CIT CAPTIVEINSURANCETIMES

ISSUE051
WEDNESDAY 09.07.2014
captiveinsurancetimes.com

CIAB introduces new FATCA portal

A new online portal to help simplify the form exchange between US insurance brokers and foreign insurers is now open and available for worldwide use.

The Council of Insurance Agents & Brokers (CIAB) unveiled its W-8BEN-E Portal on 1 July, coinciding with the implementation of the Foreign Account Tax Compliance Act (FATCA).

The portal is a solution for brokers and insurers to obtain the W-8BEN-E forms they need to meet the new Internal Revenue Service reporting requirements.

"We've worked hard over the past few months to develop this portal in a way that would make this massive change in business process as easy and seamless as possible," said Ken Crerar, president and CEO of the council.

"Insurers and brokers who sign up for the website will be able to exchange forms quickly with minimal impact to their normal business process."

FATCA, which passed US Congress in 2010, requires brokers to document that every foreign entity they do business with is FATCA-compliant or FATCA-exempt.

Demonstrating compliance requires a certificate to be collected and stored from every foreign entity involved with a policy with even the slightest exposure to US risk.

The W-8BEN-E Portal is complete with a searchable catalog of participating global insurers' W-8s, as well as contact information for (re)insurers' W-8 administrators.

readmore p2

TWIA enters the cat bond market

GC Securities has facilitated the placement of Series 2014-1 Notes, with notional principal at $400 million, through a newly formed catastrophe (cat) bond shelf programme, Alamo Re.

The bonds have been placed to benefit the Texas Windstorm Insurance Association (TWIA), marking the first time that it has used the cat bond market to manage its tropical cyclone risks.

The Series 2014-1 bonds are positioned alongside the TWIA's traditional reinsurance programme to provide annual aggregate protection from tropical storms causing at least $50 million of loss to the TWIA.

readmore p2

JLT to expand in India

Jardine Lloyd Thompson Group (JLT) has completed the acquisition of a 26 percent shareholding in Independent Insurance Brokers Private Limited (IIB), the Mumbai and Chennai based insurance and reinsurance broking subsidiary of the Sunidhi Group.

The investment in IIB signals JLT's intention to collaborate with the Sunidhi Group to build a specialty insurance and reinsurance broker and employee benefits adviser in India.

Following regulatory approval, the business will be rebranded as JLT Independent and report to Duncan Howorth, CEO of JLT Asia.

Howorth, said: "We have worked with IIB for several years in the energy and aviation sectors and have always been impressed with their client first approach and professionalism."

readmore p2

CIAB introduces new FATCA portal

Continued from page 1

It also offers immediate and safe document access and secure W-8 uploading, while allowing foreign insurance carriers to make rolling changes to their forms as needed.

The portal also offers various educational resources such as a set of FAQs, news articles and downloadable CIAB webinars laying out the impact of the new law.

TWIA enters the cat bond market

Continued from page 1

GC Securities served as sole structurer and sole bookrunner. Hannover Rück SE serves as the transformer reinsurer facilitating TWIA's access to cat bond-based risk transfer capacity.

General manager of the TWIA, John Polak, commented: "TWIA appreciates the assistance of GC Securities and Hannover Re in successfully placing our first catastrophe bond."

"This transaction is another step forward towards our overall funding goals and demonstrates our ongoing commitment to provide financial security to our Texas policyholders."

Chi Hum, global head of Insurance Linked Securities distribution for GC Securities, said: "The capital market investors have shown again that they will provide broad based support for Alamo Re, a well thought out approach by TWIA to develop a diversified reinsurance programme."

"This approach combines competitive pricing across markets and innovative features that target the strengths of each capacity source."

"The breadth of investors providing multiyear collateralised capacity is a valuable complement to the rated markets capacity from the reinsurers."

"The strong execution on the placement of these notes signals to TWIA that investors are ready, willing and able to support continued issuance from this programme."

JLT to expand in India

Continued from page 1

"This investment provides JLT with a strong and established platform in a large and rapidly growing market, where we see huge long-term growth potential. We are also excited by the opportunity to work in partnership with the broader Sunidhi Group and their clients."

Commenting on the transaction, Jayesh Parekh, CEO of Sunidhi Group said: "We welcome JLT as our new partners in IIB and see a significant opportunity for our clients to benefit from access to JLT's unrivalled specialty capabilities and international platform."

JLT already has a significant presence in India with its largest office outside London in Mumbai, where it has over 1000 employees providing analytical, actuarial and legal, financial and processing services to the broader JLT Group.

Labuan continues captive growth

Labuan, Malaysia's offshore financial centre, has achieved growth in its insurance industry for the sixth consecutive year, according the Labuan Financial Services Authority (LFSA) annual report for 2013.

Labuan's captive insurance business recorded a 33.8 percent increase in total gross premiums amounting to $437.5 million, compared to $327.1 million in 2012.

Overall, the Labuan insurance sector has maintained a strong margin of solvency of 5.2 times above the minimum regulatory requirement. The sector posted an improved industry profit before tax of $263.3 million in 2013 compared to $121.5 million in 2012.

The Labuan insurance sector continued to attract new international institutions to establish operations in Labuan International Business and Financial Centre.

During 2013, 19 new licences were granted, comprising four reinsurers, three retakaful

CITINBRIEF

operators, three insurers, four captives and five brokers—bringing the total number of Labuan insurance and insurance-related companies to 213.

The year also witnessed the entrance of a renowned Middle Eastern reinsurance company to establish its first overseas branch in Labuan to tap the regional business.

The total gross premiums for Labuan's general insurers and reinsurers has continued to surpass the $1 billion mark for the past six years.

Missouri speeds up its service

The Missouri Department of Insurance is to allow producers to print their licenses and educational transcripts on demand through the National Association of Insurance Commissioners' (NAIC) online State Based Systems (SBS).

The department has partnered with the NAIC and the National Insurance Producers Registry (NIPR) to offer these self-service tools. As part of the initiative, starting 1 July 2014, the department will no longer mail licenses to producers, business entity producers and other licensees.

This online functionality will save producers time because they will no longer have to wait for their license to be mailed to them by the department.

John Huff, director of the Missouri Department of Insurance, commented: "The department encourages insurance producers to take advantage of the online capabilities available through SBS to save time."

"Our department continues to focus on expanding online capabilities in an effort to improve services to both Missouri consumers and the insurance industry."

Producers will also be able to update their email addresses and find their license numbers through SBS. Currently, Missouri has 137,089 licensed insurance producers, an increase of 15.1 percent since 2009.

A.M. Best deems Luftsansa captives "excellent"

A.M. Best has issued Lufthansa captives a credit rating of "A".

The captive of German airline Delvag Luftfahrtversicherungs-AG and reinsurance captive Delvag Rueckversicherungs-AG have received an "excellent" rating by the ratings agency.

A.M. Best commented on the strength of the captives: "These positive rating factors are further reinforced by a profit and loss absorption agreement provided by Lufthansa."

Strength of Primerica and affiliates affirmed

A.M. Best has affirmed the financial strength rating of "A+" (Superior) and the issuer credit ratings (ICR) of "AA-" of Primerica Life Insurance Company (Primerica Life) and its affiliates, National Benefit Life Insurance Company and Primerica Life Insurance Company of Canada.

Primerica's ratings recognise its status as one of the largest writers of term life insurance in the US, with its strong market position attributable to its dedicated distribution affiliate, Primerica Financial Services.

This integrated distribution and operating platform included approximately 95,400 life agents at the end of Q1 2014.

Primerica's earnings also have been consistent with A.M. Best's expectations, as the group recorded annual net income of $163 million for 2013.

A.M. Best views Primerica Life's regulatory risked-adjusted capitalisation as favourable, in part supported by Peach Re, a special purpose domestic captive that funded Regulation

XXX term life excess reserves in 2009 and new business issued in 2010.

While A.M. Best anticipates that risk-adjusted capitalisation will decline over the near-term as the anticipated capital benefits from additional excess reserve financing is expected to be offset by dividends to the holding company.

Longer-term, risk-adjusted capital ratios are expected to remain at a level commensurate with the current ratings.

A.M. Best also stated that these positive rating factors are offset by Primerica's somewhat narrow business profile, aggressive capital management policy and reinsurance transactions that have diminished its absolute capital position and earnings power.

In addition, while A.M. Best expects the consolidated statutory earnings of the insurance operating companies to benefit from the use of captives to fund Regulation XXX reserves, statutory capital and earnings growth of the insurance operating companies will likely be constrained by continued dividend payments to Primerica.

Cayman and Colombia sign tax agreement

The Cayman Islands and Colombia are to sign an automatic exchange of tax information agreement under the Multilateral Convention on 1 July. The Tax Information Exchange Agreement (TIEA) will be in accordance with global regulatory standards.

This will be Cayman's 36th such agreement, the third in 2014, with the Seychelles agreement being signed in February and an agreement with Belgium signed in April. Negotiations are currently underway with an additional 14 nations.

According to an official release, Colombia has recognised that the Cayman Islands is a jurisdiction of such significant transparency and regulatory standards to order its removal from Colombia's Tax Haven List (non-cooperative jurisdictions).

Insurance Managers Association of Cayman (IMAC) chairperson, Rob Leadbetter, said: "We view Latin America, and Colombia in particular, as a solid market in the captive insurance space."

"This agreement coming into effect reinforces Cayman as a viable option for Colombian companies looking for self-insurance alternatives as well as for investment funds and trusts. With only a handful of jurisdictions on this white-list, we are well-positioned to offer a valuable service to these companies."

Nations on Colombia's Tax Haven List are subject to transaction restrictions and tax penalties not applicable to 'white-listed' countries, including a 25 percent tax rate for portfolio investment proceeds as opposed to the 14 percent tax rate applied to white-list domiciled entities.

Business opportunities between the two nations are plentiful at present. Colombia is now the third freest economy in South and Central America, according to the 2014 Index of Economic Freedom, due to its increased focus on improved regulatory efficiency and enhanced financial sector competitiveness.

Property and casualty market strong, says A.M. Best

Financial impairments in the US property and casualty (P&C) industry in 2013 slid to their lowest level since 2007, according to original research by A.M. Best.

These amounted to little more than half of both the historical average and the 2012 impairment count. Risk retention groups (RRGs) operating in a variety of fields represented half of the 2013 impairments.

There were 14 known P&C impairments in 2013 compared with 25 in 2012, with most of the impaired companies hurt by several years of volatile and generally unprofitable underwriting results.

The industry overall turned a corner in 2013, posting its first underwriting profit since 2009.

A.M. Best has also predicted continued interest in the stop-loss market from employers with an appetite for risk on employee health care costs.

This is primarily due to the fact that stop-loss plans are not subject to the health insurance industry fee component of the Patient Protection and Affordable Care Acts or their minimum loss ratio requirements.

Insurers prepare for hurricane season

Hurricane activity in the Atlantic basin is projected by seasonal outlook providers to be near or below average for the 2014 season, according to a new briefing by Guy Carpenter & Company, LLC.

"The risk of a landfalling hurricane is a serious threat for any tropical season, regardless of seasonal outlooks for the Atlantic Basin at large," said James Waller, research meteorologist for GC Analytics.

"While there is indeed a weak correlation between hurricane counts in the Atlantic Basin and the number of US landfalls, statistical significance is the subject of some debate in the scientific community."

"Warmer waters in the West Atlantic and Caribbean coupled with the uncertainty surrounding the strength and placement of the impending El Niño, warrant a moment of pause for the 2014 season."

For the Atlantic Basin, seasonal outlook providers are expecting tropical activity to fall below the long-term average of 1954-2013. The forecasts also fall clearly below the short-term mean during this timeframe.

The two key factors that have the greatest influence on the hurricane season include the expected onset of an El Niño and cooler than normal sea-surface temperatures (SSTs) in the Atlantic Main Development Region (MDR), both of which serve to suppress hurricane formation and severity.

In light of this, a few important factors warrant consideration, according to the briefing.

As the strength and placement of the El Niño remain uncertain, the effects of the disruptive, hurricane suppressing wind shear may be displaced.

At the same time, SSTs are not cooler than average in the waters adjacent to the eastern US and the northern Caribbean, presenting an environment that could enable hurricane development and landfall.

The briefing states that preparation is key for insurance companies, as any hurricane can produce wind, storm surge and inland flood ramifications. The severity and scope of these impacts are often unpredictable, as was evident with Hurricanes Katrina in 2005 and Sandy in 2012.

Suspension issued to captive insurers as menbers

The twelve banks of the FHLBank System have agreed a three-month ban on admitting captive insurers as members, according to reports.

The Federal Home Loan Banks (FHLB) offered the move to their regulator, the Federal Housing Finance Agency, which has said the trend of real estate investment trusts (REITs) using captive insurers to access the government chartered system is a risk.

The three-month suspension follows Redwood Trust's captive obtaining membership in the Chicago FHLB.

Redwood is the fourth REIT to join the network of regional lending cooperatives.

Federal Housing Finance Agency director Melvin Watt told the FHLBanks Directors Conference in May that his agency, which oversees the secondary mortgage markets in the US, is keeping an eye on captives.

"One area of insurance company membership—captive insurers—deserves some additional attention. Captive insurance borrowing and membership in the FHLBank System raises a number of possible issues related to safety and soundness and access to the system."

Chasing shadows

Following the call for a timeout from the FHFA, many captive owners have been left to wonder what, if anything, they will have to fight against

STEPHEN DURHAM REPORTS

As the dust settles following the 90-day moratorium on granting captive insurers membership to the Federal Home Loan Bank (FHLB) system, many within the industry are holding their breath.

The regulator of the FHLBs, the Federal Housing Finance Agency (FHFA), has aired its suspicion towards the trend of real estate investment trusts (REITs), in particular, using captive insurance to access the government chartered system, branding it too much of a risk.

Congress created the FHLB system to be a reliable source of funds for local lenders to finance housing, jobs and economic growth. It is made up of 12 FHLBs, which are cooperatives owned by more than 7500 community financial institutions throughout the US. Insurance companies were one of the original eligible members of the FHLB system in the 1930s when the statute was passed, which has served to compound the captive industry's feeling of persecution following the announcement of the moratorium.

In 2013, the FHLB system had almost half a trillion dollars out on loan to community banks, credit unions, insurance companies and community development financial institution members, which must put up high-quality collateral to borrow funds.

Since 1994, captives owned by some of the bigger banks like JPMorgan Chase and Wells Fargo have gained membership to the FHLB and new members, such as Redwood Trust's REIT, were approved as recently as June 2014. Despite this, FHFA director Melvin Watt is still of the view that captive insurers deserve “some additional attention”.

In May 2014, Watt told the FHLBs Directors Conference that “Captive insurance borrowing and membership in the [FHLB system] raises a number of possible issues related to safety and soundness and access to the system.”

This scrutiny has caused many working within the industry to feel that captives are receiving something of a raw deal, as they feel that their activities are directly in line with the FHLBs' mission to provide liquidity to the home loan market.

Scott Geromette of Honigman Miller Schwartz and Cohn LLP says: “I am not certain why the FHFA has recently placed so much emphasis on the issue of whether captive insurance companies are eligible FHLB members.”

“Captives as FHLB members is not a new phenomenon. In fact, it is my understanding that some of the largest depository institutions in the US have been participating in the FHLB through captive members, some of which date back twenty years.”

> “To say that captives have suddenly become ineligible would be to admit that the FHLB has been wrongly granting memberships to captives for the past 20 years. This has compelled captive owners to discover specifically what the FHFA's issues are and what can be done to appease them”

“Furthermore, based on my count, there are currently approximately twenty captive insurance companies that are FHLB members, each of which, presumably, was reviewed and approved by the FHFA as part of the membership process. If captive insurance companies have been acceptable since at least 1994, then it is unclear to me how or why there could suddenly be questions about whether captives insurance companies are eligible members. It would seem to me that this inquiry, if truly legitimate, would have arisen a long time ago and not as a result of new members joining whose activities arguably are more consistent with the FHLBs' mission than any other type of eligible member.”

In addition to Geromette and a number of his contemporaries feeling unfairly scrutinised by the FHFA, there is the added uncertainty created by the inherent silence during a moratorium. As no details have emerged, as yet, those within the industry are forced to use rumours as a source of information.

Richard Eckert, director and analyst of mortgage REITs at investment bank MLV & Co, claims that Watt is under pressure from his critics.

Eckert explains: “Watt is very sensitive to criticisms of mission creep and has come under pressure from some of the more conservative lawmakers about expanding the mandate of government sponsored enterprises to these private, non-bank lenders. He is trying to advance the housing finance mission of the US without stifling or crowding out private capital. Basically he is using this time to make a case for himself and the FHLB are desperate to prove that they are relevant—now that the biggest thrifts have incinerated themselves.”

Regardless of what is happening behind the scenes at the FHFA, the moratorium has left captive owners in the dark as to what is next, without something tangible to fight against. In other words, as the FHFA have not adopted an official position against captives, it is difficult for the owners themselves to organise any kind of pushback.

Geromette says: “All we need to do in this window is make sure that we have all our ducks in a row and possibly put together a whitepaper. We need to make sure that we get the FHLBs to realise that there is little the FHFA should be able to do about the arrangement because (i) insurance companies are eligible members under the FHLB enabling legislation, (ii) the activities of all of the captive insurance companies with which I have worked are entirely consistent with the mission of the FHLBs, and (iii) we have all done our homework on this side of the table and are prepared to defend the arrangement, if necessary.”

Although some of the REITs involved, such as Redwood Trust and Ladder Capital, declined to comment on the issue, others on that side of the issue do not feel that the moratorium is as much of a problem as the silence suggests. Eckert claims that, in the bigger picture, not much is likely to change once the 90 days is up.

“I am not sure that I consider joining the FHLB to be a big deal and I do not consider this moratorium to be a big deal either. The only real advantage that the FHLB offers to non-bank entities is that they are a reliable source of funding. They are different in that they will not arbitrarily yank a line of credit although, much like the big banks and repurchase lenders, they will insist that borrowings are fully collateralised.”

Eckert continues: “Three months is not a very long period of time. I've been following the housing finance industry in one shape or another for the last 25 years. I do think that the plan will go ahead and ultimately the FHLBs will be granted the authority to admit these non-bank mortgage lenders and investors through the back door via a captive subsidiary, as it advances that housing finance mission. It helps them diversify their sources of lending.”

Whether the issue really is as trivial as some believe remains to be seen, but what cannot be denied is the potential upheaval that would present itself in the wake of the FHFA attempting to ban the membership of captives altogether. In other words, to say that captives have suddenly become ineligible would be to admit that the FHLB has been wrongly granting memberships to captives for the past 20 years. This has compelled captive owners to discover specifically what the FHFA's issues are and what can be done to appease them.

Geromette says: “I initially pushed back on the 90-day moratorium as I felt that 12 independently owned and operated institutions cannot collectively agree to exclude or delay membership to otherwise eligible because that potentially violates some anti-collusion or anti-trust principles.”

“I want to speed the process along, because this regulatory purgatory isn't beneficial for anyone (except perhaps the FHFA). If there is going to be a formal action by the FHFA, I would like to get to that point as soon as possible because it will help to clarify exactly what FHFA's issue is with this arrangement.“

“Nevertheless, thus far during the moratorium, all the banks that were committed to captive insurance companies before have stated that they remain 100 percent committed. Whatever the issue may be, I am confident that it will come out in our favour.” **CIT**

The new kid on the block

The director of the OCIA, Mark Koogler, explains why the most recent addition to the sprawling US captive industry is one to watch

STEPHEN DURHAM REPORTS

Firstly, could you explain the genesis of Ohio's captive industry?

Back in 2007 a captive bill was initiated by the General Assembly in Ohio. The insurance department, along with various other interested parties were involved in reviewing and editing the draft legislation. Immediately following an interested parties meeting, the bill just died. Then, in 2011, we had a new governor elected who was running on the campaign of transforming Ohio into a competitive business environment by creating businesses in Ohio, retaining them and creating jobs.

His lieutenant governor was appointed the Ohio insurance commissioner. Shortly thereafter, I wrote a letter to her encouraging the Ohio Department of Insurance to reconsider the benefits of competitive captive insurance company legislation. I stated that not enacting captive legislation seems to be inconsistent with the governor's message.

That correspondence led to conversations with the insurance committee within the general assembly and with the insurance department. As a result, we drafted a captive bill that, in its preliminary form, would permit pure captives, association captives and protected cell captives. Through various interested parties meetings and negotiations with the insurance industry in Ohio, the captive bill ultimately did not allow for association captives. The captive bills (the original bill was split into two) authorise pure captives, protected cell captives and special purpose financial captives—the latter one being only for life insurance companies.

The great thing in this process was that the department took ownership of getting the bills through the legislature and worked with all the parties to ensure there were no surprises along the way. There was no doubt that the department really embraced the captive legislation and took ownership of it. That was good news for those of us who were interested in getting these bills passed.

The Ohio General Assembly unanimously adopted the captive bills in June 2013 and the Ohio Senate unanimously approved them in May 2014. The Ohio House immediately and

Enter into the new world at Cunningham Lindsey and see what we can offer you

We're refocusing our vast reservoir of resources to deliver the right person for the right job in the right place, whatever the size or type of the insurance claim. Our priority is to work with all parties to settle claims quickly and cost-effectively, and get businesses back on track as soon as possible.

At your side

With more than 7,000 employees in over 60 countries, we can deliver local expertise and global reach wherever you need us. Many of our staff are engineers, lawyers, accountants, surveyors and economists, and have managed claims in every sector of the economy from schools to seaports, and from mines to marinas – from cash machines to cars.

Meeting your needs

Whether you are facing a catastrophic situation with complex claims, a one-off major loss or high volume claims, we have the resources to build a solution just for you. We provide you with the most appropriate experience, supported by technology that makes our processes faster and more effective.

If you would like to assign a claim, get some advice or simply find out more about how we can help you, please get in touch. We look forward to welcoming you to the new world at Cunningham Lindsey.

Visit: cunninghamlindsey.co.uk
Email: gsm@cunninghamlindsey.com

Cunningham Lindsey

unanimously adopted the substitute captive bills in June 2014. The Ohio governor signed the legislation on 17 June and the legislation becomes effective 90 days after the governor signs the bill.

You say that the bill died between 2006 and 2007—what killed it?

I think some insurance companies did not like the idea of a captive bill in Ohio and they had considerable influence in the 2006-2007 process. However, because the process had been going on for some time, some of us were convinced that the bill was going to go to the legislature. There are many interested people very excited about having the opportunity of looking at captive insurance in Ohio, to either redomesticate their captive back to Ohio, or to set up an Ohio captive.

So, in your experience, do you see people as being receptive to Ohio captives?

I spent 20 years in house as legal counsel for a very large Ohio domiciled insurance company. In that capacity, I was the lead counsel responsible for buying and selling a large number of insurance companies during my time as well as being responsible for the corporate governance of insurers. When I went into private practice 13 years ago, I started getting involved with medical malpractice captive insurers down in the Cayman Islands and forming risk protection groups in Vermont. I found that a lot of folks were receiving misinformation on captives.

A lot of people knew enough about them to be dangerous. But, I found a lot of prospects receiving bad advice about setting up a captive for a single employer and being told they could deduct the premium as a business expense. So I spent a lot of time re-educating folks about the benefits and risks of captives, including discussing the issues to be faced in establishing a captive.

For the past several years, I've been trying to address as what I saw as an interest in captives here in Ohio. I thought that if I could help with Ohio captive legislation, perhaps Ohio businesses would not have to go to the Cayman Islands, Vermont, Kentucky, Utah, or Montana, to set up their captives. Instead, they could have the convenience of doing the captive from their own offices.

Have you seen any apprehension or suspicion of captives from people you have spoken with in the state?

In most cases certain folks have heard about captives and in some cases, the information they have heard is incorrect. The more we can educate means a greater opportunity to form more captives in Ohio and that is one of the goals of the Ohio Captive Insurance Association—to educate folks about the regulatory environment in Ohio. With that information, which they have not had because we haven't had a bill, I think people will be in a much better position to make an informed decision as to whether they should form a captive and whether Ohio is the right domicile.

> "There was no doubt that the department really embraced the captive legislation and took ownership of it. That was good news for those of us who were interested in getting these bills passed"

How are things looking for the future of Ohio's captive industry?

Right now, the next step is that the Ohio Department of Insurance will draft regulations. Because the bill will not be effective for about 80 days from now, no captive can even be applied for, until about Q4 of this year. So, we're hoping to see the Ohio Department of Insurance is getting organised and prepared for that first application when it comes in the door. That will be important because captive prospects will want to see what type of regulatory environment Ohio will be—is it going to be user friendly, efficient, fast, and flexible, to allow these captives to do what they may have done in other jurisdictions? Or, will the discretion authorised to the insurance commissioner not be used to permit flexibility in meeting captive owners' needs?

Do you think that the state will eventually attract nationwide as well as domestic clients?

I've had a hospital system with the captives, say: "I like where I'm at right now, so unless Ohio has a much better regulatory environment or scheme in place, why would I want to move my captive?" Whereas others are tired of going to Vermont, or the Caymans, and are ready to do their business here in Ohio. Perhaps there are political reasons for having captives in the state as opposed to having it out of state.

I don't know if the first wave of Ohio captives will be a tsunami or a ripple. I would suspect the first applicants will be a couple of Ohio businesses, which do not have a captive, but are interested in setting up a pure captive. Or it could be one or two Ohio businesses that have a foreign captive and want to redomicile in Ohio.

Immediately after the captive bills were signed by the governor, an interested person asked me "when Ohio would permit for association captives?" I said, "you don't want to go there because three years ago it was taken out". While there may be issues with the current captive legislation, Ohio needs to get its feet wet first.

I recommended to this person that they should give it a year to see what type of reception is given to captives by business owners in Ohio, with respect to the bill, and the regulatory environment and then if changes need to be made.

What is the endgame for the Ohio Captive Insurance Association?

I put on a captive seminar for some Ohio businesses in May— a 'captives 101'. The point of that seminar was to let attendees know that the bills (at that time) were still pending and to explain what the bills would look like. Some of attendees have contacted me and asked to let them know when they will be able to set up a captive. I think people may be standing close to the effective date of the bills once applications will be accepted. That's how people are going to getting their feet wet. If people are interested enough in this legislation, they're going to push ahead and submit an application to be a captive insurance company in Ohio. That will set the precedent. **CIT**

Industry appointments

Benjamin Harris is to join Utah's Captive Insurance Division as an audit manager.

He will join Travis Wegkamp, also an audit manager, in directing the examinations for the captive insurers in Utah.

The addition of Harris will assist in providing the necessary regulatory support for Utah domiciled captive insurance companies

Over the past five years, the division has grown from 148 captive companies to over 340, with an additional 60 cells. It is now the second largest domicile in the US and fifth largest captive domicile in the world.

Before joining the division, Harris worked with a CPA firm as an audit manager/supervisor performing captive insurance audits.

R&Q has hired **Andrew Matthews** as managing director of R&Q Insurance Management (Gibraltar), previously known as R&Q Caledonian.

The appointment of Matthews is part of R&Q's ongoing investment in the growth of its Gibraltar operation.

Matthews' main role will be servicing and developing solutions for clients; he has extensive experience in the London market and joins from Aon Global Risk Consulting where he has worked since 2001. Prior to this he worked for Willis for over ten years.

In addition to Matthews, R&Q Insurance (Gibraltar) has strengthened its board through the appointment of **Angus Alexander**.

Alexander has sat on a wide range of captive boards over the last ten years including Willis Management (Isle of Man).

Tim Riddell, CEO of captives and US insurance services at R&Q, said: "We are very supportive of the government of Gibraltar's initiatives to attract more business to the peninsula and our strategic objective to grow our insurance management platform is consistent with these aims."

"[Matthews] brings extensive experience with him, and will form a key part of our increased investment in 2014 and plans for the future."

"We are also extremely pleased to welcome [Alexander] to the board of R&Q Insurance Management (Gibraltar), he is highly respected in the space and his knowledge and expertise will add real value for our clients."

R&Q both manages and provides services to a range of captive and insurance companies worldwide.

It consists of five captive and insurance management companies, based in Bermuda, Norway, Gibraltar, the US and the Isle of Man. It has over 100 captives and insurance companies under management across 14 domiciles.

Gordon Amini has returned to the Oklahoma Insurance Department (OID) as senior attorney.

Amini was previously employed at the OID from 1977-81 and brings 37 years of legal and insurance industry experience to the department.

Oklahoma's Insurance Commissioner, John Doak, commented: "I personally feel it's tremendous when individuals like [Amini] believe in Oklahoma being open for business and wish to serve Oklahomans."

"His reputation is well-known and he will provide expert legal assistance with interpretation of state statutes, workers' compensation and new captive initiatives."

Amini is recently retired from Physicians Liability Insurance Company (PLICO) after a nine-year tenure as senior vice president and general counsel.

He served as board member for the Oklahoma Association of Life Insurance Companies and the Oklahoma Life and Health Insurance Guaranty Association in addition to acting as state vice president of the American Council of Life Insurance.

Stephanie Mapes, Paul Frank+Collins's (PF+C) captive insurance team leader, has been elected as president of the firm.

Mapes has worked at PF+C for 26 years and has helped lead the firm for the past two years as one of three members of the board's executive committee. Mapes is the first female president in PF+C's 46-year history.

Previous president, Crocker Bennett II, who ran the firm from 2010 until June of 2014, said: "As vice-president during my period as president, [Mapes] enhanced my work."

"She is a team-oriented professional who is well regarded by our attorneys, our staff and our clients. PF+C could not be better served than to be led by [her]."

Mapes began working at PF+C in 1988 as an associate attorney and has held numerous leadership positions over the years, including her past chairmanship of the marketing and strategic planning committees, and her role on the executive committee.

She became a shareholder of the firm in 1994 and helped create a firm-wide strategic plan in 2007. Mapes will continue to lead the firm's captive insurance team while acting as president. **CIT**

CIT CAPTIVEINSURANCETIMES

Editor: Mark Dugdale
markdugdale@captiveinsurancetimes.com
Tel: +44 (0)20 8663 9620

Reporter: Stephen Durham
stephendurham@captiveinsurancetimes.com
Tel: +44 (0) 208 663 9622

Editorial assistant: Tammy Facey
tammyfacey@blackknightmedialtd.com
Tel: +44 (0) 208 663 9649

Account manager: Joe Farrell
joefarrell@captiveinsurancetimes.com
Tel: +44 (0)20 8663 9627

Publisher: Justin Lawson
justinlawson@captiveinsurancetimes.com
Tel: +44 (0)20 863 9628

Marketing director: Steven Lafferty

Designer: John Savage
design@captiveinsurancetimes.com
Tel: +44 (0)20 8663 9648

Published by Black Knight Media Ltd
Provident House, 6-20 Burrell Row
Beckenham, BR3 1AT, UK

Company reg: 0719464