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European Commission names Solvency II-equivalent third countries

The European Commission has adopted its initial third country equivalence decisions under Solvency II.

These equivalence decisions take the form of delegated acts and concern Switzerland, Australia, Bermuda, Brazil, Canada, Mexico and the US.

The step has been taken in order to provide more legal certainty for EU insurers operating in a third country as well as for third country insurance companies operating in the EU.

After receiving equivalence, EU insurers can use local rules to report on their operations in third countries, while third country insurers are able to operate in the EU without complying with all EU rules.

Jonathan Hill, EU commissioner for the financial stability, financial services and capital markets union, said: "The decisions [taken] will lead to more choice and competition for European consumers and also enable European insurers to compete more effectively in overseas markets. So this should be good for European businesses and the European economy."

Switzerland has been granted full equivalence in all three areas of Solvency II: solvency calculation, group supervision and reinsurance.

This decision, which is based on a report by the European Insurance and Occupational Pensions Authority, found the Swiss insurance regulatory regime to be fully equivalent to Solvency II, and equivalence has been granted for an indefinite period.

The other equivalence decision, that concerns the other six third countries, covers solvency calculation only, and is granted for a period of 10 years.

Provisional equivalence is granted for third countries which may not meet all the criteria for full equivalence but where an equivalent solvency regime is expected to be adopted and applied by the third country within a foreseeable future.

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GC Securities completes new cat bond

GC Securities has confirmed the placement of Series 2015-1 Class A Principal At-Risk Variable Rate Notes, due 6 July 2018, with notional principal of $300 million through a newly formed catastrophe bond shelf programme, Cranberry Re.

The programme has been put in place to benefit the Massachusetts Property Insurance Underwriting Association (MPIUA).

This is the second time that MPIUA has used the catastrophe bond market to manage its natural peril risks and is the first catastrophe bond benefiting a residual market insurer to protect against multiple natural perils. MPIUA previously accessed the catastrophe bond market in 2010.

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Marsh & McLennan Innovation Centre launches

Guy Carpenter & Company's CAT Risk Studio (CRS), a new division that will support its Model Suitability Analysis (MSA) initiative, has become one of the first members of the Marsh & McLennan Innovation Centre (MMIC) in Dublin, Ireland.

"We launched CAT Risk Studio in order to expand the capabilities of Guy Carpenter's [MSA] initiative," said David Lightfoot, head of GC Analytics in the Americas.

"Coupled with our innovative modelling technology and work by our catastrophe risk modelling teams around the world, Guy Carpenter's MSA initiative truly has the potential to become the global reference for catastrophe risk knowledge in the market."

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EC names Solvency II-equivalent third countries

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These decisions now need to pass to the European Parliament and Council for scrutiny, for which the time limit is three months, with possible extension by a further three months.

Publication in the EU Official Journal and entry into force will only take place after successful completion of European Parliament and Council scrutiny.

The European Commission has stated that it envisions further Solvency II equivalence decisions in future.

GC Securities completes new cat bond

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The Series 2015-1 Notes are positioned alongside MPIUA's traditional reinsurance programme to provide annual aggregate protection from tropical cyclones, tropical storms, hurricanes, severe thunderstorms and winter storms causing at least $10 million in losses to MPIUA.

The bonds also provide three years of risk transfer protection, attach when MPIUA's annual aggregate losses exceed $300 million, and exhaust when MPIUA's annual aggregate losses exceed $1.4 billion.

GC Securities served as sole structurer and bookrunner, while Hannover Rück SE served as the transformer reinsurer facilitating MPIUA's access to catastrophe bond-based risk transfer capacity.

The firm has also placed more Series 2015-1 Notes, this time with notional principal of $700 million through the existing catastrophe bond shelf programme, Alamo Re, to benefit the Texas Windstorm Insurance Association (TWIA).

This is the largest 144A catastrophe bond completed to date in 2015 and the second time that TWIA has used the catastrophe bond market to manage its tropical cyclone risks.

The two classes within the Series 2015-1 bonds are positioned alongside TWIA's traditional reinsurance programme to provide annual aggregate protection from tropical storms causing at least $50 million in losses to TWIA.

The Series 2015-1 Class A Notes provide three years of risk transfer protection while the Series 2015-1 Class B Notes provide four years of risk transfer protection.

They are positioned below and above, respectively, the Series 2014-1 catastrophe bonds which remain outstanding after being issued in 2014 and provide risk transfer protection for two further hurricane seasons.

The three tranches of catastrophe bonds have been designed to manage the amount of catastrophe bond capacity maturing at any point of time.

According to GC Securities, this mitigates the refinancing risk associated with such capacity upon its maturity.

With the combined Series 2014-1 and 2015-1 catastrophe bonds outstanding, TWIA has obtained a total of $1.1 billion of catastrophe bond-based protection, which makes it the fourth largest property and casualty catastrophe bond sponsor based on capacity outstanding as of 15 May 2015.

This is the second time in the space of a week that GC Securities has confirmed the placement of Series 2015-1 Notes, having previously places bonds with notional principal of $300 million through a newly formed catastrophe bond shelf programme, Cranberry Re.

Marsh & McLennan Innovation Centre launches

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He continued: "Our team has worked tirelessly over the past three years to design the MSA

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Risk Management (EU)
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framework and develop a growing academic research network to support our clients' desire for defensible confidence in the [catastrophe] modelling results that are increasingly being used to inform capital management and underwriting decisions."

Through an execution of established tests, including the comparison of catastrophe model assumptions with independent data sets, MSA identifies a specific model's strengths and weaknesses, while also allowing users to fine-tune their own tolerances for risk in order to evaluate a model's result.

The MMIC, a first for Marsh & McLennan, will be a data and analytics development platform for its businesses—Marsh, Guy Carpenter, Mercer and Oliver Wyman—to deliver digital solutions to clients.

The company has expanded the responsibilities of its chief technology officer, David Fike, to include serving as president of the Innovation Centre. Fike relocated to Dublin in late 2014.

The MMIC is expected to create up to 100 highly-skilled jobs.

Insurer's report: drones on

The rapid development of the unmanned aerial systems (UAS/drone) industry is underpinned by the insurance market's willingness to provide cover for the deployment of the fledgling technology, according to a report from Marsh.

It states that insurers are actively underwriting policies to secure an early foothold in the sector, despite many regulators struggling to comprehensive regulations that permit drone use.

According to the Association for Unmanned Vehicle Systems International, UAS usage has potentially vast economic benefits—estimated at $82 billion and 100,000 jobs in the US by 2025.

John Hanslip, senior vice president of Marsh's aviation and aerospace practice, said: "Insurers are using their extensive experience of manned aircraft to assess the risks associated with drones and are providing insurance coverage based on size, uses, and values of the aircraft."

"Traditional policies for manned aircraft are being brought up-to-date and many only need tweaks to be usable for drone technology and deployment."

According to Marsh's research, regulation remains the biggest barrier to the widespread adoption of UAS usage.

It claims that, for UAS operations to fully realise their commercial potential, national and international aviation laws may need to be overhauled "and/or a set of international regulations developed that consider drone use in a truly consistent manner".

In the US, the Federal Aviation Authority (FAA) currently authorises the use of UASs for commercial or business purposes on a case-by-case basis.

Businesses cannot fly UASs without the expressed permission from the FAA. However, the FAA has proposed a framework of regulations that would allow routine use of certain small UASs to be integrated into public airspace by the end of 2015.

In the UK, a House of Lords committee has recommended that a register of UASs be created, which will initially target commercial operations.

Other recommendations include the use of geo-fencing (allowing or not allowing) flight based upon GPS coordinates, clearer guidance for law enforcement, and guidance on what levels of insurance users should purchase.

Hanslip added: "While clear and harmonised regulation is being developed, insurers are in the meantime filling this gap by providing their own safety guidance for clients, based on their experience of manned aircraft. In the US alone, several insurers are already writing policies on thousands of drones across the country."

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He continued: "Internationally consistent regulation is required to enable start-ups to plan with certainty, public perception to improve, and—where the regulation is not unsuitably onerous—entrepreneurs to expand their businesses without feeling held back by red tape. This, in turn, will fuel the widespread adoption of this type of aircraft."

Connecticut establishes first sponsored captive

New Jersey-based SOBC Corporation is to establish a sponsored captive insurance subsidiary in Connecticut that will specialise in helping reinsurers that are exiting the market pay off their claims.

The subsidiary, SOBC Insurance Company, is the state's eighth captive insurer and first sponsored captive company since legislation cleared the way for such entities in 2011.

The Insurance Department recently licensed the SOBC sponsored captive after an extensive application process.

"A business plan for a successful applicant is one that must be prudently-managed, well-capitalised and rooted in sustainability," said Connecticut insurance commissioner Katharine Wade.

"These are not short-term entities but must be committed to meeting the long-term obligations of their clients and ultimately provide another tool for businesses and employers to control their costs."

A sponsored captive's client is not the parent company but can be one or more entities that use segregated accounts, or cells, set up by the sponsor to finance each client's risk.

The SOBC captive will provide risk financing, management, and claims services for portfolio transfers of small books of business currently exiting the market.

JLTCM closes fifth Oak Leaf catastrophe bond

Jardine Lloyd Thompson Capital Markets (JLTCM) has arranged a private placement catastrophe bond, Oak Leaf Re 2015-1, which closed at $53.03 million. This is the fifth such deal with Oak Leaf.

The new bond will provide one year indemnity-based collateralised catastrophe reinsurance coverage for the cedant's Florida book of business.

The transaction included three classes, including a multi-section class covering severity and frequency as well as a reinstatement premium protection (RPP) one.

"As a consistent issuer, Oak Leaf is enjoying the benefits of long-term relationships. For example, we saw the deal upsize during the process," commented Rick Miller, co-head of insurance-linked securities at JLTCM.

"The close coordination between the capital markets group, the traditional brokers, and incumbent investors have continued to provide and created an overall efficient process."
CEO of JLT Re North America, Ed Hochberg, added: "Our clients are deriving significant value from the capital markets. They are benefiting in terms of panel diversity as well as an increased amount of capacity at attractive pricing."

"Overall, having each of the different sources of capacity complement one another helps us to optimise across our clients' programmes."

"As an integrated platform encompassing brokerage, capital markets, and analytics, we are well-positioned to service our clients in this rapidly changing reinsurance landscape."

Good news for captives and reinsurance, says Aon

The use of captives is on the increase and global capital is now flowing into Guernsey-rated reinsurance, according to Aon Risk Solutions.

The news came at Aon's annual Guernsey Captive and Insurance Master Class at Lloyd's, which was attended by over 100 executives.

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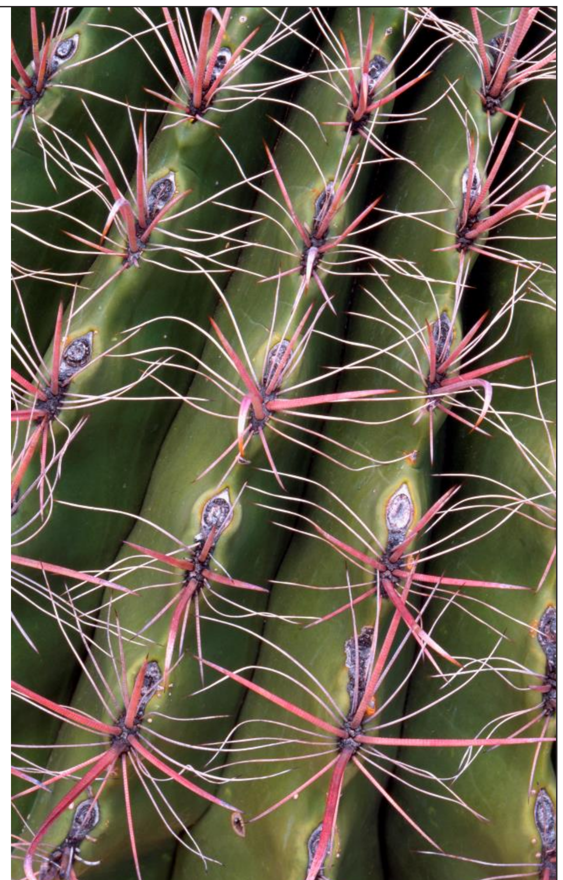

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Peter Mullen, CEO of Aon Captive and Insurance Management, said: "There are a number of reasons for having a captive, however, as risks become more complex and interconnected we see captives being used in much more strategic ways, rather than being driven purely by cost efficiencies."

Data from Aon's recent Global Risk Management Survey highlighted an increase in the use of active captives or protected cell companies, up to 18 percent from 15 percent in 2013.

Continued growth is expected as the need for alternative risk financing solutions is growing exponentially, according to Aon.

Paul Sykes, managing director at Aon Insurance Managers in Guernsey, added: "Guernsey continues to be a destination of choice for captive management, insurance-linked securities and now commercial reinsurance."

"It was identified at last year's Master Class that Guernsey is an attractive destination for global capital. One year on it is clear from the work we are doing with the rating agencies for clients that capital is being directed towards rated reinsurance for both captives and commercial reinsurance startups."

Ariel Re chooses Xuber

Ariel Re has chosen the Xuber for Reinsurers solution suite for its Lloyd's and Bermuda businesses.

The six year contract will see the roll-out of Xuber Policy, Xuber Claims, Xuber Billing and Xuber Ceding, a single end-to-end solution with the complete functionality to support Ariel Re's current business and future growth.

According to Xuber, the suite will allow increased automation of business processes and improved efficiency, as well as improved compliance with the exchange of data between different systems.

Through Xuber for Reinsurers, Ariel Re will also gain the ability to launch new products quickly via product templates, easier entry to new markets through configuration packs, and an enhanced view of data and analytics with Xuber's single data model.

Xuber is working in partnership with Deloitte in delivering the implementation and migration services.

Ariel Re's technology requirements are spread across multiple platforms due to the merger of Bermuda-based Ariel Re with Lloyd's Syndicate 1910 (Arrow) in 2012.

According to Xuber, Ariel Re's existing applications lacked the full functionality needed to support its current and future business operations.

Simon Lyon, chief information officer at Ariel Re, said: "Following a two-month on-site study to map our exact requirements and our analysis of other software providers, we are pleased with our decision to select Xuber and Deloitte to implement Xuber as our new reinsurance software platform."

"We believe this will provide us with a world-class solution designed for the future through its fully integrated, end-to-end structure that can scale and adapt to our growth strategy across markets."

Another cat bond for JLTCM

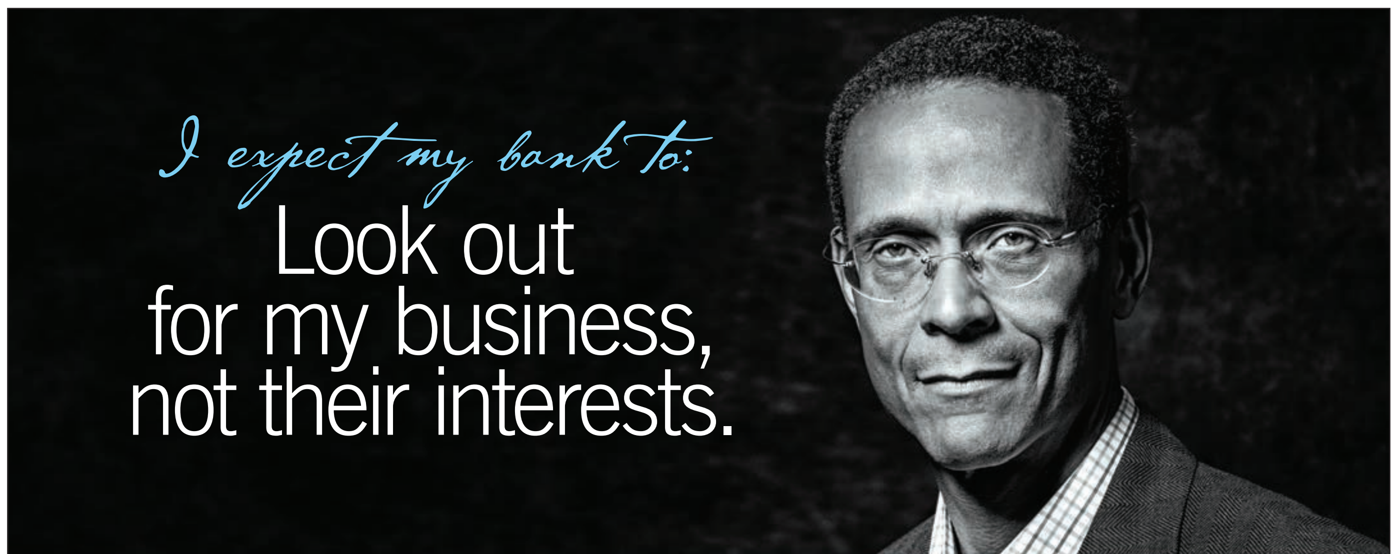
Jardine Lloyd Thompson Capital Markets (JLTCM) has arranged another Market Re private placement catastrophe bond, Market Re 2015-3, which closed at $31.1 million.

This Market Re bond will provide one year of indemnity-based collateralised catastrophe reinsurance coverage for the cedant's Florida book of business through two different classes, addressing both severity and frequency.

"Market Re is continuing to become an even more valuable part of reinsurance risk transfer solutions," commented Michael Popkin, managing director and co-head of insurance-linked securities at JLTCM.

"Because of Market Re's cost effective structure and overall ease of execution, our cedants are seeing Market Re private placement cat bonds as integral to their overall programmes."

CEO of JLT Re North America, Ed Hochberg, added: "This efficient path to capital markets execution is opening up a number of opportunities across the growing range of JLT's clients."



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Safety first

Return on investment remains secondary to protecting capital, according to Gordon Anderson and Neil Jamieson

STEPHEN DURHAM REPORTS

How do investment strategies in North America and the Caribbean differ from those in Europe? Does this change from domicile to domicile?

Gordon Anderson: The parent companies using somewhere like Guernsey are predominantly from the UK and basically borrow back all of the money. Their investment strategies are cash and very short-term—they tend not to go into equities and are not long-term insurance portfolios. The only equivalent would be a lot of the Canadian oil and gas companies that do the same thing. They keep it very liquid, putting the premiums in and borrowing the funds straight back to the parent company, which is often overseas. In Barbados, a lot of the parent companies actually invest the money and leave it there, looking at a long-term, typical investment strategy. That is a big difference.

Neil Jamieson: Other than the oil and gas companies, most of the Canadian parent organisations retain the capital. Notionally, the assets would be domiciled in Barbados and managed either from the domicile itself by an investment manager, or contracted by the Barbados-domiciled company to a fund manager somewhere else, such as Hong Kong, New York or Toronto—depending on which asset class they are investing in.

Is this also the case in the US?

Anderson: The originator of half the world's captives is the US, so they have a lot of capital to invest. It is fairly normal for midium-sized companies to use an 80/20 (fixed income/equities) split, provided there is no encumbrance with fronting requirements to restrict them. Large, multinational companies such as McDonalds or BP tend to do all of their investment decision-making at parent-level and be absolutely conservative.

They choose to invest in short-term, liquid assets, much like their counterparts in Europe.

Are equities a more popular form of investment on your side of the Atlantic, or is the mood more conservative?

Jamieson: It's a really interesting dynamic. As we go into the fifth or sixth year of really low interest rates, with yields low and corporate spreads having tightened a lot, boards are looking at different investment strategies.

> “As we go into the fifth or sixth year of really low interest rates, with yields low and corporate spreads having tightened a lot, boards are looking at different investment strategies”

Neil Jamieson, president, TCFC Holdings

> Alternative, low-volatility strategies on the fixed income side that aren't correlated to interest rates have been doing much better in the last three to four years now that rates have bottomed

Gordon Anderson, president, Cidel Trust

Without increasing premiums or capital bases, or completely deferring any dividend stream back to the parent, investment portfolios are generating less and less.

The risks are not going away so you have the same kind of actuarial requirement to maintain capital. The parent likes to see a little return now and then so you have these competing elements. One of the things that is under discussion, certainly on the boards that I am involved with, has been yield enhancement—the riskiest level of which is equities.

The parent companies are very different, too. The degrees to which captive insurance companies are looking at equities is directly related to the risk profile of the parent. If you are running a commodity business used to ups and downs in your core activities, you are less likely to take more risk in the captive.

A different parent organisation with steadier revenue might look at encouraging the board to look at a slightly broader risk profile. However, it is important to point out that this is a concept that is still under discussion, and far too early to be called a trend.

Anderson: The investment strategy for a captive will also change depending on its lifecycle. When you start, you put your capital down, say $125,000, in cash, treasuries and money in the bank. When the first premium goes in, say $5 million, you might typically go for fixed income as you are a new captive that doesn't know its claims history yet.

As the captive builds up its premiums over time to around $15 million, the investment committee for the board may start to feel like it should look to pick up a better return. If your return from fixed income is 1.75 percent and inflation is 2 percent, you are effectively eroding your capital.

Alternative, low-volatility strategies on the fixed income side that aren't correlated to interest rates have been doing much better in the last three to four years now that rates have bottomed. Canadian bonds have averaged 2.5 percent in the last three years, total return, while you are probably looking at getting 7 to 10 percent on other fixed income alternative strategies.

On the equities side, captives start to look at a benchmark of around 30 percent in equities. Sophisticated captives in the Caribbean will look to long/short strategies so long as they are liquid and there is no risk of being locked in. Safety and liquidity is paramount, but in these economic times captives are looking to branch out.

Of the 300 or so captives I have worked with, the highest equity weighting I have seen would probably be around 60 percent in equities. This was a US parent that was privately owned and in real estate—they are used to taking risk. That is unusual, as the average would be around 25 percent or lower.

Would this dynamic change with an increase in interest rates?

Jamieson: If the time came where 6 percent could be achieved from a bond, I'm sure they would migrate back. I don't think a 50- or 100-basis point uptick in bond rates would disturb too much, as those that want to look at equities will continue to do so. If you are talking a 500-basis point rise back up to 7 percent, then this may convince people to back off equities.

The capital in a captive has already gone through the risk cycle of the core business and has generated profitability, so chances are that they are looking for a safe haven for their premium. I don't think there will be many cases like the previously mentioned real estate company investing 60 percent in equities.

As a board member, when you look at the core business of a captive—which is assessing, underwriting and pricing risk—you don't want to take the chance. If you roll 60 percent of your capital into an equity portfolio and it doesn't work, then you have blown the primary role of the captive right out of the water. Investment management in an important but secondary role of the captive—safety first, return second.

What is the regulatory guidance for these kinds of portfolios?

Anderson: The rules are not very helpful in Barbados and other domiciles that I have looked at. As far as they are concerned, you can have cash and equivalents or bonds and equities on a regulated exchange. It's very old and unsophisticated and when they do the annual review of all the captives they just examine the statements to see if it 'looks ok' to them, before focusing on capitalisation and ratios.

Jamieson: Deciding the proper asset mix is really one of those areas that is monitored by a captive's board. There is an investment policy statement created for every captive that dictates the confines within which the board and investment manager can work. I don't think there is any outside regulation of the asset mix itself.

With regulations becoming more stringent upon the majority of other sectors, is there any chance that regulators will target captive investment strategies next?

Anderson: Nobody asked anything more of captives after the events of 2008, though it was good to see some of them look back at their collateralised debt obligations and asset-backed securities. Board members are quite conservative by nature and experienced enough to prioritise captives' safety.

I am not aware of an investment blow-up occurring in the Cayman Islands, Bermuda or Barbados in the 20 years that I have been in the industry, so the regulators have clearly not been obligated to step in or throw any rules at anyone.

Jamieson: It could happen, but it would be unlikely. Firstly, it could be perceived as inappropriate for a financial services regulator to become more stringent on a captive's asset mix. Moreover, the simple fact remains that there is a lot of choice for captives, and if all of a sudden one domicile said that they were going to regulate investments more intently, it could be the kiss of death for them. CIT

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Captives in Canada: growth, depth and insight

Captive insurance programmes are no longer solely the domain of large multinational companies. In Canada, small- and medium-sized entities are turning to the business, as Maureen Smith of AIG Canada explains

A number of large Canadian companies, especially those engaged in the energy and mining industries, have long used captive arrangements to fund their corporate retentions, and some have expanded their use of captive insurance companies to access cover for risks that could not be transferred to third-party insurers.

As large companies become more sophisticated in managing risk and fully understand their business, operational, legal and market risk, they increasingly prefer to participate in their risk management programme by retaining risk, rather than purchasing traditional risk transfer insurance. This strategy enables them to benefit by having more control over their programmes and by being able to access international insurers and reinsurers to purchase insurance over the captive's retentions.

Recognising the many benefits of this strategy, medium-sized and some smaller companies have shown much interest in recent years in doing the same, particularly to address the cost of risk transfer premiums. However, like larger companies, these small- to medium-sized companies are often driven to set up a captive by a need to address risks not covered by traditional insurance.

I applaud their entrepreneurial spirit. I have received many phone calls over the years from interested parties seeking information on what to do next. Generally, these calls are from middle-market brokers that do not have a captive department in place. I welcome these discussions as they are always interesting, and, I hope, informative for the broker or risk manager. Their success will be a statement

to their diligence, research, attention to detail, and a wide variety of experts with whom they avail themselves.

Once a decision is made to pursue a captive strategy, the next step will be securing approval from the company's senior management to fund a feasibility study, which will focus on determining the optimal structure for the captive programme. The study will consider a number of factors, including loss experience, risk retention appetite, and regulatory considerations. Ideally, the feasibility study provider will deliver an analysis encompassing a comprehensive summary report and recommendations for all aspects of a captive programme, including:

- Role of captives in today's insurance market and the advantages and disadvantages of a captive;
- Lines of business to be initially covered by the captive;
- Underwriting considerations, including analysis of proposed attachment and limit points that determine the retained coverage assumed by the captive;
- Actuarial review and loss pick;
- Five-year financial projections including balance sheets and income statements;
- Taxation issues (in conjunction with the client's tax advisors);
- Capitalisation requirements;
- Shareholding structure in cooperation with the client's internal and outside counsel;
- Domicile comparison with recommendation, including regulatory requirements; and
- Formation and operations outline of the captive insurance company.

If the feasibility study is compelling, the company may decide to utilise a captive strategy, which can provide many benefits, such as:

- More control over the insurance programme;
- Potential to achieve better excess risk transfer pricing by assuming some of its own risk;
- Ability to access reinsurance markets;
- Ability to invest internationally;
- Improved enterprise risk management experience within the organisation;
- Broadened insurance programme to include coverage not available in the traditional insurance market;
- A heightened focus on loss control procedures across multiple business units;
- Better understanding of the cost of risk at the local operating level; and
- Ability to benefit from favourable loss experience.

If a company cannot insure a risk to a third-party insurance company, the business risk will remain with it. Setting up a captive to insure the risk, thereby managing and financing it more efficiently, can be a better strategy. With time and experience in assuming this risk in a captive arrangement, it is likely that traditional insurers will develop more of an interest in supporting the risk on an excess position. We have seen this many times in the insurance industry.

Coverage, which was once considered uninsurable, becomes of more interest to insurers as they have access to better data and current loss information that provides more underwriting details with which to assess the loss exposure and adequately price the risk. Examples of this increased interest by insurers are environmental covers, employee benefits, and most currently, cyber insurance.

"Clients without a captive can experience many of its benefits through participation in AIG's own captive cell facilities in Bermuda and Vermont"

Large possibilities

Many medium-sized and smaller companies can benefit from a 'rent-a-captive' structure, also known as a protected cell captive. In this type of programme, a client 'rents' a segregated cell within a sponsored captive facility, thereby receiving many of the benefits of a captive without the cost and capital commitment required of a wholly owned captive, as the administrative and management costs are shared with others.

Clients without a captive can experience many of its benefits through participation in AIG's own captive cell facilities in Bermuda and Vermont.

Many smaller and medium-sized companies choose a cell because it:

- Can provide a cost-effective alternative to captive ownership: cells can be formed quickly with minimal start-up costs; there are no audit, licence, actuarial, or legal fees (all borne by the sponsor); and annual operating expenses are significantly less for a cell than for an owned captive;
- May be a stepping stone to setting up an owned captive, as cells are easily converted into standalone captives;
- Enables participants to realise the benefits of a captive, such as sharing in their underwriting profits, without the full operating costs and commitment of an owned captive;
- Has no board of directors requirement and involves less commitment of management time;
- Can be exited quicker and easier than winding down an owned captive; and
- There is no risk sharing with other cell participants.

Here's how sponsored cell captives typically work:

- The owner(s) contribute the captive's statutory capital;
- The client signs a participation agreement defining the rights and obligations of the cell;
- The client posts required collateral to the sponsor;
- Premiums and losses are ceded to the client's cell in the facility;
- The assets of an individual cell are legally segregated from, and cannot be used to meet, the liabilities of any other cell;
- All regulatory requirements and administrative tasks are carried out by the sponsor of the cell; and
- The profit to the cell facility is premium plus investment income, less claims and expenses.

Not to be underestimated

I think we should be mindful that just because a captive is small, or new, does not mean that it won't be a great success. The captive business in Canada has grown over the years, and our knowledge has collectively deepened, so that we can impart valuable information to new start-ups.

In the fast-paced world we live in, today's start-up can quickly become tomorrow's multinational company. And, a captive can grow with the parent to cover multinational exposures. **CIT**

Maureen Smith
Underwriting manager of multinational and alternative risk
AIG Canada

Industry Events

16th Annual SCCIA Executive Educational Conference

Location: South Carolina
Date: 21-23 September 2015
www.sccia.org

Save the date for the 16th Annual SCCIA Conference, returning to downtown Charleston September 21-23 2015. The event features presentations by the top players in the industry, continuing education opportunities, networking and fun.

35th Annual National Educational Conference & Expo

Location: Washington, DC
Date: 18-20 October 2015
www.siia.org

SIIA's National Educational Conference & Expo is the world's largest event dedicated exclusively to the self-insurance/alternative risk transfer industry. Registrants will enjoy a cutting-edge educational program combined with unique networking opportunities, and a world-class tradeshow of industry product and service providers guaranteed to provide exceptional value in three fastpaced, activity-packed days.

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Industry appointments

Advantage Insurance Management has appointed **Les Boughner** as chairman of its business insurance division.

Boughner will focus on developing the firm's captive insurance and related businesses globally, including its direct underwriting activity at Lloyd's reinsured by Advantage Property & Casualty Company.

Prior to joining Advantage, he served as deputy CEO of Willis's global captive insurance practice. He was responsible for captive insurance management in North America and self-insurance consulting worldwide.

Simon Kilpatrick, president of Advantage in the US, commented: "We welcome Boughner to Advantage, and I look forward to working closely with him to grow [the firm's] core underwriting functions, both for our own account and on behalf of our clients."

Guy Carpenter has also expanded its team through two appointments, both of whom will be based at the new CAT Risk Studio (CRS) in Dublin, Ireland.

Jaime Silvela brings more than 12 years of experience at technology-driven enterprises such as Microsoft and Amazon to his new role as the CRS head of software development, while **Sergio Pucciano** has joined as a CRS research analyst.

Both Silvela and Pucciano will relocate to Dublin in order to continue to build the CRS team within the Marsh & McLennan Innovation Centre, while reporting directly to Guillermo Franco, global head of catastrophe risk research.

ACE Group has appointed **Andrew Williamson** as its new executive vice president of global marine for ACE Overseas General (AOG), effective 1 July.

In his new role, Williamson will have overall responsibility for the performance, development and future growth of ACE's marine insurance portfolio internationally, including for its wholesale, global accounts and middle market clients.

Williamson, who has 22 years of cargo and marine insurance experience, joined ACE in 2004 as cargo underwriter and UK and Ireland cargo manager for ACE Global Markets (AGM).

He will continue to be based in London and will report to David Furby, division president of commercial property and casualty at AOG.

He succeeds **Peter Seymour** who, after 14 years, has decided to step down from the role.

The firm also made three further promotions within its marine management team. **Jason Roe**, **Mike Reynolds** and **David Kirk**, who will share responsibility for the performance and development of AGM's marine portfolio.

Furby commented: "Williamson's excellent underwriting track record and marine expertise makes him the ideal choice of leader for our international marine business."

"This appointment will enable us to continue to build capability and lead our clients through this complex risk landscape."

JLT Re has appointed **Russell Walters** as partner at its London office.

Walters started his career Alexander Howden, which later became Aon. In addition to this, he has also worked at Willis & Agnew Higgins and most recently Miller Insurance Services.

Bradley Maltese, deputy CEO of UK and Europe for JLT Re, commented: "Walters joins JLT Re with over 30 years of reinsurance experience and will be driving international business expansion in London."

"He will support cross-class production from the Middle East and North Africa, as well as Asia."

JLT Re has also appointed **Chris Bennett** as partner in the London and international market division, to support its cyber reinsurance capability.

Prior to his new role, Bennett served as head of the UK treaty divisions and retro and Cooper Gay. Previous to that he was director of AJ Gallagher UK.

Bradley Maltese, deputy CEO of UK and Europe, commented: "We are delighted that [Bennett] has joined JLT Re, he is a great fit for our clients and our culture."

"Whilst his background and experience is firmly rooted in property direct and facultative and retro reinsurance, over the past few years he has also developed knowledge and a significant book of cyber reinsurance for Lloyd's Syndicates."

"Cyber is a new, exciting and fast growing area of business and extending JLT Re's offering."

A.M. Best has appointed **William Mills** as director of market development for Europe, the Middle East and Africa (EMEA).

Mills will be based in the firm's London office and report to Nick Charteris-Black, managing director of market development for the EMEA region.

He will be responsible for developing its profile in European markets, including the origination of new rating assignments and managing existing client relationships.

Mills has more than 30 years of experience in the reinsurance industry.

Prior to his new role, he served at Standard & Poor's, where he spent 15 years in a commercial role, most recently as a director in client business management.

Ross Dennett has been appointed as chairman of the Isle of Man Captive Association (IOMCA), succeeding Gaynor Brough.

The IOMCA represents Isle of Man authorised insurance manager and captive owners.

John Garland, head of corporate financial services at the Isle of Man department of economic development, commented: "I look forward to working with Dennett to ensure that the island's captive insurance sector continues to go from strength to strength." **CIT**

CIT CAPTIVEINSURANCETIMES

Editor: Mark Dugdale
markdugdale@captiveinsurancetimes.com
Tel: +44 (0)208 663 9620

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

Editorial assistant: Becky Butcher
beckybutcher@blackknightmedialtd.com
Tel: +44 (0)208 663 9621

Account manager: Joe Farrell
joefarrell@captiveinsurancetimes.com
Tel: +44 (0)208 663 9627

Publisher: Justin Lawson
justinlawson@captiveinsurancetimes.com
Tel: +44 (0)208 663 9628

Marketing director: Steven Lafferty

Business development: John Savage
johnsavage@captiveinsurancetimes.com
Tel: +44 (0)208 663 9648

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