CIT CAPTIVEINSURANCETIMES

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# Artex becomes an international captive manager of the industry

Artex Risk Solutions has acquired Heritage Insurance Management, the specialist captive arm of Guernsey-headquartered Heritage Group.

Established in 1993 and led by executive chairman Charles Allen and managing director Nick Heys, Heritage Insurance Management specialises in the creation and management of insurance solutions for clients outside of North America.

It employs teams of industry experts with extensive capabilities and detailed knowledge of their specialist markets, offering both captive programmes that service small and medium-sized enterprise clients and solutions geared to the non-US, large and mega-cap multinational arena.

Heritage Insurance Management currently has annual revenues of approximately $20 million and just over 100 employees operating in Guernsey, Malta, Gibraltar and London.

The deal will see Artex expand beyond North America for the first time, with the acquisition of a fully established European-based captive management facility, which will trade as Artex International in due course.

Together, Artex North America and Artex International will serve almost 1000 captive clients, operate from 15 locations, with licences to do so in 20 captive domiciles, and employ more than 300 captive and alternative risk professionals, making Artex one of the largest captive managers in the world.

David McManus, president of Artex Risk Solutions, said: "I'm absolutely delighted that Charles Allen, Nick Heys and their great team at Heritage have chosen to join us at Artex. The relationship between our companies goes back many years and this merger represents about as perfect a strategic fit as I can imagine."

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## CICA opposes captive revision

The Captive Insurance Companies Association (CICA) has expressed its objection to the Financial Regulation Standards and Accreditation (F) Committee's proposed revisions to the definition of "multi-state reinsurer".

CICA has written a letter to the committee in which it argues that the revisions would impose an "unreasonable and unneeded regulatory burden on the captive industry".

The letter is an answer to concerns expressed by Rhode Island's superintendent of insurance, John Torti, about life and annuity insurers' use of special purpose vehicles (SPVs) and captives as reinsurance mechanisms and the excess reserves required by Regulation XXX and AXXX.

CICA claims that the revision is overly broad and the language is imprecise, as it states: "A multi-state reinsurer is an insurer assuming business that is directly written in more than one state and/or in any state other than its state of domicile."

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## Beecher Carlson to invest

Beecher Carlson Insurance Services, LLC, the large account subsidiary of Brown & Brown, is embarking on a number of strategic investments.

Beecher Carlson was acquired by Brown & Brown in July of 2013.

Steve Denton, CEO of Beecher Carlson, commented: "The combination has been very positive for our clients, our teammates and our insurance carrier partners."

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## Artex becomes an international captive manager of the industry

**Continued from page 1**

“Not only will our combined entity represent one of the largest captive managers in the world but, more importantly, we believe the highly complementary nature of our strengths, geographies and client bases will create a world-class global platform from which we can develop even stronger client propositions.”

“Together our spectrum of expertise can simultaneously service the risk management needs of mega-cap multi-national organisations while also offering the know-how to create innovative captive solutions for small and middle market enterprises—all sourced through an independent network of insurance brokers and other trusted advisors.”

Nick Heys, who will become CEO of the new international arm reporting to McManus, added: “Heritage Insurance Management, as part of the Heritage Group, has grown substantially over the years but reached a stage whereby partnering with a like-minded organisation was necessary to realise its ambitions.”

“Whilst we are sad to be leaving our colleagues at Heritage Group we are delighted to be joining a world-class organisation capable of taking our captive insurance business to the next level.”

## CICA opposes captive revision

**Continued from page 1**

“This includes but is not limited to captive insurers, special purpose vehicles and other entities assuming business.”

This broad definition would sweep in numerous alternative risk structures that have nothing to do with life reinsurance, including some captives that operate on a direct basis, according to CICA.

The majority of captives insure or reinsure some form of property/casualty risk. No supporting information has been provided by Torti, or any other National Association of Insurance Comissioners (NAIC) representative, as to why the property/casualty industry should be included in the proposal.

According to CICA: “The proposed definition is vague and, in some instances, contradictory.”

“For example, it references ‘business that is directly written’ in the context of a reinsurance captive, which does not directly write, but rather reinsures.”

“The imprecision of the language may stem from the fact that the problem to be remedied has not been established.”

The effect of the proposal would be to impose NAIC accreditation standards on most captive reinsurers.

The proposal poses legal problems, violates the NAIC’s own rules regarding the adoption of amendments to the accreditation standards and contains exceptions that are “too narrow and ineffectual”, said CICA.

In the letter, CICA claims that the adoption of the proposal would cause severe damage to the captive insurance industry and also that “no bases have been put forward as to why the proposal should apply to the entire captive industry”.

JLT Insurance Management (JLTIM) has joined CICA in calling for the NAIC to reconsider its proposed definition.

Len Crouse, a JLTIM Principal for US operations and former Vermont captive regulator, said: “For years, state insurance departments have done a good job regulating captives.”

“I don’t see the need for additional regulation, but this proposed definition could unnecessarily burden captives.”

## Beecher Carlson to invest

**Continued from page 1**

“We are dedicated to recruiting the very best resources for our clients and continue our search for world-class talent. We appreciate the tremendous support from Brown & Brown as we invest in industry leading innovation and technology offerings to support our large account clients.”

Beecher Carlson is investing in key client resource teams, client service support and sales depth.

These investments include a merger and acquisitions team in New York that will focus on deal due diligence, post-acquisition insurance placement and client service for private equity portfolio companies.

It also plans to add property risk control experts, property resource staff in Bermuda and a cyber liability practice leader

“We are committed to the growth of Beecher Carlson,” stated Barrett Brown, regional vice president of Brown & Brown.

“Working together, we will continue to build value for our clients and shareholders alike.”

## JLTCM closes $10 Million cat bond

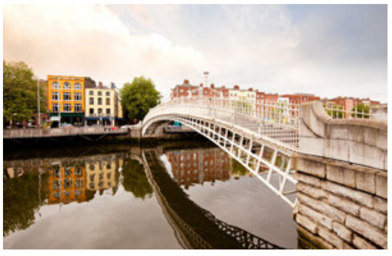
Jardine Lloyd Thompson Capital Markets (JLTCM), which is part of JLT Towers Re, has arranged another private placement catastrophe bond, Market Re 2014-1, which closed at $10 million.

The new bond provides two-year indemnity-based collateralised catastrophe reinsurance coverage for the cedant’s Florida book of business.

## CITINBRIEF







Market Re is a new vehicle that JLTCM has established to continue to make the capital markets more accessible to issuers looking to do smaller-sized cat bonds.

"At JLTCM, we remain focused on the democratisation of the capital markets so that issuance doesn't just remain the domain of larger cedants," said Rick Miller, managing director and co-head of insurance-linked securities at Jardine Lloyd Thompson Capital Markets.

"We are delighted that we have been able to create a more cost-effective vehicle that will enable cedants to source capital markets capacity for even smaller deals."

"For investors, we are confident that Market Re transactions will allow us to continue to bring new cedants and perils to them in a manner that will allow them to diversify their portfolios."

## Arthur J. Gallagher to acquire Noraxis

Arthur J. Gallagher & Co has signed an agreement to buy Noraxis Capital Corporation.

Upon completion of the transaction, Gallagher will hold approximately 87 percent of the equity interests in Noraxis.

The remaining 13 percent will continue to be owned by various management employees of Noraxis. The transaction is subject to regulatory approval and is expected to close in July of 2014.

Noraxis is a top-five Canadian insurance broker that provides retail commercial, personal and employee benefits insurance products and services.

"In Noraxis, we have found our ideal Canadian partner and together we now have a solid platform for organic growth and a leadership team that will continue to attract new merger partners," said David Ross, CEO of Arthur J. Gallagher International.

"By joining with Gallagher, Noraxis will be able to leverage our sales and service capabilities across Canada."

"In particular, our combined expertise in areas such as energy, construction and mining align well with the growth opportunities in the Canadian market."

Ken Keenan, Noraxis Group's president, commented: "From our earliest engagement, there has been genuine excitement right across our team at the prospect of joining Gallagher."

"As a business built by acquiring brokers known to be the best in their geography and niche, we share an obvious client-first service ethos and entrepreneurial culture with Gallagher."

## Sooner gets the thumbs up

A.M. Best has affirmed the financial strength rating of "A (Excellent)" and the issuer credit rating of "a" of Sooner Insurance Company.

The ratings reflect Sooner's excellent capitalisation, history of consistent operating profitability driven by favourable underwriting results, conservative reserve levels and the position it holds as the captive insurer for its ultimate parent, ConocoPhillips.

A.M. Best's decision has also considered the level of commitment on the part of ConocoPhillips, whose management incorporates Sooner as a core element in its overall risk management program.

Partially offsetting these positive rating factors are Sooner's significant reinsurance credit risk stemming from the large limits offered on its policies and the possible change in the captive's net retentions that could happen year over year, as well as the limited diversification of business written, which is expected with a single parent captive.

A.M. Best has also affirmed the financial strength rating of "A- (Excellent)" and the issuer credit rating of "a-" of Ardellis Insurance. The outlook for both ratings is stable.

The ratings of Ardellis reflect its conservative underwriting leverage, strong level of capitalisation and profitable operating results.

Partially offsetting these positive rating factors are Ardellis' relatively high retention and limited profile as a single parent captive of Universal Forest Products (UFP).

The company has posted low loss and loss adjustment expense ratios, reflecting its effective risk management practices.

The ratings also recognise Ardellis' balance sheet strength and conservative underwriting leverage measures.

Although the outlook for the ratings is not expected to be revised within the next 12 to 24 months, factors that could lead to a positive outlook and/or an upgrading of Ardellis' ratings are material and sustained improvement in its underwriting performance and capitalisation.

Factors that could lead to a negative outlook and/or a downgrading of the ratings are material deterioration of capital from the company's claims, investments and/or a reduced level of capital that does not support its ratings as measured by A.M. Best's Capital Adequacy Ratio.

## Global reinsurers improve combined ratio

A group of global reinsurers tracked by Fitch Ratings have improved their reinsurance calendar year combined ratio to 85.4 percent in 2013, compared with 89.3 percent in 2012.

This improvement is largely due to lower catastrophe-related losses, according to Fitch's Global Reinsurance Results Dashboard.

Solid underwriting profitability was offset by an adverse change in unrealised investment gain/loss position on fixed maturities and capital market activity, resulting in muted shareholders' equity growth in 2013.

The group of insurers experienced only marginal growth in overall reinsurance premiums written, as underwriting opportunities were limited, although the individual company growth varied considerably.

Munich Reinsurance Company and Swiss Reinsurance Company maintained their positions as the largest global reinsurers.

## Connecticut updates SB 188

The State of Connecticut's Insurance Department has updated its existing captive statutes by making changes to Senate Bill 188 (SB 188).

These changes now mean that clarification has been made of the definition of private passenger motor vehicle insurance that can be provided by a captive insurance company.

The provisions and process for captives wishing to transfer domicile (re-domesticate) to or from Connecticut is now also covered by SB 188.

Should captives wish to re-domicile, the SB 188 updates have laid out the discretionary authority for evaluating credit for existing reinsurance placements.

SB 188 will also clarify the establishment and purpose of a branch captive insurance company, and the applicability of holding company legislation to captive insurance companies.

Thomas Hodson, who leads JLT Towner Insurance Management, had previously commented: "For over 200 years, Connecticut has been an innovator in insurance, so these updates are a natural extension of that innovation."

## Insurance industry optimistic for growth

Insurance executives and intermediaries expect the sector to enjoy good growth over the next three to five years, according to research from information management firm EDM Group.

Forty-four percent of the executives interviewed expect the insurance sector to grow by between 10.1 and 20 percent, while only 3 percent expect it to contract.

One in three (35 percent) intermediaries anticipates that the sector will grow by between 5.1 percent and 10 percent over this timeframe, with a further 19 percent anticipating growth of between 10.1 and 15 percent.

Only 5 percent expect the sector to contract between now and 2019.

When asked which segments of the insurance sector they expect to see the biggest growth over the next five years, both groups were heavily weighted towards life/critical illness, and health.

For the insurance executives interviewed, 36 percent anticipate that the life/critical illness market will see the biggest growth between now and 2019, followed by 21 percent who said health insurance and the same percentage opted for car insurance.

For intermediaries, 47 percent said the health insurance sector would see the biggest growth, followed by 44 percent who said life/critical illness and 14 percent car insurance.

Craig Campbell, head of the insurance sector at EDM Group, said: "Insurance executives and intermediaries clearly have a very positive view on the outlook for the insurance sector over the next three to five years."

"To capitalise on the opportunities here, we expect to see a significant focus from insurers on improving their levels of efficiency and cutting costs, and this will include how they manage their information and data."

"For that reason, this is one of our biggest markets, and we expect its importance to us to increase in the coming months and years."

# Seismic shifts

## The European Insurance Forum explored issues facing the industry and celebrated 25 years of international insurance and reinsurance in Ireland

STEPHEN DURHAM REPORTS

The European Insurance Forum focused on the 'mega trends' that are expected to play a role in shaping the insurance and reinsurance sectors over the coming months and years.

Jacob Rosengarten of XL Group commented: "Many of today's most pressing global risk management issues are intertwined. They are correlated in one way or another, especially in their potential and significant impact on the insurance industry and the businesses we serve."

While a number of these were presented as possible threats to the industry, there was a great deal of optimism about the present and future from insurers.

Seventy-two percent of international insurance leaders are confident about business volume growth in the year ahead, according to results revealed at the conference. The figures were up from 62 percent in 2013, despite greater uncertainty and complexity involved with managing the business of risk. Globally, 92 percent of insurance CEOs said they are confident that their revenues will increase over the next three years.

According to the survey, conducted by PricewaterhouseCoopers, the top challenge facing insurers is the burden of regulations followed by implementing Solvency II.

Seventy percent of respondents said that Ireland's regulatory regime is more demanding when compared to other EU territories. Sarah Goddard, CEO of the Dublin International Insurance and Management Association (DIMA), commented: "Ireland has significantly reshaped its reinsurance regulatory system to anticipate European-wide changes coming into force in 2016."

"Although this has resulted in the regulatory regime being regarded as more demanding compared to other EU member states, ultimately it means Ireland is in a stronger position to meet the new regulatory structures under the Solvency II directive than other countries."

### Gateway vehicles

One of the panels at the European Insurance Forum illustrated the growing trend in alternative insurance vehicles such as insurance-linked securities (ILS) and catastrophe bonds tapping capital markets.

Due to low frequency/high impact events such as natural disasters needing a large amount of capital to cover risks, capital markets are becoming increasingly involved with ILS and cat bonds.

A key factor in forming such entities, according to the panel, is the utilisation of data. This is due to the need for transparency in assessing the risk of a portfolio. The panel suggested that more detailed cat models are the solution to this, as the current data is not good enough to predict losses or give accurate vulnerability analyses.

Despite this, the panel predicted that growth is inevitable, particularly with shorter-tail risks like acts of terror. This could bring the sector up to a value of $100 million within the next five years, according to one speaker.

### Fast facts

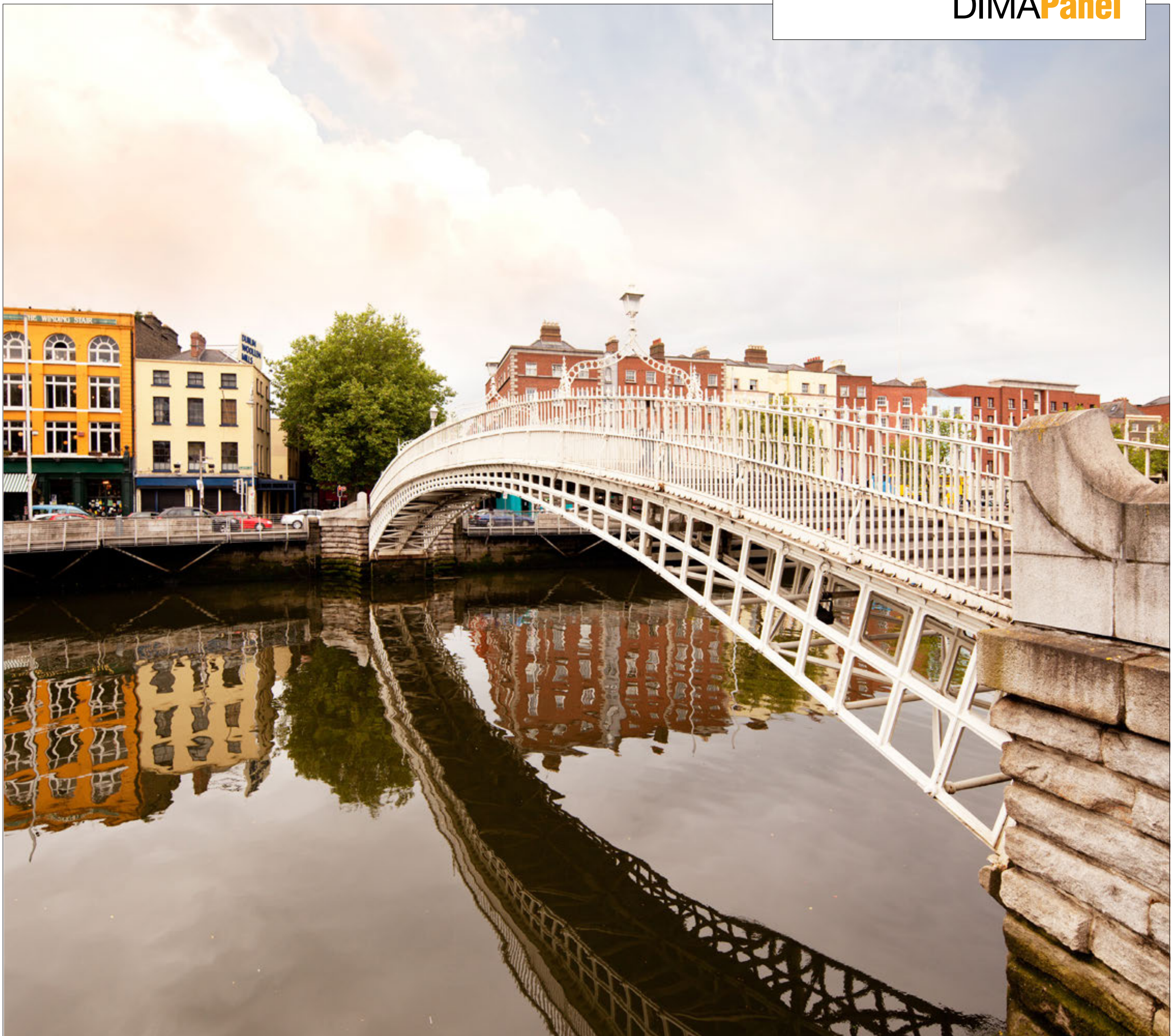
Big data could also have a significant impact on the insurance industry, according to a separate panel at the conference. Panellists explained that companies are now able to gain insights that they could not before thanks to faster microprocessing, and these insights could potentially be used for competitive advantages.

The panel also commented on how advances in technology will have a greater effect to the volume, variety and velocity of data that companies have at their disposal. Although more data means inheriting more risks, such as threats to cyber security, the panel was confident that the change is nothing new, in terms of what the industry has adapted to in the past.

A member of the panel commented: "This is not a change to be afraid of, as we already have people in insurance companies like actuaries who can deal with this amount of data. The point is not just that we have this data, but that we do something useful with it. Education is the key."

### On the front line

BBC special correspondent Fergal Keane spoke at the conference to highlight geopolitical risk. He shared stories from South Africa, Rwanda, Syria and, more recently, Ukraine. Ex- Olympus CEO and whistleblower Michael Woodford also presented a speech on ethical capitalism in relation to his part in exposing the Olympus Scandal. CIT



# The Ireland

## Why does Ireland do insurance a little differently these days? Experts reveal all

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### Can you give an overview of the captive market in Ireland and explain some of its characteristics?

**Ann O'Keeffe:** Ireland is a mature domicile at this stage and, from a European perspective, is still the direct writing domicile of choice. This year we are celebrating the 25th anniversary of the very first regulated insurance captive company, established in Dublin in 1989.

**David Stafford:** Dublin does not get the same degree of publicity as a captive domicile in a global context. This is because unlike say Guernsey or the Isle of Man, it is considered more of a reinsurance/insurance location than a pure captive domicile. You can see from the diverse range of membership of the Dublin International Insurance & Management Association (DIMA), there are large life reinsurers, non-life reinsurers, Bermudians using Dublin as an entry point into Europe, niche reinsurance companies, captive managers and captives. While captives are a very important part of the industry here, Dublin is not as dependent on them as some of the other domiciles.

**Sarah Goddard:** The Central Bank of Ireland (CBI) is already using the Solvency II definition of 'captive', which requires that captives are wholly owned by corporates and not have any third party business. This means that operations that would be viewed as captives in other jurisdictions are classified as insurance or reinsurance companies in Ireland.

### What have the past few years been like in terms of captive activity?

**O'Keeffe:** We have seen an uplift recently in captive applications and we have found that, when companies make the decision to set up an entity here, often it is because they want to get into a European base, possibly relocating from somewhere else. The trends we have seen at Aon, show that when a company takes the decision to set up a captive, it is usually bigger captives being set up, with these captives involved in a bigger portion of the core business of their parent, and so they are not using the outside market to the same extent as previously. We have also seen growth by sector, particularly in energy and pharma.

The number of captives being regulated at the moment is lower than it was a couple of years ago, but the overall total of gross premium of captives in Dublin has increased significantly, so this ties in with the trend we have seen of bigger captives.

**Stafford:** The regulator in Ireland makes a clear distinction between captives and non-captives. Although it may be captive business, it may not be considered that way by the CBI. A large industrial company writing third party risks could be viewed as being outside of the captive definition by the regulator and therefore additional requirements are necessary. This is why we tend to see the larger captives coming to Dublin, which have critical mass. There is a good network of support services here. All the big actuarial, accounting and law firms are here to support these relatively complex captive structures.

**Goddard:** There is a wide-range of captive-type activity in Ireland, up to large self-managed businesses such as those operated by Hertz and Volkswagen.

The entities can range from simple to complex. Some are even referred to by the industry as 'super captives', which are the convergence of several different captives. Over years of mergers and acquisitions (M&A) at the parent company level, smaller captives may be amalgamated to become one big multi-line captive. M&A in parent companies becomes a factor in this convergence.

To put this into context, about three years ago, two big energy companies merged and each had its own separate captive. There is no point in having two captives for one structure so the merging of captives follows as a parallel to what has happened at company level.

## How is Ireland prepared for Solvency II and are there any other regulatory issues on the horizon?

**O'Keeffe:** Ireland is well-placed for Solvency II, and with only 20 months to go before full implementation, we would expect most companies to be well on the road to Solvency II preparedness.

Each regulated entity must have in place a Solvency II 'implementation and readiness' plan with specific requirements specified by the CBI between now and 1 January 2016.

**Stafford:** Any captives, for which Solvency II would be an issue, are largely already gone. Those that are here understand that they need to deal with Solvency II and they are prepared to deal with it. I do not think there is anybody sitting on the fence anymore. Owners are now investing more in captives than they were before but are also using them more in order to justify the investment and expense.

**Goddard:** There are still many parts of Solvency II that are in the process of being implemented here, however. For example, at the moment there is a programme going on with the regulator here around the Own Risk and Solvency Assessment (ORSA), currently called the FLAOR. The ORSA reporting tool is optimised to what the regulators want and what makes sense, as well as what is doable from the industry perspective. It is not a done and dusted programme, but there are a lot of challenges that have already been taken into stride.

If you go back several years to when some of the quantitative impact studies (QIS) took place, the captive industry in Ireland started actively assessing the proposals when QIS3, looking at the pillar one capital requirements of Solvency II, took place. Captives in Ireland got really involved and began to see the impact of the changes. More recently, because we have had the long lead-in time to really understand the concepts, fundamentals and proposals, and to adapt to the Solvency II environment, when it comes in it should not be the challenge it might be in other places because of that.

## Some have said that Ireland has a stringent regime when it comes to regulating captives. Is this the case and, if so, is it a positive or negative factor?

**O'Keeffe:** We are working in an era where strong corporate governance is seen as a positive. It is challenging for regulators to get the balance correct so that we are not over regulated. Regulators only get noticed when they are unsuccessful and do not get a great deal of credit for doing things well.

**Stafford:** I think a demanding but fair regime is welcomed. Regulation needs to be appropriate and if you don't have a strong well-regarded regulator then question marks arise. Are you only using that domicile because you perceive that regulator to be weak? Dublin does have a strong regulator but one that has also tried to make the regime proportional to the smaller companies. Ireland also has a large domestic market. All of these companies have to be regulated in addition to the international sector and captives. This large domestic industry differentiates Dublin from regulators in Guernsey or Malta.

**Goddard:** The reason Ireland is perceived as being more demanding than other EU jurisdictions is because various aspects of the Solvency II-type environment have already been introduced in Ireland, for example, around corporate governance requirements. There is a code specifically for captives so it is not the same as if you were a conventional insurance or reinsurance company, and it brings in the principle of proportionality. Because, in the captive's model, the insurance company owner is also the policyholder, there is a unique risk profile, and that is recognised in the corporate governance code for captives. The captive code in Ireland means that they will not need to implement sweeping changes as Solvency II is brought in, unlike what may be imposed in other EU jurisdictions.

It was interesting talking to a captive manager earlier on this year. She said that, from her perspective, it had been a difficult path to follow to implement the changes but,

"The reason Ireland is perceived as being more demanding than other EU jurisdictions is because various aspects of the Solvency II-type environment have already been introduced in Ireland"

*Sarah Goddard, CEO, Dublin International Insurance & Management Association*

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“Captives would never select Ireland because they perceive the regulatory regime to be easy, but I think that is a good thing as the regulator’s reputation is paramount”

*David Safford, CEO, ALD Re*

once embedded, they are safe in the knowledge that there will not have to be any further changes for the foreseeable future. Every EU country is required to bring in these types of regulations under Solvency II, so it is simply a case that captives in Ireland took the pain earlier in the process. As a result, the manager has more knowledge about the captives and their risk profile, which makes them better optimised to do what the parent company wants.

**O’Keeffe:** The CBI has recognised that captives need to be treated differently and I see this as a positive. The regulator introduced a risk-based supervision framework, PRISM (Probability Risk and Impact System), which reiterates its proportionate approach to ‘captives’, ie, those ‘with the lowest potential adverse impact on financial stability and the consumer’. This has reduced some time consuming regulatory requirements for captives.

We have also seen this with the introduction of the Corporate Governance Code for Insurance Companies, which specifically exempted captives. A proportionate corporate governance code for captives was subsequently introduced with minimum requirements. This was implemented in 2011, and covers many of the requirements under Solvency II.

**What is it that sets Ireland apart, as a captive domicile, from its local competitors?**

**Stafford:** Captives would never select Ireland because they perceive the regulatory regime to be easy, but I think that is a good thing as the regulator’s reputation is paramount. Patrick Manley mentioned at the European Insurance Forum that when Zurich were choosing a head office location, tax was near the bottom of the list, while the regulatory environment was much more important. It wanted to be viewed as a company that would choose a strong regulator. It is all about getting the balance right and making sure that it does not tip to the other extreme.

Ireland went through a tough time a few years ago, especially on the banking side, and that played a large part in the reform of regulations. However, I feel that the central bank is doing its best to strike a balance.

As an industry, we have an active dialogue with the regulator and arrange quarterly meetings. They want a highly regarded international industry and, as far as I am aware, there has never been an issue with any of the international insurance and reinsurance companies regulated by the central bank.

**Goddard:** It really depends on the parent company. There are a number of US companies that have pan-European operations and in the US the model of risk management is very well established. For a number of those that have European operations, it makes sense to domicile a captive in Europe.

You can go through freedom of services and write risks in any of the EU or European economic area countries. Dublin, Luxembourg and Malta all fit those parameters. We feel that commonality of language, linked heritage and a similar business culture stand us in good stead.

**Given the rising trend for insurance-linked securities and cat bonds, are these structures becoming more popular in Ireland?**

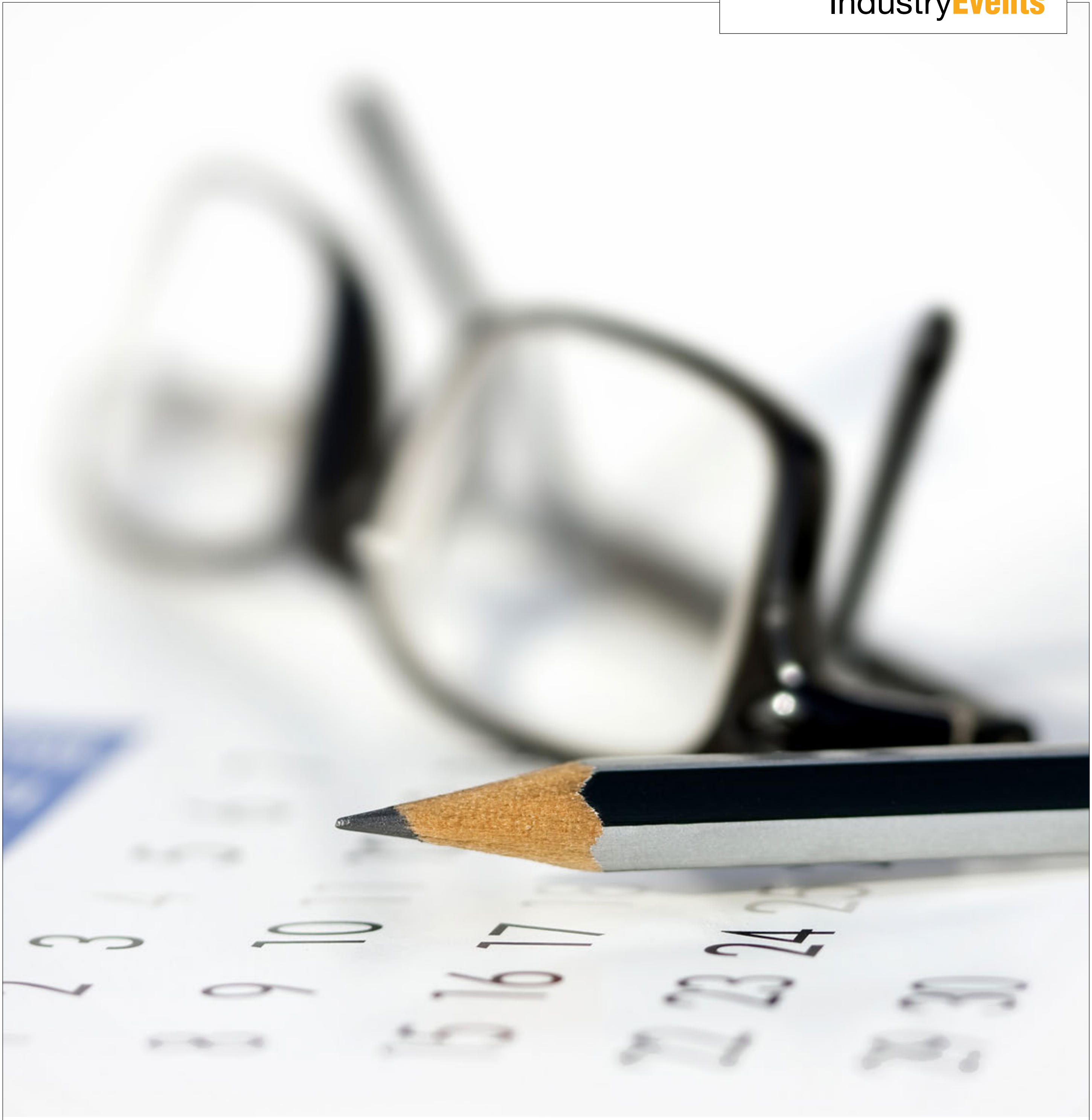
**O’Keeffe:** Ireland is a very attractive location for less common vehicles, such as insurance-linked securities (ILS) and the catastrophe bond market, with legislation specifically aimed at special purpose vehicles (SPVs) for the reinsurance industry and tax legislation providing special treatment in relation to qualifying SPVs, so the SPV business is firmly on the agenda for Ireland.

“The number of captives being regulated at the moment is lower than it was a couple of years ago, but the overall total of gross premium of captives in Dublin has increased significantly, so this ties in with the trend we have seen of bigger captives”

*Ann O’Keeffe, chief financial officer, Aon Risk Solutions*

As the market has evolved and becomes sophisticated, Ireland’s legal and tax framework has consistently responded in order to continue to position itself as a very attractive location of choice for SPVs. While Ireland’s structured regulatory process does not allow the regulatory speed of set-up that Bermuda and the Cayman Islands, or more locally Guernsey, can provide, the onshore status and legitimate tax regime are attractive to many.

**Goddard:** There has been some cat bond activity in Ireland over the last few months. Special purpose reinsurance vehicle (SPRV) legislation has been in place since about 2007 and recently we responded to a discussion document from the CBI reviewing the SPRV regulatory environment. From what I can gather, there is a definite appetite for these types of instruments in an EU jurisdiction. **CIT**



## Bermuda Captive Conference

Location: Bermuda
Date: 02-04 June 2014
www.bermudacaptive.bm

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## Airmic Annual Conference

Location: Birmingham
Date: 16-18 June 2014
www.airmicconference2014.com

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### INDUSTRY KEYNOTE SPEAKER

**Brian Duperreault**
Chief Executive Officer
Hamilton Insurance Group

### OPENING ROUND TABLE SESSION

**A global perspective of industry and market trends with:**

**The Hon. Everard T. (Bob) Richards, JP, MP,**
Bermuda Government,
Minister of Finance

**Shelby Weldon**
Director, Licensing and Authorisations, Bermuda Monetary Authority

**Carolyn Snow**
President of the Risk & Insurance Management Society (RIMS)

**Bill Montanez**
President of the Bermuda Captive Owners Association

## Conference Hot Topics

- Dedicated sessions on the Bermuda commercial insurance and reinsurance market
- Market updates on ILS and why Bermuda continues to dominate this space
- The latest in insurance protection for cyber risks and data breaches
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## Industry appointments

Kane USA has appointed **Mary Desranleau** as client services director in its Vermont office.

Desranleau will head the account management team and be responsible for all aspects of captive account management. She will report to Ann West, the operations director at Kane USA.

She previously served as the senior account executive at Aon Insurance Managers in Vermont, where she managed the client services team.

Commenting on the appointment, West said: “At Kane, our ability to maintain the highest levels of client service delivery is critical and Desranleau’s appointment is key to this.”

Desranleau added: “Kane has a very strong reputation for the quality of its client services and I am very much looking forward to using my experience to help strengthen this further.”

Barclays Wealth and Investment Management has promoted **Simon Phillips** and **Jenny Clayton** to directors as part of this 2014’s promotions round.

Phillips, who is based in Jersey, was appointed as head of captive insurance in Barclays’ wealth and investment management division in 2012 to develop the captive insurance proposition.

His role includes working with Barclays multi-jurisdictional team, which provides banking, credit, investment and trust solutions across global captive insurance jurisdictions in Europe, Bermuda and Caribbean and US onshore.

Clayton leads the compliance teams, which operate in Guernsey, the Isle of Man and Jersey. She specialises in regulatory compliance across all areas of the business.

Managing director at Barclays, Paul Savery, said: “Developing individuals whilst recognising their achievements, is an important part of Barclays’ strategy to invest in our employees. It’s brilliant to see so many of our employees taking on greater responsibility in their roles within the company.”

Barnett Waddingham has a new head of its insurance consulting team, **Scott Eason**.

Eason will replace the current head of insurance, John O’Neill, who is retiring. The appointment is part of Barnett Waddingham’s desire to increase its presence in the insurance consulting marketplace.

Eason previously served as managing director of Societe Generale’s corporate and investment bank and was head of insurance and pension advisory for the UK, Scandinavia and CEMEA countries.

Nick Salter, senior partner at Barnett Waddingham, commented on the appointment: “Eason’s significant insurance consulting experience made him the ideal choice to take up the role as our new head of insurance consulting.”

Eason added: “I am excited to be joining Barnett Waddingham. I’m looking forward to leading the team and increasing awareness of the high level of actuarial, risk management and investment expertise that Barnett Waddingham can offer.”

Miller Insurance Services LLP has appointed **Tim Mullis** as part of new accident and health business in its London office.

He will be producing the new accident and health business as well as providing broking support on Miller’s existing book of A&H clients and working alongside Jeremy Mander.

Mullis has 30 years of experience in the insurance market, mostly in production and broking. He focuses on personal accident reinsurance on a treaty basis and he has handled facultative and direct placements.

Kieran Angelini-Hurli, head of non-marine reinsurance, said: “Mullis brings extensive broking expertise and knowledge of many international territories to our established team, I am delighted to have him on board.”

The National Insurance Producer Registry’s (NIPR) board of directors has appointed **Karen Stakem Hornig**, the deputy insurance commissioner for the Maryland Insurance Administration, to executive director.

Stakem Hornig joins from the Maryland Insurance Administration, where she assisted in the development of the agency legislative package.

Stakem Hornig said: “My transition will be easier because of the work of Maryellen Waggoner, Laurie Wolf, and the outstanding staff I am inheriting at NIPR.”

“My time at the MIA has given me a deep understanding of the needs of both regulators and the insurance industry. While I will miss working with the talented and dedicated people at the MIA, I’m excited for this opportunity to serve in a new capacity.”

Roger Sevigny, NIPR board president and New Hampshire insurance commissioner, said: “[Stakem Horning’s] leadership experience and extensive knowledge of regulatory issues made her an ideal candidate for this position, and we are confident the organisation will benefit greatly from this appointment.”

“I would also like to recognise interim director Laurie Wolf for her continued commitment and service to the NIPR during this time,” added Sevigny. “[She] has provided excellent guidance and direction throughout this transition, and we are very grateful for her leadership.” **CIT**

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