahead of the game

CIT revisits the king of European captives, and looks at what it is doing to maintain its position at the top of an increasingly competitive market place

DANIEL JACKSON REPORTS

Guernsey has an international reputation for its robust, flexible business laws. When companies are looking for a place to do business, Guernsey ticks all of the right boxes. It has a strong financial services pedigree, and a solid track record in the insurance industry.

The first captive opened on the island in 1922, 30 years before the term was even coined.

These days, Guernsey is in the big leagues in terms of captive domiciles. More than 770 captive structures call the island home. Only three other jurisdictions in the world can claim more. More than 40 FTSE 100 companies listed on the London Stock Exchange have a captive based in Guernsey, which is an astounding headline statistic for the island.

Clive James is COO of the Kane Group, an insurance management services company with a presence on the island. He believes that Guernsey's strength as a captive domicile lies in the open communication channels between the industry and the regulator.

"One of the great things about Guernsey on the insurance side is that we sit down and have regular meetings with the regulators. They are willing to help us through issues as well as just going through the standard regulatory process. To remain competitive the regulator needs to continue this interaction, as they have done for the 25 years I've been in the business in Guernsey."

Horses for courses

The calibre of the workforce in a jurisdiction is a contributing factor to any domicile's success. Is Guernsey doing enough to foster talent in this area?

James said: "At the moment, no, there isn't enough being done. Education is a highly political issue within Guernsey at the moment, and it is going through a number of changes. Finance driven trade associations such as the GIIA have been trying to push the idea that secondary education should be geared towards the local industry. But at the moment it's not like the German model, where that happens. This is true of the UK generally."

"It can be improved if there is more interaction between the industry and the education authorities. We need to sit down with the education department and put together a more appropriate syllabus in terms of the subjects that are relevant here in Guernsey. If we are going to have more finance expertise going forward, education needs to be a part of that."

Ahead of the competition

It seems that each new month brings the opening of a new captive domicile, particularly in the US. With competition so strong, Guernsey has much to do remain competitive as a captive domicile.

Gavin Parker, Barclay's head of offshore and local markets in Guernsey, takes the view that the island's history in the industry keeps it ahead of the competition.

"There is much to be said for pedigree in this industry. Where Guernsey has robust regulation and service providers, any new jurisdictions have a lot to prove to be able to compete at this level. The culture that develops within a jurisdiction over time cannot be replicated overnight and certainly, from a Guernsey perspective, there are a host of industry bodies and support businesses that have put considerable effort into growing a 'can do' culture that is both innovative and service driven."

Guernsey has never been a domicile to sit back and watch what the competition is doing, he adds.

"[The island] has committed to the captive sector for many years, and through the creation of its protected cell company/incorporated cell company structures and regulations, as well as its thoughtful and proactive response to Solvency II, I believe has proven that it sits at the forefront of change to improve client experience. With the advent of the creative insurance-linked securities structures and Guernsey's service providers seeking to embrace these and create ways to work with them, Guernsey has once again evidenced to the wider captive community that it is both nimble and accommodating with the sector's change in appetite and demand."

"Guernsey has an ideal geographic position to service the UK and mainland Europe and as long as it remains as progressive as it currently is in its approach, it will be difficult for other jurisdictions to compete over Guernsey for newly formed captives."

Parker also believes that increased competition is a good thing for the industry.

"It is important to say that it is really positive to see a greater number of jurisdictions involved in the industry. It supports and strengthens the global message that a captive insurance company is a valuable asset to any large corporate. It also makes a large statement about the perceived value of the industry, to not only the existing jurisdictions, but also to newer territories. More competition drives greater innovation and that can only be positive for clients of the sector."

It is clear that Guernsey and the companies that do business there are looking to the future with optimism. The island is ready to face the challenges of the future, and willing to stand its ground in the face of outside legislative pressure.

Guernsey has an internationalist outlook, as demonstrated by the recent agreements signed between it and China. With the right balance of regulation and openness, the island has a solid future ahead of it as a captive domicile. CIT

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Industry appointments

Ian Bridges has re-joined Global Captive Management (GCM) as vice president. He will oversee the expansion of GCM in both the New Jersey and South Carolina captive markets.

Bridges previously spent almost three years with the company between 2009 and 2011.

He was most recently a director of tax with PricewatherhouseCoopers in the Cayman Islands. Bridges also previously held the role of senior manager within the KPMG Cayman Islands's US tax practice.

Since 2002, he has focused primarily on the captive insurance industry, providing a variety of services including management, tax advisory and tax compliance, to offshore captives and reinsurance companies.

Bridges said: "I look forward to my return to GCM. The Cayman Islands has seen continued growth in captives over recent years and GCM has played a part to drive that growth. In a competitive captive domicile market I look forward to the chance to oversee GCM's continued expansion in United States domestic domiciles."

Peter MacKay, chairman of GCM, said: "Having Ian Bridges helps set GCM apart from other captive managers in the Cayman Islands. Bridges's valuable captive tax experience will allow us to assist in developing tax effective captive programmes, provide insight on tax compliance, and act as a liaison between tax service providers and our captives."

JLT Towner has hired **Megan Ogden** to head the company's new South Carolina office in Charleston.

Ogden was previously vice president, deputy team leader and senior account executive for Marsh Management. She will begin her position with JLT Towner in January 2014, when the office will open.

Ogden joined Marsh in 2005 as an account manager. In her most recent position, she had overall responsibility for financial reporting and administration of the captives under her supervision.

Guy Ragosta, CEO and Partner of JLT Towner, said: "Ogden has shown her ability to take the lead in one of the world's largest captive environments, and she has experience dealing with captives in many industries. We know she will serve our clients exceedingly well."

AEGIS London has made two new appointments to its terrorism and aviation war account.

Ben Lockwood, formerly deputy class underwriter for terrorism at the Watkins Syndicate, will start in the newly-created role of terrorism underwriter, reporting to head of aviation, war and terrorism Kevin Mills.

Ben is joined by **James McDonald**, who takes the role of underwriting assistant, war and terror.

Having begun his career with the Watkins Syndicate in 2008 as terrorism underwriting assistant, Lockwood was promoted to assistant underwriter in 11 months and gained his full underwriting authority in August 2010.

David Croom-Johnson, active underwriter at AEGIS, said: "The terrorism market is evolving and expanding, and as it does so, AEGIS London wants to be at the forefront of the market."

Mills said: "Currently, the flow of terrorism and political violence business into the market is increasing. We believe that this environment presents us with an excellent opportunity to expand our book of business."

Third Point Re has appointed three new directors to its board.

Rafe de la Gueronniere, **Neil McConachie** and **Mark Parkin** will join its board immediately.

De la Gueronniere is the managing director of New Providence Asset Management. His career began at J.P. Morgan where he served as a senior vice president.

McConachie previously worked at the Lancashire Group where he held the roles of chief risk officer, CFO, COO and president. Prior to that he worked for PricewaterhouseCoopers in London and Bermuda.

Parkin was employed by Deloitte for 37 years. Parkin was a partner at the firm, serving audit clients in the insurance industry.

Third Point Reinsurance is backed by Third Point LLC, the New York-based hedge fund formed in 1995 by Daniel Loeb.

Loeb takes a short and event driven approach to investment. His company has been involved in a string of high profile stock acquisitions since his offshore fund lost almost a third of its value in the financial crisis of 2008. **CIT**

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