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Protected and incorporated cells to become a reality in the Palmetto State

South Carolina is to amend its captive insurance legislation to accommodate for protected cell companies.

The amendments to the captive bill are currently on the way to governor Nikki Haley's desk for signature, after passing it's third reading in the Senate.

The Senate concurred with and enrolled the House of Representatives's amendments on 29 March 2014, which state: "An unincorporated protected cell must meet the paid-in capital and free surplus requirements applicable to a special purpose captive insurance company."

The amendments also maintain that a PCC must: "Either establish loss and loss expense reserves for business written through the unincorporated protected cell or the business written through the unincorporated protected cell must be fronted by an insurance company."

Under the amendments, an authorised reinsurer can reinsure PCC risks, while US trust funds are able to secure them. The amendments also include provisions for incorporated cell legislation.

The legislation will also serve to modernise some of the other areas of the statutes, enabling them to better compete with other domiciles that currently allow incorporated cell companies such as Delaware, Washington DC, Vermont and Tennessee.

According to the South Carolina Captive Division, the new legislation encourages the formation of cells by providing better protection of each cell's separated risks.

It will also give small businesses looking for a captive insurance solution the opportunity to group together and secure better rates.

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Two become one at Standish

Standish Mellon Asset Management Company LLC, BNY Mellon's investment company, has launched an asset management solution for US insurance companies.

The new solution groups asset management and asset servicing together, and it also includes global custody, insurance accounting and reporting.

Vince Pacilio, executive vice president at BNY Mellon and head of the insurance segment, said: "We're seeing more insurance companies looking for bundled solutions as they would rather partner with providers that offer a holistic and more comprehensive set of services."

The solution promises to meet the needs of insurance companies, which require asset management and asset servicing to be grouped together.

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Arthur J. Gallagher makes third acquisition in a row

Arthur J. Gallagher & Co has acquired MGA Insurance Group of Lakewood Ranch, Florida.

MGA is a national programme administrator that provides affinity and association programme products and services for independent insurance and financial service contractors throughout the US.

It specialises in developing coverage programmes for these contractors including professional liability and other affinity products such as life, ancillary health, business service discounts and training.

readmore p2

Protected and incorporated cells to become a reality in the Palmetto State

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Megan Ogden, director of operations for JLT Insurance Management's South Carolina office, commented: "This legislation positions the state to better compete with the top domestic and shore domiciles.'

"More mid-market companies are considering captive insurance instead of or in addition to traditional approaches, so this legislation strengthens the alternative risk financing vehicles they might consider."

Two become one at Standish

Continued from page 1

BNY Mellon can now provide investment management and investment services to a broader range of insurance companies, according to Pacilio.

Christine Todd, president of Standish and head of its insurance and tax-sensitive groups, said: "Developing synergies between our investment management and investment services business enables us to meet the unique needs of the insurance segment."

Arthur J. Gallagher makes third acquisition in a row

Continued from page 1

Lou Marinaccio and his team will continue to operate from their Lakewood Ranch location under the direction of Kevin Garvin, head of Arthur J. Gallagher's North American affinity operations. The terms of the transaction were not disclosed.

Chairman, president and CEO of Arthur J. Gallagher, Patrick Gallagher Jr, said: "We continue to look for new partners that will add to our specialty products and services capabilities, expand our geographic presence and fit well within our culture, and MGA has all of these qualities."

"MGA's strong client and insurance carrier relationships, solid underwriting expertise, national presence and deep knowledge of the affinity insurance space make them an outstanding addition to our US affinity operations."

This acquisition appears to be the third in a series after Arthur J. Gallagher purchased captive management firm Heritage Insurance Management and Canadian insurance broker Noraxis Capital in May.

Guernsey to join top club in fight against tax evasion

The Organisation for Economic Co-operation and Development and the Council of Europe's Multilateral Convention on Mutual Administrative Assistance in Tax Matters will be effective in Guernsey from the start of August.

In December 2013, Guernsey's parliament voted unanimously for the convention to be extended to Guernsey and now it has been confirmed that this will come into effect on 1 August 2014.

Fiona Le Poidevin, chief executive of Guernsey Finance, said: "Having the convention extended to Guernsey means that we will be meeting the highest international standards of tax transparency and in doing so, will continue to lead the global fight against tax evasion."

"It also reinforces our position as a reputable and cooperative member of the international community, helping us enter into constructive dialogue with other jurisdictions that might have, unjustifiably, looked at us less favourably in the past."

In addition to the extension of the convention, Guernsey has recently concluded further Tax Information Exchange Agreements with Austria, Belgium, Costa Rica, Montserrat and the Turks and Caicos Islands, which takes the total to 55.

Guernsey has also recently signed a Double Taxation Arrangement with Monaco, which takes the total number of comprehensive agreements signed to 11.

Universal Forest captive as strong as an oak

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

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

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

Ardellis provides coverage for general liability, auto liability, workers' compensation, property and medical stop loss, and has maintained conservative underwriting leverage ratios as surplus has remained strong to support its business volume.

The company has posted low loss and loss adjustment expense ratios, reflecting its effective risk management practices. The ratings also recognise Ardellis's balance sheet strength and conservative underwriting leverage measures.

Although the outlook for the ratings is stable and not expected to be revised within the

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next 12 to 24 months, factors that could lead to a positive outlook and/or an upgrading of Ardellis's 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 Best's Capital Adequacy Ratio (BCAR).

Toyota captive tests well

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

The ratings reflect TMIC's excellent risk-adjusted capitalisation, underwriting income and overall earnings. Additionally, TMIC produces strong cash flows while maintaining liquidity and leverage metrics that outperform the industry composite.

TMIC also benefits from support provided by its ultimate parent, Toyota Motor Corporation.

The captive plays a strategic role within Toyota by providing vehicle service agreements, guaranteed auto protection agreements, excess wear and use coverage, and tire and wheel protection sold through Toyota, Lexus and affiliated dealerships throughout the US.

Somewhat offsetting these positive rating factors are TMIC's limited business profile as a single parent captive as well as its reliance on sales at Toyota's level for premium generation.

Positive rating actions could occur if TMIC continues to produce sustainable robust overall earnings while maintaining its strong level of risk-adjusted capitalisation.

Negative ratings actions could occur if underwriting results deteriorate and/or there is a significant decline in surplus.

US health insurance continues growth

US health insurance stocks followed up a fantastic year in 2013 by increasing an additional 3.5 percent through Q1 2014, according to a new report from A.M. Best.

US Health Insurer Stocks Carry Momentum through Q1 of 2014 stated that the health index population stocks maintained the strong gains experienced in 2013, when prices rose 41.3 percent year-over-year, despite volatility experienced so far in 2014.

Of the 12 publicly-traded health insurers A.M. Best tracks, half of the stocks have increased by more than one third since Q1 2013.

Additionally, health insurers continued to implement active share buyback programmes.

Health insurers repurchased almost $3.4 billion worth of shares in the Q1 2014, an increase of nearly 133 percent over the same period in 2013. Dividends paid also increased by almost 20 percent year-over-year in Q1.

NAIC get property risk education

Members of the National Association of Insurance Commissioners (NAIC) have attended a training programme on property risk mitigation at the Insurance Institute for Business and Home Safety's (IBHS) Research Center in Richburg, South Carolina.

The one-day regulator training programme specifically focused on risk mitigation factors related to building materials and construction systems.

Regulators toured the IBHS Research Center campus, which includes a massive test chamber capable of testing full-scale, one and two-story residential and commercial structures, as well as components used in larger commercial facilities.

IBHS engineers create severe weather conditions that mimic real-world situations such as hurricanes, wind-driven rain, wildfires and hailstorms.

"This training programme is an invaluable opportunity for state insurance regulators to more fully engage with the overarching implications of mitigation initiatives on insurance operations, public policy and consumer education," said Adam Hamm, NAIC president and North Dakota insurance commissioner.

The programme was designed to demonstrate how mitigation research and education could help policyholders reduce losses and lead to a healthier and more stable insurance environment. Thirty-three regulators participated in the training programme.

The IBHS is a property and casualty insurance industry-supported organisation that conducts scientific research to identify and promote effective actions to strengthen homes, businesses and communities.

Pricing feels the heat

Downward pressure on reinsurance pricing has increased since the 1 June 2013 renewal due to continued competitive pressure from alternative markets, strong reinsurer balance sheets and low loss experiences, according to Guy Carpenter & Company.

In its June 2014 renewal briefing, Guy Carpenter reported that competition increased as markets offered abundant capacity at reduced pricing.

Terms and conditions also came under pressure and multi-year transactions continued to be an area of investigation. Traditional reinsurers sought to protect their market share and alternative providers looked to capitalise on growing funds.

Investor demand for insurance-linked securities (ILS) in particular continues to be robust despite the significant decrease in ILS pricing that occurred in the last 18 months.

Capacity arising from alternative markets now accounts for roughly $50 billion or 15 percent of global property catastrophe reinsurance limit.

Although the impact of convergence capital has been most acute in the property catastrophe market, opportunities are now being sought in other business segments.

An example of this is the recent movement toward longer-tail lines, demonstrating a growing willingness on the part of capital market investors to explore casualty lines.

Guy Carpenter claims this new capacity, coupled with more traditional reinsurance capital moving into casualty reinsurance to escape intense competition in the property catastrophe market, “is likely to benefit cedents with more negotiating leverage and, ultimately, improve pricing, structure and coverage”.

Willis to acquire Max Matthiessen

Willis Group Holdings is to shell out $205 million for a 75 percent controlling stake of Max Matthiessen, a Swedish employee benefits adviser.

The increased revenue will make the combined business the biggest risk adviser and broker in the Nordic region and the largest international adviser in Sweden.

The transaction, which is subject to regulatory approval, strengthens Willis’s existing operations in Sweden, though the Max Matthiessen brand will be retained and will run alongside Willis Sweden.

Max Matthiessen is one of Sweden’s leading independent advisers in retirement savings, health plans and personal insurance. The company, with around 420 employees in 23 locations across Sweden, generated net revenues of $122 million in 2013.

Employees of Max Matthiessen currently own 50 percent of the company, while the remaining 50 percent is held by Altor Fund III. Willis Sweden and Max Matthiessen have been in partnership since 2009.

Dominic Casserley, CEO of Willis Group, said: “Willis is committed to growing in areas of opportunity for market leadership and where we can develop specialised capabilities locally and globally.”

“Max Matthiessen fits that model perfectly. It sustains our investment in the human capital and benefits space, where we are creating leading specialised capabilities. We are confident that the combination of Willis and Max Matthiessen can fuel growth in both Sweden and beyond.”

Tim Wright, CEO of Willis International and leader of the global human capital and benefits practice, said: “This is an important deal that reflects our commitment to employee benefits and our confidence in the Nordic region.”

“Max Matthiessen serves markets where we see solid growth fundamentals underpinned by changing demographics and increasing demand for retirement and health solutions.”

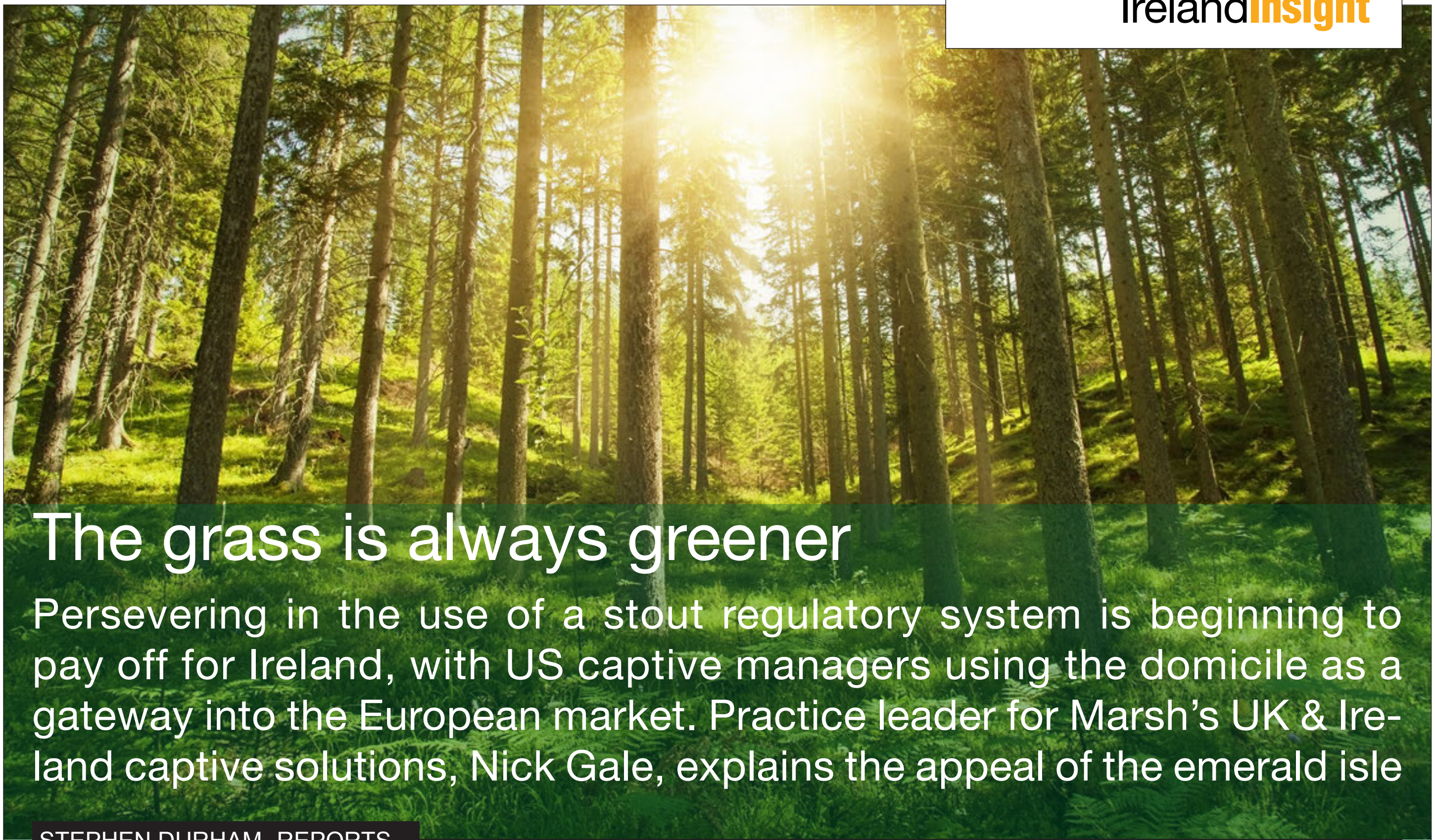
Everest Re appoints BNY Mellon

BNY Mellon has been appointed indenture trustee, reinsurance trustee, registrar and paying agent for the $450 million Kilimanjaro catastrophe bond transaction sponsored by Everest Re.

Kilimanjaro Re is a Bermuda-based special purpose reinsurer. Kilimanjaro Re will provide Everest Re with a four-year source of fully collateralised retrocessional reinsurance protection through the issuance of two tranches of cat bond notes.

Alex Tsarnas, head of US corporate and insurance market segments at BNY Mellon Corporate Trust, said: “So far this year, we’ve seen a substantial increase in the issuance of cat bonds and insurance-linked securities.”

“Given our deep experience in administering cat bonds, we are well positioned to support issuers and sponsors like Everest Re as the market continues to expand.”



The grass is always greener

Persevering in the use of a stout regulatory system is beginning to pay off for Ireland, with US captive managers using the domicile as a gateway into the European market. Practice leader for Marsh's UK & Ireland captive solutions, Nick Gale, explains the appeal of the emerald isle

STEPHEN DURHAM REPORTS

What is it that makes Ireland a popular choice for prospective captive owners and managers?

In my role at Marsh I am domicile neutral, but I can say that there are indeed unique virtues of the Irish captive market. It can do everything any other EU member state can do and is particularly suitable for US captive owners and risks because there is a favourable double tax treaty between the two countries.

Ireland has a longstanding, mature and sophisticated service industry for captives that is more than 25 years old. It also has a regulator that understands the difference between a captive and a traditional insurance company—an important distinction to make.

Although much is made about the robust regulatory framework in Ireland, do you believe this edges towards being too stringent for captives?

Whether a domicile is overly demanding or not is all down to perspective. In my position I work with hard facts. Are there more regulatory activities in Dublin than anywhere else in the EU? In my opinion, the regulatory environment in Ireland is the same as in other EU member states because the same pan-European framework applies.

What is Marsh's commitment in Ireland?

Marsh has both a broking and captive management office in Dublin and manages about 100 captive vehicles. These are made up of pure captives, commercial insurance and reinsurance companies, and special purpose vehicles (SPVs), which include insurance-linked securities (ILS). Dublin is our fourth largest Marsh captive management office by entities under management.

Is the cat bonds/ILS market something that is of particular importance to the domicile?

I think you see more and more domiciles getting into this market and Dublin has been at the forefront of it. You can even argue that Dublin has been a pioneer for ILS but, since then, Bermuda, the Cayman Islands, Malta and others have entered the arena. Certainly, there is growth to come in this area and more domiciles want to share in it.

We are in a very low interest rate environment at present, so investors are attracted to underwriting risks as they are not usually recessionary. As investment yields increase these structures could become less attractive to investors, but as a concept I think that SPVs are here to stay.

Dublin is part of a distinguished group of European captive domiciles but do you believe Europe can eventually reach an even keel with the captive industry in the US?

I think the US uses captives much more than we do in Europe, as it has favourable tax rules, similar capital requirements to offshore domiciles and does not have the same level of premium taxes that we have in Europe. It is important to bear in mind that captives are not used for tax avoidance in the US, but achieve an accelerated tax deduction in certain instances. As a result, captives can have more application and be more financially viable.

I do not see that Europe will match the US captive market anytime soon. From the Marsh captive benchmarking study we learned that something like 70 percent of captives are owned by US corporates, while Europe owns around 25 percent.

The European captive industry is very underweight from that perspective, so I do not think we will catch up in the near future. CIT

Nick Gale
UK & Ireland captive solutions practice leader
Marsh

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An offshore thing

With a solid insurance background and growing captive market at its back, the Isle of Man is now the latest to join the elite club of domiciles providing insurance-linked securities

STEPHEN DURHAM REPORTS

The Isle of Man is certainly enjoying a purple patch in terms of new business activity and an increase in captive formations has been followed by a greater amount of new enquiries.

The island's legislation currently caters for pure captives, protected cell companies (PCCs) and incorporated cell companies (ICCs), as well as accommodating general insurers that write third party business. There are 225 licensed insurance entities on the island, covering a range of insurance structures, which are all regulated by the Isle of Man Insurance and Pensions Authority (IPA).

On 8 May, the Isle of Man released a public consultation document, pulled together in partnership between the insurance sector and government, to begin the process of legislating for insurance-linked securities (ILS). Following this consultation, which closes on 19 June, KPMG's Simon Nicholas has predicated that live regulations could be in place as early as the end of that same month.

Nicholas comments: "A number of key advisors in our industry have worked in other offshore jurisdictions, such as Bermuda, and have experience of ILS and cat bonds already. The demand on the Isle of Man is coming from past, present and future clients, especially some of the larger life and reinsurance companies, that will now be able to do establish ILS entities using a regulatory framework which is appropriate for the nature of the risk."

The island's ILS regulations will be consistent with other leading ILS-regulated markets, while the laws themselves have already been market tested. Managing director for Aon Insurance Managers on the island, Gaynor Brough, says: "The exciting thing for us is that we have already have couple of enquiries in the pipeline and we hope to convert those into registration as soon as possible."

The Isle of Man even claims to have gone a step further than other jurisdictions by embedding the application turnaround times into the regulations themselves. On the assumption that all of the necessary paperwork is completed properly, the proposed regulations state that a normal licence application will be turned around within five working days.

Nicholas states: "That is quite a bold statement but, due to the way in which the framework and application process has been designed, it is very achievable. The IPA intends to grow its staff levels generally and will have sufficient resources to cope with the anticipated demand."

"A couple of other jurisdictions have not delivered on those kinds of promises so it was key for us make sure we do. That is why the five-day promise is incorporated into the regulations.

The island has been transacting insurance since 1980, leading the sector to become one of the major contributors to the island's economy and amounting to around 15 percent of its GDP. Captive insurance is a significant part of the market, with its own dedicated resources within the department of economic development.

Although other nearby domiciles already have ILS markets in place, none have reached the same scale as some of their rivals on the opposite side of the Atlantic. With ILS growing as a global trend, the island's captive managers feel that opportunities are more abundant than ever.

Aon, Marsh and Willis are all represented on the island in terms of captive management and have been for a number of years. Some of the big law firms, such as Appleby, now also have offices in the Isle of Man to accompany their ILS endeavours in Bermuda and the Cayman Islands.

Despite other domiciles getting a head start on the Isle of Man, those on the island feel that the nuances of the proposed regulations could give them an edge over the competition.

Nicholas says: "The jurisdictions that already conduct ILS business are largely offshore and have a zero corporate tax rate, so we are not the only domicile to have that advantage.

"The feedback we got from the market was positive regarding the consistency in the way we apply regulation and the speed to market we have available."

"The regulator is commercially minded and is working closely with industry to bring the new regulations in to force. The Isle of Man government has supported the initiative, with the regulator, from day one."

"The whole project has very much been a team approach and I feel that this typifies the way in which the Isle of Man operates." CIT

Domicile snapshot:

Isle of Man

Regulatory contact

Francesca Signorio-Hooper (head of supervision), Insurance and Pensions Authority

Captive legislation

Insurance Act 2008
Corporate Governance Code of Practice for Regulated Insurance Entities
Insurance Regulations 1986 (as amended)
Guidance Notes for Insurers

Recent amendments

Corporate Governance Code of Practice for Regulated Insurance Entities

Cell structures accommodated

Yes
Protected Cell Companies Act 2004
Incorporated Cell Companies Act 2010

Total number of licensed captives

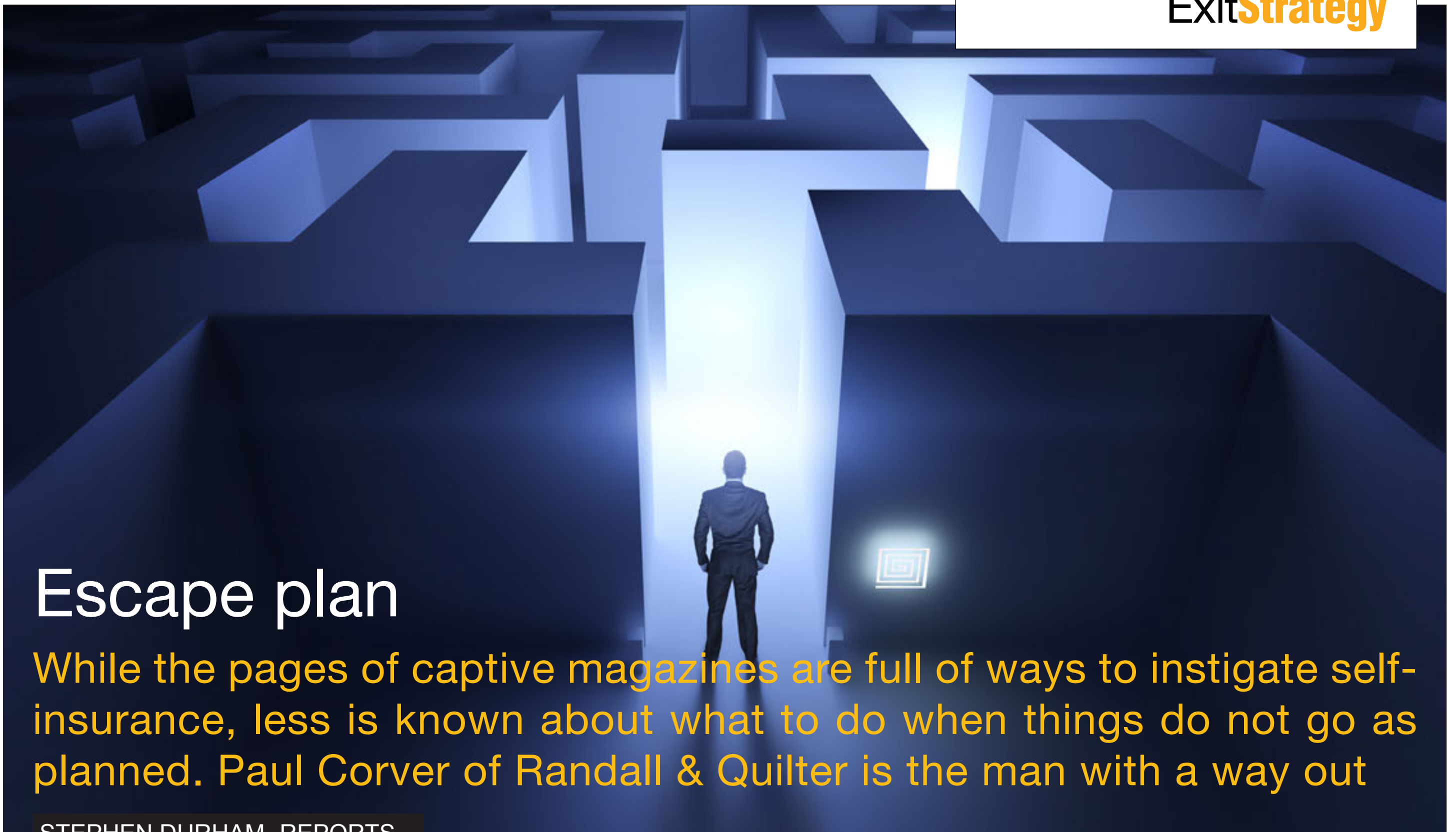
132

Number of licences granted in 2013

7

Captive tax rate

0 percent



Escape plan

While the pages of captive magazines are full of ways to instigate self-insurance, less is known about what to do when things do not go as planned. Paul Corver of Randall & Quilter is the man with a way out

STEPHEN DURHAM REPORTS

What are some of the more common reasons that a captive would need to use an exit strategy?

They arise from a number of circumstances. It could be where there has been corporate restructuring at the parent level, perhaps through M&A activity, which leaves a corporate with more captives than it requires. It could also be for the opposite reason, such as divestment activity where the group holding company has got rid of a large part of its operation but retained its captive. The captive is therefore insuring the risk of part of the business that it no longer owns, so this leads it to dispose of the captive.

There could be a scenario where there is a change of direction in a company's approach to risk taking and it decides to dispense with having a captive and enter the commercial insurance market for taking a risk. We have seen that in a number of private equity-owned operations. They think: "We bought a company to make widgets, not to be insurance providers, so let's get rid of the insurance aspect."

In changes of domicile it can be easier to dispose of a captive than move an existing one. This can be driven by changes in regulatory process, tax or some other corporate rationale.

The insolvency of the parent can also require an exit strategy. One of the first accounts we acquired was the Woolworths captive. After the Woolworths group had gone into insolvency, its captive had assets trapped that Woolworths needed to get some value for.

Who are the main people that take advantage of exit strategies?

Randall & Quilter (R&Q) has been acquiring run-off portfolios for 20 years and only in the last four have we started focusing on captives. We think there are opportunities available because the captive owners within large companies are not in the insurance industry and, therefore, are not familiar with what options are available to them. Perhaps captive owners are sat thinking there is no alternative to a protracted run-off or a buy-back with fronting company, if there was a fronting arrangement.

Looking at trends in the run-off world, when a market develops, the sellers tend to be more willing to go into the marketplace. One or two sole traders gives a market less viability and the fact that there are more players in this business usually means a better result for the seller.

This, in turn, prompts more corporates to think about what they are doing because there is value to be had in realising the surplus capital of an entity or pruning out unwanted liabilities. This means either disposing of the captive completely or trimming it down to make it a fitter operation going forward. The marketplace being there emphasises the fact that these are not one off activities.

Does what happens in the wider financial environment affect the exit strategy market?

A lot of entities have had strain on their balance sheet, not necessarily from the liability side but from the asset side, where investment returns have been lower or perhaps some investments have gone south.

Four years ago, when the credit crunch was really starting to bite, we saw interest from corporations that were struggling financially but saw that they had assets trapped in their captive and were interested in the realisation of that. When the economic environment is not good, there are attractions for corporates to realise the capital they have.

Also, when there is a soft market and rates are softening across the board and continue to do so, it becomes more attractive to put risk back into the commercial market and therefore cease using a captive for a period until the market hardens again.

There could be slack periods where a captive has been operating for a number of years and then goes quiet and goes back into operation and it is that period where, prior to going back into operation, the captive owner could say, "let's look at those liabilities we carried five years ago to see if we still want to carry them".

Are regulators more conscious of exit acquisitions?

The regulators we deal with have been fairly curious about what we do and the approach we take. They want to be comforted that the transaction is not somehow going to endanger the underlying policyholders or cedents, and also would not want anything that would tarnish the reputation of the domicile.

We provide a valuable service by sweeping up and consolidating the residual end-of-life captives, so they do not become a problem in the future.

Some we have acquired would be facing an insolvency position within a few years without additional capital being put in by the parent. To an extent, we are cleaning up the tail end of the insurance cycle by taking in these captives.

We do not get any leads from the regulators but we have a good relationship with them. We speak to them frequently if we are in a transaction and in most jurisdictions we will get pre-approval on the change of control.

Where they have become used to R&Q, they are often willing to approve a transaction before we have even executed it with the vendor. This is good for the vendor as well because that requirement is ticked off and they do not have to wait for that approval before getting the proceeds of the sale.

So is the speed of a transaction one of the most important aspects?

We like to operate as quickly as possible, regardless of the financial strength of the party that we are acquiring. If things don't improve with time, a long, drawn out process means that that you have to keep an eye on that business for a longer period of time.

It is quicker to sweep in, do a thorough due diligence and crack on with the legal agreement as expeditiously as possible.

You do sometimes run into issues with access of claims records, particularly where front companies are involved.

Also, if the captive is a small piece of a large corporate body, it can take a while for relevant approvals and processes to happen on the corporate side.

If the size of a company can limit the exit speed, can it also limit the amount of options available?

Quite often the options are to sell, transfer or novate certain parts of a captive. Corporates could also look for a reinsurance solution, though that does not give them an exit as such, as they are still in the chain, albeit financially protected.

It really comes down to the motivations of the corporate seller and what they want going forward. If they want to get rid of the captive then a sale is the obvious choice. If they want to keep it but they want to remove some of the uncertainties, long-term liabilities or perils written then they would look towards a transfer or novation process.

That then brings in other parties that have to be consulted, whether that is a regulator for a transfe r or a front company for a novation.

This will then draw out the process. As a result, I do not think it is the size of the company that influences its options but, more likely, it is the business plan of the vendor. **CIT**

Paul Corver
Director, insurance investments division and head of M&A, UK/Europe
Randall & Quilter Investment Holdings

Industry appointments

William Wood has joined CTC Insurance Management as COO.

Wood will oversee the delivery of management and consulting services to the company's insurance, reinsurance, captives and segregated cell clients.

With more than 20 years of experience in the Bermuda insurance and reinsurance market, Wood brings a wealth of financial management and analytical experience.

He worked most recently for Nissan Global Reinsurance as treasurer and controller. Previous to that, he was vice president of corporate development for XL Capital.

Wood also acted as vice president for Centre Solutions and, prior to that, spent six years in captive management with major international broking groups.

JLT Towers Re is to appoint **Steve Dimaria** as senior vice president with responsibility for Canadian agriculture.

Dimaria has almost 20 years of reinsurance experience. Prior to joining JLT Towers Re, Dimaria worked for Aon Benfield Canada as vice president and head of agriculture. He will be based in the Toronto office and will play a key role in growing the capabilities of JLT Towers Re in North America.

Alastair Speare-Cole, co-CEO of JLT Towers Re, said: "[Dimaria] is a really great hire for the business and testament to our focus on client needs and ongoing success. We see agriculture as an important specialty area for JLT Towers Re."

"We are keen to build out our agricultural reinsurance practice in a number of geographies including China, USA and Canada."

Hiscox Re has appointed **Mike Krefta** as chief underwriting officer, leading its underwriting teams in London, Bermuda and Paris.

In his new role, Krefta will be responsible for the formation of the Hiscox Re underwriting strategy. Based in Hiscox's London office, Krefta will report to Jeremy Pinchin, CEO of Hiscox Re.

Pinchin commented: "[Krefta] is the last key appointment in the formation of our Hiscox Re executive team."

Krefta has been with Hiscox since June 2003 and has worked within both the retail and syndicate parts of the business. He started work at Hiscox as a management information analyst in the retail team before moving into the catastrophe modelling team in the London market as a senior analyst.

In 2005, he joined the reinsurance team writing on its global reinsurance account before moving on to run Syndicate 33's North America and Caribbean account in 2012.

In 2013, he was appointed director of non-marine underwriting in London for Hiscox Re.

Guy Carpenter & Company has appointed **Eric Simpson** as managing director and **Mark Murray** as senior vice president.

Murray will report to Simpson, who reports directly to Jack Snyder, head of the rating agency practice for Guy Carpenter Strategic Advisory.

Simpson has more than 30 years of experience in the insurance industry and was most recently the head of JLT Towers Re's global rating agency and enterprise risk management practice. He also held CFO roles at Everest Reinsurance and American Reinsurance.

Simpson developed his rating agency skills at A.M. Best where he worked for more than 10 years and became the head of the property and casualty rating division.

Murray will be responsible for supporting Guy Carpenter's Mutual Company Specialty Practice and provide extensive rating advisory insight and analysis to these clients.

Murray worked for 10 years at JLT Towers Re as a senior member of the rating advisory and market security units. He also spent five years at A.M. Best where he followed many regional property casualty companies.

David Flandro has been recruited as global head of strategic advisory at JLT Towers Re.

He will be based in JLT Tower's New York office and is expected to start mid-year.

Flandro previously served as head of global business intelligence for Guy Carpenter where he led corporate strategy and specialised issues. He has also worked on the Benfield Research team and regularly comments in industry publications.

Flandro commented on his new role: "I see this as an excellent opportunity to build on my experience and expertise working with the some of the industry's leading talent as part of a new and formidable platform".

Ed Hochberg, executive vice president of JLT Towers Re, said: "Flandro's proven track record and personal drive make him an excellent fit for JLT Towers Re and we are very excited to be welcoming him to our growing team". **CIT**

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