CIT CAPTIVEINSURANCETIMES

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Guernsey looks to replicate PCC success

ST PETER PORT 01.10.2012

The risk purpose trust (RPT), a mechanism allowing corporates to fund for foreseen and unforeseen expenses and business risks, has been launched in Guernsey.

Insurance management provider Robus Group, Marlborough Trust and independent consultant Richard Gale jointly developed the RPT mechanism.

Guernsey was the first captive domicile to implement protected cell company (PCC) legislation, which it did in 1997. "The PCC as a product has become standard in the international financial market and it is expected that the RPT will follow this path," said a statement from Robus Group.

Gale explained that the aim of the RPT mechanism is to solve captive insurer imperfections that have become apparent to him during his 20 years in captive management.

"What resulted was a product which, while I feel is successful in my initial goal, has morphed into a much broader solution to the budgeting for expenses of corporates. What's surprising is how simple the model of the RPT is, what's exciting is how well it can solve so many issues."

The uses of the RPT include budgeting assistance for gratuity payments, incentive payments or sports bonuses, provision for future repair costs, rental guarantees for landlords of large property portfolios, pension shortfalls, and the support and provision for unforeseen risks of corporates generally, from the traditionally insurable to the non-insurable.

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CITINBRIEF

Missouri lands its 25th captive company

The Missouri Department of Insurance has licensed its 25th captive insurance company. The state began allowing captive formations in 2007, and had just three licensed captives before the state's governor, Jay Nixon, signed House Bill 577 in 2009.

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MoneyMate aids captive insurers

Investment data management solutions company MoneyMate has launched the Fund Price and Information Exchange, a 'look-through' and reporting utility, to help insurers and asset managers tackle Solvency II requirements.

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Guernsey looks to replicate PCC success

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Nick Hannah, managing director of Marlborough Group, said that the RPT is steeped in innovation. "At its inception, the development of the trust throughout history has been fuelled by a series of problems looking for answers. The great merit of the trust has been its ability to evolve and cope with new and different problems. The RPT is the natural continuation of this evolution."

Chris Le Conte, managing director of the Robus Group, added: "We are excited about this new innovation for Guernsey, this could potentially change the way corporates view their budget and risk management. We have no doubt that this latest move for Guernsey will only help to cement us as a financial domicile of choice throughout the world."

The three parties have simultaneously launched Princeps, a joint venture that will aim to sell the RPT to companies.

Gale said that the combination of the teams from Robus and Marlborough to create Princeps was the ideal choice.

"I have worked a great deal with Chris Le Conte over many years and spent a considerable amount of time with Nick Hannah during the two years of the RPT development. Their exceptional creativity and thought leadership moved the conception to reality. This is a product which will keep evolving to solve the problems that need to be solved."

"We wanted to create an advisory company which would embody the innovation and expertise which has produced the RPT. We believe that in Princeps this has been achieved."

Missouri lands its 25th captive company

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The omnibus insurance bill was aimed at simplifying the process of moving offshore captive operations to Missouri, and made it more attractive for companies that are based outside of the state to set up captive operations there, by removing certain financial and investment restrictions and expanding organisational options for captives.

Missouri captives in 2011 recorded $1.9 billion in premium volume, with companies mostly using their captives to finance deductibles for workers' compensation and other property and casualty lines, life reinsurance, professional and general liability and commercial auto.

"The Show-Me State has shown the insurance and business communities that we have an outstanding domicile for captive formation," said John Huff, director of the Missouri Department of Insurance and recently reappointed by the National Association Insurance Commissioners as state insurance commissioner.

"These significant milestones in number of captives and premium volume demonstrate Missouri's commitment to a healthy, sustainable and long-term captive industry." Currently, the state has 25 captives, but the number is expected to top 30 by the end of the year, and premium volume to exceed $3 billion.

MoneyMate aids captive insurers

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MoneyMate's exchange is a result of the need for insurance companies to prove that they have enough capital funding to prevent them from failing. Solvency II requires insurers to develop 'look-through' transparency over their investments, placing pressure on asset managers that will be required to provide levels of transparency on the investments of their insurance company clients.

Like other members of the insurance industry, captive insurers also have concerns about the level of capital that will be required under Solvency II.

In an email interview, John Dowdall, global business development, at MoneyMate, said: "Of particular concern [to captive insurers] is the ability to access the required level of granular data from their asset managers with whom they invest. Access to this data for funds is not currently available in the timeframes required and sourcing such data can be problematic as asset managers feel that releasing this intellectual property and investment strategy to their investor is of great concern."

"For captives with large investments in the funds area, there will also be a requirement to source data from tens if not hundreds of asset managers in different formats and integrate each into their systems."

The exchange creates connectivity between captive insurers and their asset managers to enable better compliance with Solvency II by providing access to holdings data in a controlled environment.

"This environment is designed to provide the security that will allow them to make the policy decision to provide the required transparency captives want in order to seek the lowest possible solvency capital requirement," added Dowdall.

MoneyMate's chief technology officer, Ronan Brennan, said: "Our look-through and reporting utility provides an industry-connected infrastructure and tackles the fundamental challenges for asset managers, third party administrators and their insurance clients under Solvency II: data ownership, opaque investment structures and security for intellectual property."

"The utility provides connectivity between parties involved in addressing the issues of Solvency II—the regulated investor, their asset manager and their service providers. A landscape-altering regulatory move like this requires a completely new model, and that's what we've done at MoneyMate."

Europe a fan of captive insurance, says Aon

Organisations in Central and Eastern Europe and additional emerging markets are keen to take advantage of risk management and risk

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RICHARD GALE

Richard has worked in the insurance sector for more than 40 years. His career developed towards servicing large industrial and commercial businesses to becoming a captive insurance manager of clients with similar profiles.

CHRIS LE CONTE

Chris is recognised and respected for his endless thought leadership, strategy and entrepreneurial prowess. He has industry-leading expertise in capital planning, corporate structuring and insurance management.

BEN TUSTIN

Ben helped establish Marlborough Trust Company after spending 3 years with the offshore business of Deloitte & Touche as the manager of their private client department, specialising in multi-jurisdictional tax mitigation structures for property holding and development.

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financing solutions such as captive insurance, according to the annual client symposium hosted by Aon Global Risk Consulting, the risk management consulting arm of Aon.

The symposium, which was attended by a 100 senior risk professionals, specifically focused on emerging markets, with leaders from Central and Eastern Europe, Brazil and Turkey contributing to a discussion on the relevance and potential effect of solutions that have been longstanding features of risk management strategies in other parts of the world.

Delegates shared thoughts on how quickly solutions from mature risk management markets such as the US, the UK and Australia could be introduced successfully in emerging economies.

Speakers referred to the next five years as the time in which risk management models in these economies would gain traction and become a core part of the business strategy of major organisations. Captive insurance companies are expected to be a key element of the strategy for many firms.

Jaap Veenenbos, regional director of Central and Eastern Europe for Aon Global Risk Consulting, said: "With the magnitude, scope and complexity of risk on the rise, the key for success and growth for leaders in emerging economies is to understand and mitigate the level of risk facing today's organisations. The need for more effective management solutions will continue as globalisation makes the world smaller, overseas investment in Poland and additional countries increase and regulatory environments evolve."

NAIC expresses concerns over 'shadow insurance'

In a National Association of Insurance Commissioners (NAIC) meeting in August, a subgroup dealing with captives and special purpose vehicles (SPV) met to discuss regulator concerns regarding the use of captives and special purpose vehicles by life insurance companies to transfer insurance risk.

During the meeting, the subgroup also discussed its own draft Captive and Special Purpose Vehicle White Paper. The paper addresses state authority, confidentiality and transparency, types of business ceded to captives and SPVs, capitalisation, credit for reinsurance, holding company analysis considerations, and it provides conclusions and recommendations from the subgroup's study.

The recommendations address accounting considerations regarding the treatment of XXX and AXXX reserve redundancies, possible enhancements to the Special Purpose Reinsurance Vehicle Model Act, adherence with the International Association of Insurance Supervisors standards related to use of captives, and enhanced disclosure and transparency to other functional regulators.

The subgroup stated that it planned to review the draft over the next two weeks, and then release it for public comment on a future conference call.

"The subgroup was formed during early 2012 given the broadened use of captives, and the potential concern that a shadow insurance industry is emerging, with less regulation and more potential exposure than policyholders may be aware of as compared to traditional insurers," stated the whitepaper.

"This potential concern becomes amplified when academics claim the shadow banking system was believed to have contributed to the recent financial crisis; thus, putting significant pressure on state insurance regulators and the NAIC to assess the merits of these aforementioned claims."

The subgroup's aim is to study insurers' use of captives and special purpose vehicles to transfer insurance risk, other than self-insured risk, in relation to existing state laws and regulations, with the appropriate regulatory requirements possibly involving modifications to existing NAIC model laws and/or generation of a new NAIC model law.

CPA Mutual Insurance opts for SunGard iWorks

CPA Mutual Insurance Company of America Risk Retention Group (CPA), a member-owned captive insurance company, has selected SunGard's iWorks enterprise accounting system (EAS) and statutory statement solution to increase operational efficiencies by consolidating financial processing onto a single platform.

The single platform will allow CPA to access its general ledger, accounts payable, and annual and quarterly statements through one system.

SunGard's insurance solutions will help CPA to streamline accounting and statement processing, further increase efficiencies and bring accounting functions in-house.

Bill Thompson, president of CPA, said: "With SunGard's iWorks, we are able to manage accounting functions internally and make all of our financial and statements processes seamless."

"The iWorks EAS and statutory solutions are intuitive and integrate well with other systems we have in place. SunGard also provides the stability and product commitment we were seeking in a systems provider."

Kevin Singerman, COO for iWorks Financials, said: "Insurers need greater flexibility in meeting reporting requirements while increasing efficiency and performance of their accounting operations. We're pleased that CPA Mutual has chosen SunGard's iWorks solutions to help simplify financial accounting processes and meet various reporting requirements, while delivering essential functions in an intuitive, integrated environment."

Governmental interest in IPT revenues is rising

The introduction of insurance premium taxes (IPT) by Hungary and Denmark confirms that European governments are targeting insurance for tax revenue.

According to Mike Stalley, founder and CEO of tax compliance consultancy FiscalReps, insurers need to tighten up their IPT compliance, warning that non-compliance could lead to financial penalties and reputational damage.

Speaking at the 2012 FiscalReps forum in Malta recently, Stalley said that despite changes to in-

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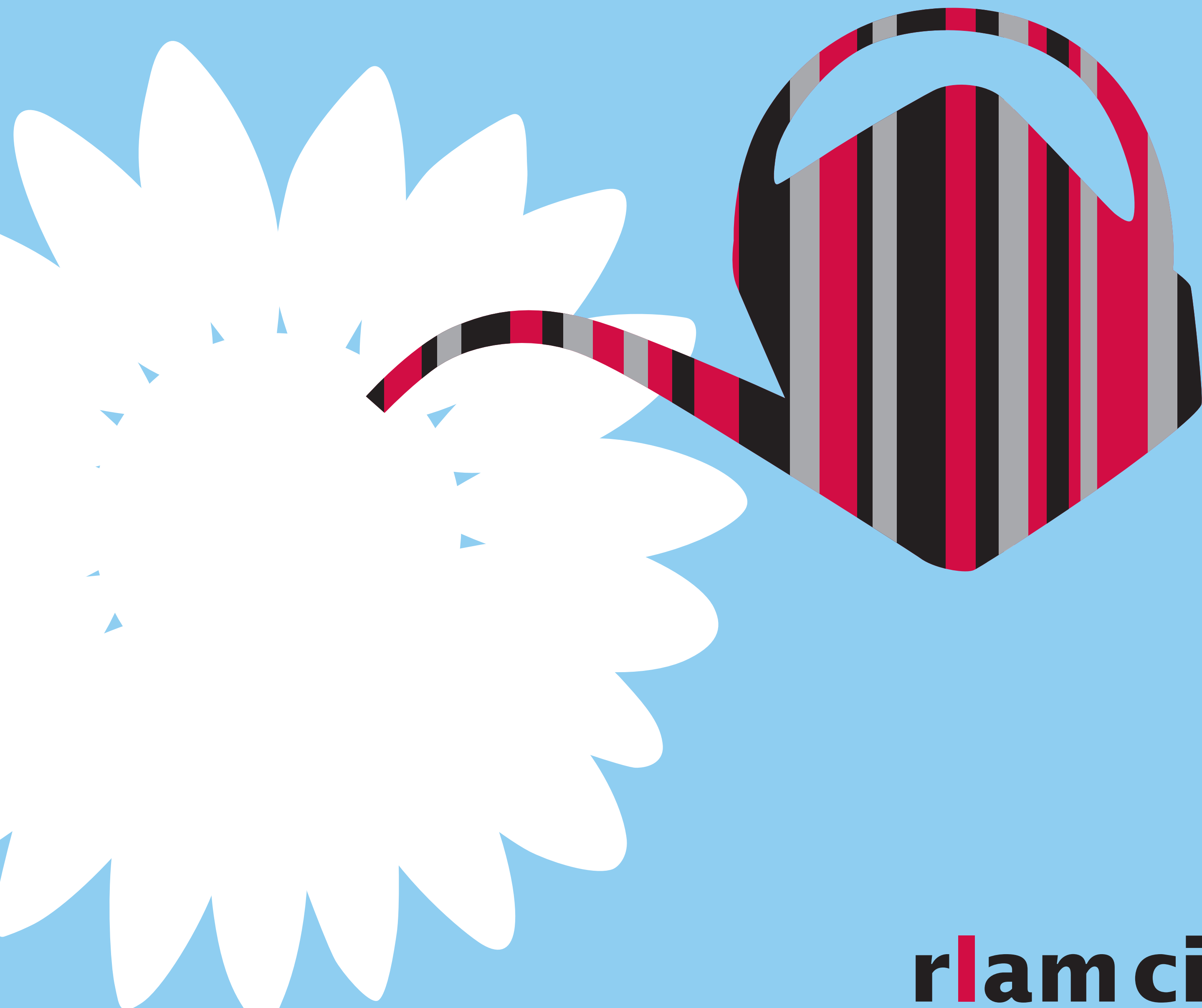

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surance premium tax compliance requirements that were designed to simplify procedures by creating a level playing field, IPT remains a major challenge for insurers throughout the EU.

“Understanding and managing the complexity of IPT remains an increasingly important task for insurance professionals when transacting business across the EU. With insurance compulsory in many fields, and virtually essential in others, tax on premiums is becoming viewed as ‘easy money’ by revenue authorities in this difficult economic climate. Revenue authorities across Europe are becoming increasingly vigilant and, as a result, compliance failures are more likely to be spotted—and penalised.”

Guernsey’s TIEAs total 37

Guernsey has signed tax information exchange agreements (TIEAs) with Italy and Latvia, taking the number of TIEAs signed by Guernsey to 37.

TIEAs are designed to facilitate external tax authorities requesting specific information from the island authorities to combat tax evasion and fraud. The bilateral agreements were signed on 6 September.

Peter Harwood, Guernsey’s chief minister, said: “Our relationships with the member states of the EU are of paramount importance in helping Guernsey protect and promote its interests.”

Willis moves office in Malta

Willis has moved to a new office in Malta in response to a growing captive and commercial insurance market in the region.

Now based in Floriana, the office has led to the appointment of two new associates.

Speaking at the opening of the new office, Professor Joe Bannister, chairman of the Malta Financial Services Authority, said: “The presence of a global insurance broker such as Willis is proof that Malta is a jurisdiction of repute with solid regulation.”

“The presence of Willis assumes great importance because it shows that Malta is able to attract large multinationals to the island. The indications are that we are going to continue achieving this despite the economic and financial turbulence.”

Malcolm Cutts Watson, chairman of the Willis international captive practice, said: “Malta is an expanding financial services centre with close links to many European financial hubs enabling European organisations to easily set up their captives here.”

“They are impressed by the business centric experience provided by Malta. This applies not only to captives but also third party underwriters writing commercial books of risk.”

NAIC adopts RMORSA Model Act

The National Association of Insurance Commissioners (NAIC) executive committee and plenary have implemented the US Risk Management and Own Risk and Solvency Assessment Model Act (RMORSA), alongside revisions to the actuarial guideline XXXVIII (AG38).

NAIC hopes that RMORSA, which was passed on 12 September, will assist regulators in assessing and monitoring insurers’ risk management processes.

RMORSA will provide regulators with requirements for maintaining a risk management framework as well as completing an own risk and solvency assessment (ORSA). The model also provides instructions on how to fill out an ORSA summary report with the state insurance commissioner.

NAIC president and Florida insurance commissioner Kevin McCarty said: “The RMORSA Model Act is a key element in our effort to modernise the US approach to the regulation of insurance groups. The model follows our recent work on the NAIC Holding Company Model Act, which I am pleased to say has been adopted in 10 states.”

“We began focusing efforts on AG38 when issues concerning its use came to our attention last year. These revisions represent a resolution that ensures adequate reserves to protect consumers while maintaining a level playing field and competitive markets for companies issuing these products."

Sorford Surety Insurance gets rating affirmation

A.M. Best has affirmed a financial strength rating of "B (Fair)" and issuer credit rating of "bb+" to Sorford Surety Insurance Company. The outlook for both ratings is stable.

Sorford Surety is a wholly owned subsidiary of IBT Group, which is a subsidiary of Eurofinsa SA. IBT and Eurofinsa are members of a multinational group of companies that specialise in the development, design, construction, equipment and finance of public infrastructure projects.

"Partially offsetting these positive ratings factors is the start-up nature of Sorford, its limited market scope/business profile, product mix and dependence on third parties for processing, servicing and administration," said A.M. Best.

"Furthermore, the company's relatively large (gross) underwriting exposures, as it offers high gross insurance limits and execution risk associated with the implementation of Sorford's business plan."

A.M Best rates Telefónica's reinsurance captive

A.M Best has given a financial strength rating of "A- (excellent)" and an issuer credit rating of "a-" to Casiopea Re, the reinsurance captive of Telefónica S.A. The outlook for both ratings remains stable.

The ratings of Casiopea Re reflect its strong risk-adjusted capitalisation, comprehensive reinsurance programme and underwriting performance.

"Casiopea Re's very strong risk-adjusted capitalisation will be maintained going forward. In 2011, the company's capitalisation was further strengthened by a capital injection of €80 million by Telefónica in preparation for Solvency II requirements, but has been reversed due to the delay in implementing the Solvency II directive," said the ratings firm.

An offsetting factor is the deterioration in its business profile and Telefónica's, its weaker domestic position combined with a challenging macroeconomic environment and its high net debt position.

A.M. Best believes that the transfer of the handset business in March 2011 to Telefónica Insurance has weakened Casiopea Re's business profile on a stand-alone basis, as premium income is unlikely to return to similar levels prior to the loss of that line of business.

Despite this, A.M Best thinks that Casiopea Re will maintain its position within Telefónica's risk management framework by reinsuring group risks.

Guernsey's revised zero-10 regime gets EU approval

Guernsey's revised zero-10 corporate tax regime has received EU approval.

Under the tax regime, all companies in Guernsey are taxed at 0 percent except for banks that are liable at 10 percent on certain activities. There is no withholding tax on dividends paid, no capital gains tax and no value added/general sales tax.

But the zero-10 regime included deemed distribution provisions, which meant that local shareholders were taxed on the profits of locally owned companies.

In April, the EU Code of Conduct Group on Business Taxation said that the deemed distribution provisions of the zero-10 regime were harmful to non-Guernsey residents.

It found them to be harmful because they treated residents and non-residents differently.

Guernsey has since removed the provisions, and the EU Code of Conduct Group had previously ruled similarly on the zero-10 regimes of both Jersey and the Isle of Man.

Keeping your guard up

Hanover Stone Partners has launched CaptiveGuard for captive insurance companies and their parent organisations, as CIT finds out

GEORGINA LAVERS REPORTS

Why was CaptiveGuard formed?

Organisations around the world are expanding their use of captives. Today, growing numbers of captives now write third-party business, fund employee benefit programmes and make intra-company investments. As captives have become increasingly complex, their risk profiles have evolved. They need more robust oversight and governance, as well as continual objective and independent operational review. Hanover CaptiveGuard offers a full complement of resources for captives and their parent organisations. Among our services are: evaluating the captive management company's performance; actuarial reviews; global and local insurance regulatory compliance; coverage reviews of directly issued policies; facultative and treaty reinsurance agreement reviews, and insurance and reinsurance market security.

What are the key strategies in improving underwriting?

The underwriting discipline for a diversified captive should be no different than the underwriting discipline of a multi-line carrier, including development of actuarially sound rates, close attention to the concentration of values in property risks, emerging legal trends in casualty risks, correlation of risks in the portfolio, policy terms, conditions, extensions, sub-limits and aggregates, and so on.

An analytical review of a captive's risk portfolio can identify a variety of opportunities to strengthen the captive's overall performance. For instance, you can improve underwriting profitability by identifying risk segments with favourable experience over time (or that have been improving on a trending basis) where you'll want to increase the use of the captive. On the other hand, you can also identify marginally profitable areas where it may make sense to purchase more reinsurance, or consider making structural changes, such as increasing retention levels, limiting capacity or adjusting pricing to improve performance.

Why do you think organisations are looking to expand the use of their captives?

Certainly, we're starting to see signs of an evolving traditional insurance market with some lines experiencing rising premium rates and tightening capacity. Historically, captives have been used to help mitigate against swings in the commercial insurance market cycle. Of course, controlled business is profitable business if underwritten and priced properly. In many instances, captives also have emerged as significant profit centers for many organisations. As their strategic plans call for expanding company activities, there may be opportunities to increase the use of the captive as well. Captives also enable organisations to formally pre-fund exposures that are consciously self-insured and insulate companies from volatile earning fluctuations and cash flow demands.

Were there any regulations that you had in mind when setting up CaptiveGuard?

In step with their globalisation initiatives, businesses have generally sharpened their focus on compliance, and in the risk management area with respect to global corporate insurance compliance. Increased insurance regulation in countries in all parts of the world applies as well to captives as they write policies for their parents and sister companies, as well as third-party business. In the US, emerging regulations under the US Dodd-Frank Act may have an impact on captive insurance companies.

New Dodd-Frank rules regarding swaps provide a limited insurance safe harbour and have implications for cat bonds, sidecars, industry loss warranties and other insurance-linked securities. The US Commodity Futures Trading Commission and US SEC have adopted new rules that become effective on 12 October 2012.

Captives that are interested in writing employee benefits in the US face additional regulatory measures from the US Department of Labor. The inclusion of international benefits further complicates the process. In addition, an increased number of captive domiciles in all parts of the world are subject to evolving regulatory frameworks that require monitoring to help affected businesses remain compliant.

Where are the captive insurance companies that you will be assisting based, and what are their lines of business?

Hanover Stone Partners has an extensive team of senior risk advisors with vast experience in establishing, managing, and operating captives in all parts of the world. Many of them also have served on boards of captives and large commercial insurance companies. As a result, Hanover CaptiveGuard is well-positioned to deliver service to captives and their parent firms on a global scale and across all lines of coverage.

How do you feel the US captive sector compares to offshore domiciles such as the Cayman Islands?

Each domicile has its own unique advantages and any business needs to consider a variety of factors in determining the optimal domicile for its captive. That said, US businesses that domicile captives onshore have access to US Terrorism Risk Insurance Act coverage, pay no federal excise tax, have the ability to loan back proceeds to the parent company, and can add employee benefits to their captive portfolios with Department of Labor approval. Meanwhile, offshore captives may have lower capitalisation requirements, which make it easier financially to establish a new captive, as well as benefits for specific industry sectors.

How did your partnership with Blackburn Group for its launch of RiskPro Health come about, and how is the group progressing?

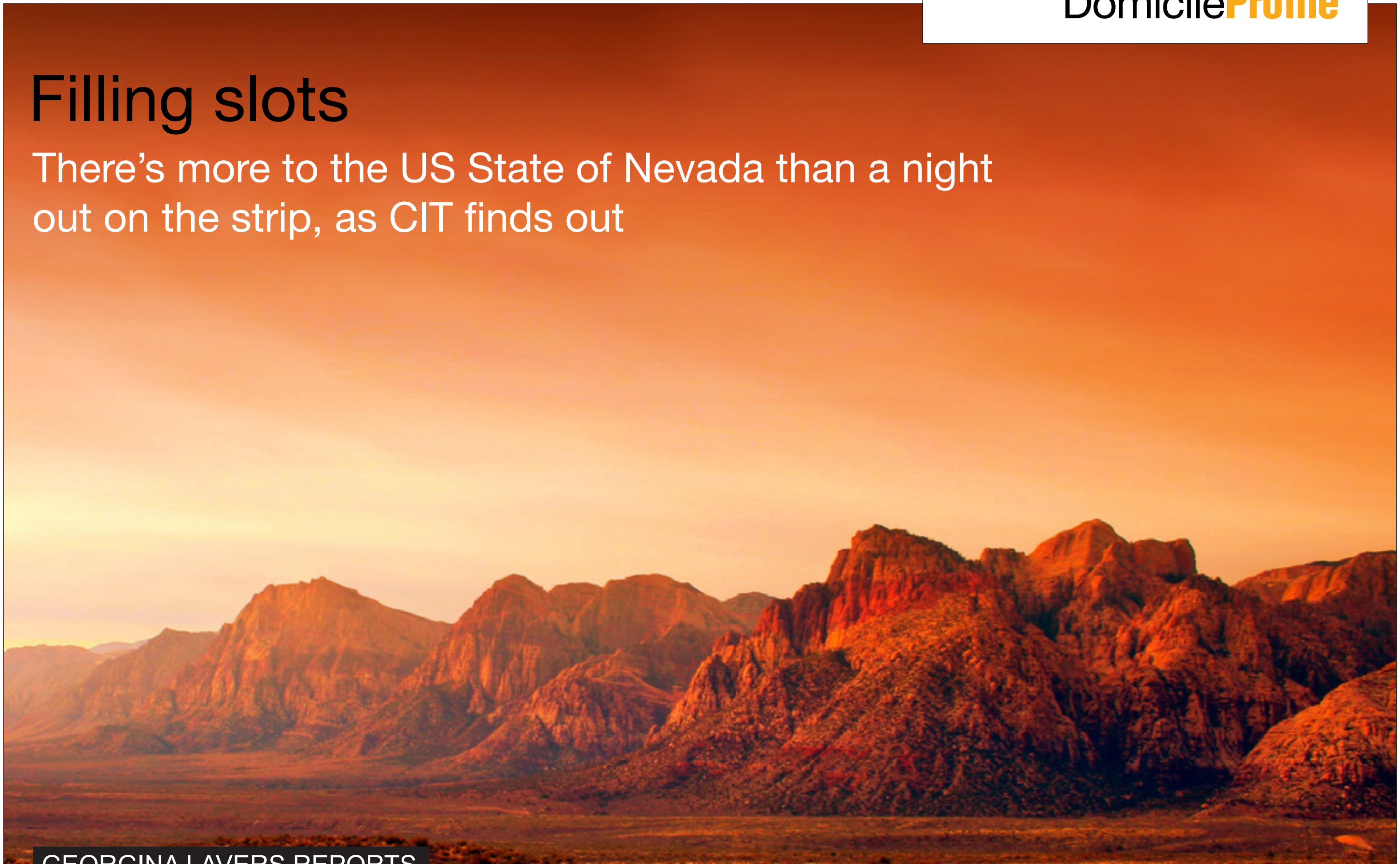
One of Hanover Stone Partners's senior risk advisors had a favourable experience working with Blackburn Group and introduced us. They have powerful analytical, benchmarking and implementation capabilities that apply specifically to self-insured healthcare and casualty programmes. For example, they consistently have achieved cost reductions of 15 percent to 40 percent for clients with respect to their chronic and legacy claims. We view them as a valuable partner firm that has much to offer clients of Hanover Stone Partners and Hanover CaptiveGuard. CIT

John Kelly
Founder and managing partner
Hanover Stone Partners


Business

Filling slots

There's more to the US State of Nevada than a night out on the strip, as CIT finds out



GEORGINA LAVERS REPORTS

The Nevada Captive Insurance Association (NCIA) hosted its 8th captive conference on 25 September at the Bellagio hotel on the Las Vegas Strip. Commissioners and staff from the Western Region captive domiciles attended to discuss matters of importance to their regional captive movement, alongside tax updates, news from Washington, DC, and an address from Scott Kipper, Nevada's new commissioner of insurance.

But the captive sector in Nevada is seeking to distance itself from the Las Vegas cliché. Before state insurance commissioner Brett Barratt resigned in August, he promised more white-collar jobs and less of a focus on tourism, with the signing of Assembly Bill 74 into law.

The bill was submitted by the Nevada Division of Insurance and has provisions that reduce compliance expenses by no longer requiring 'pure' captive insurers to be examined without cause, lowers application expenses and simplifies financial reporting.

Speaking at the time of the bill's signing, Nevada's governor Brian Sandoval said: "I am pleased to sign into law these provisions that will make Nevada a more attractive place to do business for captive insurers. These changes are closely aligned with Nevada's business friendly attitude. Captive insurers are also an excellent mechanism for businesses to capitalise on their successful risk management."

On top of the changes of Assembly Bill 74, Nevada is attractive to captives because it has no corporate income tax and business friendly corporate laws. A captive can typically incorporate in Nevada within 24 hours.

However, despite being at the forefront of the captive insurance industry in the US when the state first brought in legislation more than a decade ago, and winning a major coup in 2010 as NV Energy, the state's largest utility, created a captive based in Nevada, it has recently fallen behind competitors.

Commissioner Barratt's appeal to prospective captive owners spoke volumes about the state's eagerness to make up lost ground.

Nevada had 130 captives as of June 2011, and maintains a close rivalry with Utah, a neighbouring state, which was among the fastest growing captive domiciles in the country in 2010.

With 188 captives, Utah is now second only to Vermont in terms of the number of licensed entities. Though the state only passed its first legislation in 2003, by eliminating premium taxes in 2004 and amending its legislation in 2008, Utah is working hard to prove it is a worthy competitor.

However, details of Nevada's Assembly Bill 74 are not to be sniffed at. The bill focuses on the elimination of a requirement that every captive in the state be examined once every three years. Barratt has said that these examinations could cost companies between $8000 and $20,000. This amount is significant enough to force prospective captives to cross Navada off of their list.

The state hopes that this is about to change. When speaking about Assembly Bill 74, Barratt said: "Nevada has some of the most business friendly laws in the country, including not having a corporate income tax. But when we examined our captive insurance statute, we determined that we were being held back by having each captive go through an examination once every three years. The cost of those examinations combined with a relatively high premium tax was a real barrier to companies incorporating here."

Associations are also helping to make a mark on the sector. The NCIA, a non-profit organisation, was formally organised in 2004 and it has been instrumental in promotion, fostering, and marketing Nevada as an attractive and competitive domicile. The association advises the insurance commissioner on matters affecting captive companies in Nevada, and it supports the industry on legislative and regulatory matters.

It appears as though Assembly Bill 74 is the big step Nevada needs to return to its former glory. Alongside significant corporate tax benefits and minimal reporting requirements, the state is seeking to position itself as a convenient alternative to offshore domiciles, celebrating on its governmental website, "legislative sessions of just 120 days each biennium". But with competition from other Western states proving stiffer than imagined, Nevada's vehemently 'business-friendly' stance may need to be re-examined, if the state is to kick things into gear for 2013. CIT

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Industry appointments

The Cayman Islands Monetary Authority (CIMA) has appointed **Alan Morris** as its new chief actuary.

He will be reporting to CIMA's managing director, Cindy Scotland.

Morris was previously the director of actuarial services and financial risk management for a public accounting firm in the Cayman Islands.

Allianz Global Corporate & Specialty (AGCS) has named **Henning Haagen** as its global head of aviation for the EMEA and Asia Pacific regions with effect from 1 January 2013.

He will serve as global underwriting leader for aviation insurance business in Europe, Middle East, Africa and Asia Pacific.

He will be based in London and has previously worked at Brit and GE Insurance Solutions.

Great American Insurance Group has appointed **Richard Suter** as divisional vice president of the property and casualty groups alternative markets division.

Suter was previously assistant vice president for The Hartford, where he was responsible for business development in the company's captive and specialty programmes division.

In his new role, which he will fulfill from the US State of Connecticut, Suter will lead the marketing efforts for the alternative markets division and oversee the development of the new elite programme platform.

The elite programme distribution model will create an exclusive relationship with retail agents, with a focus on package business.

The National Association of Insurance Commissioners (NAIC) has reappointed **John Huff**, director of the Missouri Department of Insurance, Financial Institutions and Professional Registration, to a second two-year term as the state insurance commissioner representative on the Financial Stability Oversight Council (FSOC).

In this role, Huff will continue to represent the interests of the nation's state insurance regulators on the council. FSOC is a 15-member body comprised of the chief financial regulators in the US.

The US Dodd-Frank Act led to the creation of FSOC in 2010. It monitors the safety and stability of the nation's financial system, identifies risks to the system, and coordinates a response to any threats.

The council has the authority to identify financial firms, financial market utilities and systemic payment, clearing, or settlement activities whose failure could potentially pose a risk to the financial system.

Aon risk solutions, the global risk management business of Aon, has recruited **Robert Stein** as its US middle market chief broking officer.

Based in New York, Stein will oversee implementation of Aon broking strategies for its middle market segment broking platform. **CIT**

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