

SCALE CREATES SCALE

Following NFP's acquisition of Trinity Risk Advisors, founder and president Alan Wise sits down with Nicole Bennett to discuss the expanding appeal of group captives for middle-market businesses, the five eligibility criteria organisations must meet, the hurdles to anticipate from the C-suite, and where the model is heading next as medical stop-loss, property, and basket-aggregation structures reshape the sector

Emerging Talent Revisited

Andre Luiz Baldo on viewing captives as strategic financial assets and where hybrid captive and parametric solutions are heading

CICA Essay Contest

Finalists from Temple, St. Mary's, and Wisconsin-Madison on cruise-line and retail exposures

AKT Series

Brian McNamara on data-driven underwriting, bifurcating capacity from fronting, and why relationships remain the captive industry's currency

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News Focus

Keep pace with the most impactful stories in the captive insurance world. Our monthly round-up features the critical regulatory updates, market shifts, and strategic insights you need.



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Group Captives

Following NFP's acquisition of Trinity Risk Advisors, founder and president Alan Wise sits down with Nicole Bennett to discuss why scale creates scale in group captives, the five eligibility criteria organisations must meet, and where the middle-market model is heading next.

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Emerging Talent Revisited

Three years after his original profile, Andre Luiz Baldo, programme business analyst at Oxford Risk Management Group within Arrowhead Specialty, reflects on his career progression, his evolving view of captives as strategic financial assets, and where hybrid captive structures and parametric solutions are heading.

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CICA Essay Contest

Captive Insurance Times presents the three finalist essays from the 2025 to 2026 CICA student essay contest, sponsored by Hylant Global Captive Solutions. This year's top honours went to teams from Temple University, St. Mary's University, and the University of Wisconsin-Madison for their proposals addressing cruise-line and retail exposures.

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First place: Temple University.

The Essay: Diamond Cruise Line

Gabriel Albertson and Sajjad Alloo propose Diamond Re Ltd, a Bermuda-domiciled Class 3A insurer retaining high-frequency losses while transferring catastrophic risks, supported by a travel-protection programme generating third-party premium.

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Second place: St. Mary's University.

The Essay: Diamond Cruise Line

Isabella Martinez and Elizabeth Jouini recommend a pure captive focused on three lines the commercial market underserves: weather and event cancellation, passenger and crew health, and guest travel insurance.

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Third place: University of Wisconsin-Madison.

The Essay: The Corner Basket

Noah Oachs and Zoey Bendewald evaluate a pure captive for a 900-store regional grocery chain, combining a deductible reimbursement structure for general liability and workers' compensation with a gross line cyber programme.

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AKT Series

Brian McNamara, global head of captive solutions at Allianz Commercial, sits down with Elliot Hayes to discuss the move to data-driven underwriting, the case for bifurcating capacity from fronting services, and why relationships remain the currency of the captive market.

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People Moves

Industry appointments including Phillips and Raybshteyn joining Alvarez & Marsal Tax, Kelly's move to Artex Risk Solutions, Doughty's arrival at SRS, and Powell's promotion at Aon. Plus new senior hires across Old Republic, RH CPAs, Brown & Brown, and Marsh.



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THE FIDELIS PARTNERSHIP

PINE WALK

MEZURA CAPITAL

Pine Walk launches Mezura Capital Partners

Pine Walk, the specialist managing general agent (MGA) platform of The Fidelis Partnership (TFP), launches Mezura Capital Partners (Mezura Capital), a new capital solutions business.

Headquartered in Bermuda, Mezura Capital focuses on delivering strategic capital solutions and partnerships for insurers and reinsurers. Its offering includes whole account solutions, structured casualty and specialty arrangements, and retrospective solutions, including combined prospective and retrospective covers.

The new business is led by Shireen Gammoh as CEO. She joins from Howden Re, where she served as managing director in its legacy and structured solutions team.

Gammoh brings nearly two decades of experience across Bermuda, London and the US, with expertise in

retrospective, structured reinsurance, and capital solutions, as well as alternative and insurance-linked securities (ILS) capital market solutions.

Prior to her time at Howden Re, Gammoh was global head of capital advisory at Gallagher Re, and she also held senior capital management positions at Flood Re and Canopus.

With the launch of Mezura Capital (subject to receipt of necessary regulatory approvals), Pine Walk has now established 17 businesses on its platform.

Founded in 2017, the platform provides custom underwriting, operational and regulatory frameworks to support specialist and innovative underwriting offerings. In 2025, Pine Walk grew its gross written premium to US\$1 billion.

Michael Davern, UK chief underwriting officer and group head of D&F property and energy at The Fidelis Partnership, says: "Pine Walk is a key pillar of TFP's differentiated distribution footprint and

we're delighted to launch Mezura Capital as Pine Walk's 17th business unit."

He adds: "In a global risk environment evolving at pace, there is increasing demand for flexible, innovative and tailored capital solutions. Shireen's outstanding reputation, deep market expertise, and international experience mean she is exceptionally well placed to build an offering that responds to this demand at scale. It's a pleasure to be welcoming her to the Pine Walk team."

Gammoh comments: "I'm hugely excited to be launching Mezura at a time when large specialty insurers and reinsurers are increasingly seeking both nimble, bespoke capital management solutions and long-term strategic partnership."

She continues: "To launch this business on the Pine Walk platform, with The Fidelis Partnership's reputation for underwriting leadership and innovation, was a highly attractive opportunity, and I am delighted to be getting started." ■



Lux4Captives 2026 kicks off with Solvency II lunch

Generali Employee Benefits (GEB) launches the third edition of Lux4Captives 2026, marking a new milestone as the programme is now co-sponsored by Generali Global Corporate & Commercial.

The initiative aims to elevate the captive ecosystem by providing a space for industry leaders to exchange insights, explore emerging trends, and refine

strategies with both local and global impact. The next meeting in the series is a thematic lunch scheduled for 21 April, focusing on the Solvency II Reform Project and its specific implications for captive insurers.

The discussion is led by Lionel Tanner, managing director at Strategic Risk Solutions (SRS) Europe, and Daniela Tornabene, head of compliance at SRS Italy. Tanner brings extensive expertise in European regulatory frameworks, while

Tornabene specialises in compliance and risk management within the Italian and wider European captive markets.

Commenting on the launch, GEB says: "We're excited to kick off the third edition of Lux4Captives 2026, a new year that promises to bring renewed momentum, fresh perspectives, and an even stronger community spirit".

The firm adds: "Over the years, Lux4Captives has grown into a dynamic space where collaboration fuels innovation. Our sessions are designed to inspire, challenge, and connect, bringing industry peers together to exchange bold insights and refine strategies with both local relevance and global impact". ■

Captive With A View



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The Baldwin Group launches Azimuth Re group captive

The Baldwin Group announces the launch of Azimuth Re, a member-owned group captive developed for construction leaders. Created in partnership with Innovative Captive Strategies, the new captive is tailored specifically for the firm's construction clients to provide a disciplined method for managing risk collectively.

Azimuth brings together high-performing contractors seeking greater control and long-term stability. By grouping best-in-class companies under a single underwriting approach, members share risk, gain scale, and have the opportunity to benefit from underwriting profits when the group performs well.

Commenting on the launch, Andy O'Brien, partner at The Baldwin Group, says: "In today's ultra-competitive construction environment, the strongest contractors are those who can most effectively balance growth, risk, and profitability with precision and

discipline". O'Brien adds: "We are building a model designed to outperform the standard insurance market while empowering our clients to transform risk management discipline into a competitive advantage".

The programme is designed for construction companies that pay US\$250,000 or more annually in workers' compensation, general liability, and auto premiums.

The structure includes a US\$350,000 captive retention, creating an alignment of interests around safety performance and financial outcomes.

Greg Deems, senior partner at The Baldwin Group, notes: "All members operate under a single broker model and a shared, disciplined risk lens. Our construction experts help guide member selection, risk strategy, and long-term performance to protect the strength of the group".

The Baldwin Group is an independent insurance distribution firm representing more than three million clients internationally. ■



DOXA acquires Florida-based Jupiter Underwriting Group

DOXA has acquired Jupiter Underwriting Group, a Florida-based managing general agent (MGA) specialising in admitted umbrella and follow-form excess liability.

The move aligns with DOXA's 2026 growth strategy as the organisation seeks to expand its resources in the specialty casualty space. Founded in 2019, Jupiter focuses on underwriting complex risks across sectors including hospitality and real estate. The MGA currently represents an AM Best 'A' (Excellent) rated insurance carrier.

Kevin Wall, president of DOXA, says: "The Jupiter Underwriting Group is recognised as a high-quality platform with a differentiated approach and we're thrilled to welcome their team to support our rapid expansion".

Following the acquisition, founders David Folkes and Dennis Burton will remain in their leadership positions. Folkes comments: "DOXA stood out as a partner that brings a clear understanding of how to grow specialty businesses the right way".

DOXA operates as a specialty insurance platform, with its Caitlin Morgan Captive Management division offering various captive solutions for businesses seeking full control or shared risk. ■

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Vermont Governor signs captive insurance legislation

Vermont Governor Phil Scott signs House Bill 649 (H.649) into law, reaffirming the state's commitment to its captive insurance industry through enhanced regulatory clarity and strengthened oversight provisions.

The legislation, passed by the Vermont General Assembly on 12 March and signed on 24 March, takes effect on 1 July 2026.

"Vermont continues to have a very strong captive insurance industry," says Governor Scott. "This year's updates keep with our practice of working together with regulators and industry leaders to maintain our framework which is strong, competitive, and responsive to evolving risks."

Under H.649, risk retention groups (RRGs) are prohibited from making loans to or investments in their own members or the affiliates of those members. The Vermont Department of Financial Regulation (DFR) describes this as a codification of longstanding regulatory

practice designed to ensure premium and surplus funds remain available to pay member claims and to avoid conflicts of interest. A grandfather clause exempts any loan or investment arrangement already in place before 1 January 2026.

The act also codifies the requirement for RRGs to file quarterly financial statements with the National Association of Insurance Commissioners (NAIC), formalising existing practice in accordance with NAIC standards. Annual and quarterly statements must be submitted electronically. Quarterly filings are due on 15 May, 15 August, and 15 November each year.

Further oversight is introduced for sponsored captive insurance companies through a new certification requirement for protected cells. Within 30 days of commencing business, each cell must file a statement under oath or affirmation with the Commissioner, certifying that it possessed the requisite funding and any required collateral before beginning operations. The DFR says this aligns requirements for protected cells with those already applicable to licensed captive insurers, reflecting their

increasing role in risk financing and risk retention.

Christine Brown, Deputy Commissioner of Captive Insurance at the DFR, says: "This bill demonstrates both the strength of Vermont's laws and our commitment to continually enhancing them."

H.649 advances our strong foundation, ensuring alignment with evolving risks and industry best practices."

Brittany Nevins, Captive Insurance Economic Development Director at the Vermont Department of Economic Development, says: "Vermont's approach to captive regulation is rooted in expertise and responsiveness."

The updates included in H.649 reflect ongoing collaboration with industry and ensure that our regulatory framework continues to adapt to emerging risks while preserving the stability and integrity that captives depend on."

Vermont remains widely recognised as a leading captive insurance domicile, with more than 1,400 licensed captives and decades of regulatory leadership. ■

PARIMA and QBE launch Next-Gen Risk Takers Mumbai

PARIMA, the Pan-Asia Risk and Insurance Management Association, opens applications for the Mumbai stop of its 2026 Next-Gen Risk Takers (NGRT) challenge, held in partnership with QBE Insurance.

The 2026 programme expands to six cities across the region, including Hong Kong, Taipei, Manila, Mumbai, Penang, and Beijing.

The Mumbai stop is scheduled for 12 June 2026 during the PARIMA Mumbai Conference. Applications for this leg close on 23 April 2026 and are open to emerging risk professionals who will be physically attending the event. The NGRT

challenge is a public-speaking competition where finalists share a risk-related story in seven minutes without visual aids, followed by a Q&A session with judges and the audience.

Winners from each city stop win a trip to the PARIMA Singapore Conference in October 2026 to compete in the first-ever NGRT Grand Final, where one contestant will be crowned the Ultimate Next-Gen Risk Taker.

Commenting on the launch, PARIMA says: "This is YOUR chance to shine! Contend with two other finalists and come out on top in the NGRT Mumbai stop to win yourself a trip to the PARIMA Singapore Conference and compete in the NGRT Grand Final later in the year."

PARIMA is a non-profit professional association for risk managers in Asia.

The organisation aims to strengthen and enhance the culture of risk management by creating opportunities for education and dialogue within the community.

The NGRT initiative forms part of the association's mission to nurture the next generation of risk talent. For the captive insurance industry, which depends on a pipeline of specialised risk management expertise and alternative risk leadership, such programmes are seen as vital for long-term industry resilience.

Interested applicants can submit an application to risktakers@parima.org or through the official PARIMA website. ■

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Financial Services and the Treasury Bureau

The Government of the Hong Kong Special Administrative Region
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Manulife expands Hong Kong investment following re-domiciliation

The Financial Services and the Treasury Bureau (FSTB) welcomes the plan of Manulife (International) Limited (Manulife) to expand its investment and operations in Hong Kong.

The announcement follows the firm's re-domiciliation to the city in December 2025. The expansion plan includes an increase in artificial intelligence (AI) investment and the posting of its chief artificial intelligence officer for Asia to Hong Kong. The FSTB notes that this move demonstrates confidence in Hong Kong as an international financial centre and a hub for AI development.

Christopher Hui, Secretary for Financial Services and the Treasury, says: "Manulife's AI investment expansion plan will help drive digital transformation and innovation application in the insurance industry, showcasing Hong Kong's regional leadership in the 'finance + AI' field."

He adds: "Following the re-domiciliation, Manulife's posting of a key senior position related to AI to Hong Kong, coupled with plans to enhance investment in AI research, development and application, reaffirms the city's strategic importance within the group's global business portfolio and will surely inject new momentum into the local fintech ecosystem."

The Hong Kong government's 2026-27

Budget explicitly proposes building an ecosystem conducive to AI applications.

This aligns with the policy statement of the FSTB on the responsible application of AI in the financial market, which was issued in October 2024.

The government and regulators have highlighted recent achievements in attracting insurance industry investment.

This includes the Insurance Authority announcing on 3 March the grant of authorisation to a captive insurer set up in Hong Kong by the China National Nuclear Corporation.

There are currently seven captive insurers in Hong Kong in April 2026. ■



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Roundstone announces 2026 Medical Captive Forum in Dallas

Roundstone Insurance announces its annual Medical Captive Forum (MCF) will take place in Dallas, Texas, on 6 and 7 May 2026.

Centred around the theme “Care by Design: Building a Resilient Health Plan,” the 1.5-day conference brings together CEOs, CFOs, HR leaders, benefits advisors, and healthcare innovators to discuss the redesign of health plans for greater transparency, cost control, and sustainability.

Originally created as an educational platform to demystify self-funded health plans, the MCF has evolved into a national gathering for organisations seeking to move beyond traditional fully insured models toward more accountable healthcare financing.

Mike Schroeder, founder and president of Roundstone Insurance, says: “Employers have been operating inside a healthcare system that often feels unpredictable and opaque. The goal of this forum is to show that healthcare doesn’t have to be managed reactively. When it’s built

intentionally, when it’s designed, it can become far more resilient.”

The educational programme features keynote presentations from Suneel Gupta, a healthcare entrepreneur and author, and Dr Eric Bricker, chief medical officer at AHealthcareZ.

The forum offers three distinct educational tracks: Foundations, Growth, and Mastery. These sessions cover a range of topics including the mechanics of the captive model, third-party administrator (TPA) execution, and emerging cost containment solutions.

Specialised breakout sessions will also address pharmacy benefit managers (PBMs), benchmarking, and practical employee engagement tactics.

The event, which is hosted at Union Station and the Hyatt Regency Dallas, includes focused sessions on plan design, real-world success panels, and collaborative roundtables. Roundstone Insurance specialises in assisting small to midsize companies in offering high-quality health benefits through self-funded captive strategies and cost containment opportunities. ■

NAIC



New Jersey



Tennessee

NAIC accredits New Jersey and Tennessee

The National Association of Insurance Commissioners (NAIC) has voted to accredit the insurance regulatory departments of New Jersey and Tennessee. The decision was announced during the 2026 Spring National Meeting in San Diego, California.

Accredited departments undergo a comprehensive, independent review every five years to ensure they meet financial solvency oversight standards. This allows non-domestic states to rely on the accredited regulator to fulfil a baseline level of effective financial regulatory oversight for multistate insurers.

The review covers primary licensing, re-domestications and change of control of domestic insurers. These factors are particularly relevant to the captive insurance industry, as both New Jersey and Tennessee are prominent US domiciles for captive structures.

The NAIC provides expertise, data and analysis for insurance commissioners to effectively regulate the industry. Through the organisation, state regulators establish standards and best practices, conduct peer reviews and coordinate regulatory oversight across the 50 states, the District of Columbia and five US territories. ■



AM Best downgrades and withdraws Cadence Indemnity ratings

AM Best has downgraded the financial strength rating to 'B-' (Fair) from 'B++' (Good) and the long-term issuer credit rating to 'bb-' (Fair) from 'bbb+' (Good) of Cadence Indemnity. The ratings for the Texas-domiciled single-parent captive

were placed under review with negative implications before being withdrawn at the company's request.

The rating downgrades reflect a weakening in the balance sheet strength of Cadence, driven by a significant decline in risk-adjusted capitalisation and increasing underwriting leverage metrics.

AM Best assesses the captive's balance sheet strength as weak, its operating performance as adequate, and its business profile as limited.

According to the agency, Cadence experienced premium growth in the latter half of 2025 that substantially deviated from original business plans. Consequently, underwriting risk materially

increased, leading to a significant decline in its Best's Capital Adequacy Ratio (BCAR) score and a revision of its enterprise risk management assessment from 'appropriate' to 'marginal'.

Operating as a single-parent captive, Cadence provides coverage for a diversified portfolio of risks from several commonly owned operating companies.

The ratings remain under review with negative implications pending further meetings with management to evaluate the firm's risk mitigation strategies.

The review also awaits the receipt of a revised business plan, the filing of 2025 statutory financial statements and the finalisation of a year-end actuarial review. ■



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MAXIS GBN partners with Klarity and Workplace Options

MAXIS Global Benefits Network (MAXIS GBN) adds two new partners, Klarity and Workplace Options, to its wellness technology marketplace for multinational employers.

The marketplace consists of selected third-party suppliers that deliver global wellness solutions to match the geographical footprint of multinational organisations.

Klarity specialises in preventive health screenings and early detection programmes that help employers promote proactive healthcare.

The company combines clinical expertise and advanced diagnostics to deliver blood screenings and health assessments available onsite, in home or in dedicated medical settings.

Will Cooper, CEO at Klarity, says: "Screenings are crucial for employees to ensure that any underlying conditions they have are caught early

before they become debilitating or even deadly. At Klarity, we work with employers who want to prioritise early detection, so they can help enable their employees to take control of their own health."

Workplace Options, part of TELUS Health, specialises in tailored return-to-work solutions to help employees reintegrate following a period of absence. Its services include the Cancer Care Compass, support for new parents returning to work and rehabilitation guidance following sick leave.

JB Gruet, chief revenue officer at Workplace Options, comments: "Employee absences are increasing around the world due to mental health concerns, chronic illness, disability and more. And the longer that employees are away from work, the more daunting it can be to return. Our services make the transition as seamless as possible for employees everywhere."

The wellness technology marketplace is designed to offer digital-led health

services that are often not covered as part of a standard employee benefits programme.

Dr Leena Johns, chief health and wellness officer at MAXIS GBN, says: "It's no secret that when it comes to healthcare, prevention is crucial for improving health outcomes and managing medical costs. Yet often, screenings aren't covered as part of a standard EB programme or can be difficult to access. I'm delighted that our multinational clients can now work with Klarity to provide valuable early detection solutions to their people, no matter where they live and work."

Johns adds that the partnership with Workplace Options will help ease the burden on mental wellbeing for employees reintegrating after a prolonged absence.

MAXIS GBN, co-founded by MetLife and AXA, is an international employee benefits network providing services and solutions to clients in over 100 markets globally. ■



AM Best assigns ratings to GUNA Re

AM Best has assigned a financial strength rating of 'A-' (Excellent) and a long-term issuer credit rating of 'a-' (Excellent) to GUNA Re (Cayman Islands). The outlook assigned to these credit ratings is 'stable'.

The ratings reflect GUNA Re's balance sheet strength, which the agency assesses

as strong, as well as its adequate operating performance, neutral business profile and appropriate enterprise risk management.

GUNA Re was established in February 2026 as a new single-parent captive for ITOCHU Corporation, one of the largest general trading companies in Japan.

All existing businesses are planned to be novated from NEWGT Reinsurance Company, the group's existing captive in Bermuda. The re-domiciliation is being undertaken to support the expansion of third-party business.

GUNA Re's balance sheet assessment reflects the strongest level of projected risk-adjusted capitalisation, as measured by Best's Capital Adequacy Ratio (BCAR).

AM Best notes that management intends to carefully monitor the pace of business expansion with appropriate capital management to maintain capitalisation levels. The assessment is further supported by the captive's projected conservative investment strategies and low dependence on retrocession.

The company anticipates moderate growth in gross written premium and underwriting profits over the next five years.

While performance will be mainly supported by third-party business, the ITOCHU-related captive business will remain a steady contributor. Negative rating actions could occur if aggressive expansion leads to a deterioration in the captive's business profile or risk-adjusted capitalisation. ■



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Hawaii bill to expand captive role advances despite opposition

A bill that authorises captive insurance companies to underwrite, reinsure, or assume catastrophic property and casualty risks has passed the Hawaii State Senate unanimously and advanced to the House, despite formal opposition from the state's insurance regulator.

Senate Bill 2950 (SB 2950) defines catastrophic risk broadly, covering natural disasters including hurricanes, earthquakes, tsunamis, floods, wildfires, and volcanic activity.

The measure applies to commercial, industrial, institutional, governmental, and nonprofit risks, though personal lines insurance remains excluded unless expressly approved by the Insurance Commissioner.

The bill's legislative findings point to Hawaii's geographic isolation and exposure to natural catastrophes as factors that periodically result in reduced underwriting capacity and

increased premiums. The legislature cites New Jersey's captive insurance law as a precedent, noting that a similar framework encouraged insurers to remain in the market.

However, the Department of Commerce and Consumer Affairs (DCCA) formally opposes the bill.

In testimony before the Senate Committee on Commerce and Consumer Protection, Insurance Commissioner Scott K. Saiki states: "Captive companies are established to self-insure and manage the risks of their parent company and affiliates, not advance public interest objectives".

Saiki argues that the bill blurs the established distinction between captive insurers and admitted commercial carriers.

He notes that captives are not subject to regulations covering consumer protection, rate oversight, and market availability requirements, and warns that a public-facing role could require captives to be included in

the National Association of Insurance Commissioners (NAIC) Accreditation Program.

The Hawaii Captive Insurance Council (HCIC) also raised structural concerns. HCIC president Paul Shimomoto notes that Hawaii's captive statute is built on the principle that captives insure the risks of their parent companies. He suggests that SB 2950 shifts the focus to a risk-based standard, which represents a significant departure from the existing framework.

The Senate committee, chaired by Senator Jarrett Keohokalole, advanced the bill with an amended effective date of 1 July 2050 as a placeholder to encourage further discussion.

Under the current draft, captive insurers underwriting catastrophic risks must maintain capital and surplus in amounts determined by the commissioner, who may require catastrophe modelling and independent actuarial opinions. Premiums written under the new authorisation would remain subject to the standard captive premium tax. ■

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Signicat and WSO2 partner for European digital identity

Signicat and WSO2 have partnered to deliver integrated digital identity solutions across Europe as the region moves toward a unified digital identity framework. The strategic partnership allows Signicat's platform to be used with WSO2's Identity Server, providing a single solution for businesses requiring authentication of their customers.

The integrated offering aims to assist organisations in managing complex regional compliance and security challenges, which is a key priority for high-trust sectors such as insurance and financial services. As the digital banking sector expands, the collaboration addresses the growing demand for secure authentication. According to Signicat's 'Battle to Onboard' report, 68 per cent of European consumers have abandoned a financial application due to overly complex processes.

James Brodhurst, partnerships manager at Signicat, says:

"Authentication for pan-European businesses shouldn't mean building a new identity strategy for every country. That approach not only slows down growth but can create dangerous gaps in security". Brodhurst adds: "By adding our network of European IDs to WSO2's platform, we are making trust easy to create".

Geethika Cooray, vice president and general manager of identity and access management at WSO2, says: "The challenge for most development teams isn't building the core application; it's managing the complex integrations required to operate across different markets".

The partnership targets joint prospects in several European locations and provides future-proofing for the advent of the EU Digital Identity Wallet. Based in Norway, Signicat serves customers in 45 countries across sectors including insurance, telecommunications and the public sector. The company was acquired by private equity investor Nordic Capital in 2019. ■

Willis launches Digital Infrastructure Protector for data centres

Willis, a WTW business, has launched Digital Infrastructure Protector, an end-to-end lifecycle solution for data centre owners and operators. The solution combines integrated policy coverage for construction and operations with enhanced risk management to assist hyperscalers in maximising financial resiliency.

The launch is the latest in a series of innovations by Willis to address the unique needs of data centres amid an increasingly complex risk ecosystem. Alastair Swift, head of global specialties at Willis, says: "The AI boom is accelerating data centre construction and creating unprecedented complexity. Willis has developed this solution to respond directly to those challenges".

Tom Grandmaison, chief client officer for Willis construction, adds: "Digital Infrastructure Protector provides clients with the right terms and the most efficient price, giving them the power to secure the most from their investment".

Developed with Zurich, the solution provides access to more than US\$3 billion in capacity, bringing building, operational property, marine, and cargo exposures under a single policy.

Experts will utilise analytics to evaluate the appropriate amount of insurance to avoid overinsurance.

The offering leverages a risk framework to provide a holistic view of systemic risks. Clients also have access to the new Global Digital Infrastructure Group, a cross-functional team uniting experts across construction, energy, climate, and cyber. Digital Infrastructure Protector is now available globally. ■



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SCALE CREATES SCALE

Following NFP's acquisition of Trinity Risk Advisors, founder Alan Wise, sits down with Nicole Bennett to discuss the expanding appeal of group captives for middle-market businesses, the eligibility criteria organisations must meet, and where the model is heading next

Image: AdobeStock_1190193604_By_Shadowkriuu

NFP recently announced the acquisition of Trinity Risk Advisors. Can you tell us about the rationale behind the deal and what your new role entails?

Alan Wise: NFP announced the acquisition of Trinity Risk Advisors in March. The plan is for us to educate and train people across the NFP landscape in how to effectively deploy captives in the middle market, specifically group captives that are already efficient and performing well.

NFP can then integrate our risk management and loss control services onto a product that already works. My role is to go out and teach people how to do that across the country.

The property and casualty market has faced significant hardening in recent years. From an industry perspective, why is the group captive model now becoming a primary strategic consideration for organisations that previously relied solely on the commercial market?

Wise: When you mention the word captive, it generally fosters assumptions around scale, that you have to be large to participate. That is simply not the case in a group captive environment.

A couple of things have happened over the years. First, the products have improved considerably, reaching down from millions of dollars of spend to as little as US\$150,000 of insurance spend. Second, what buyers are paying for insurance has risen sharply.

Automobiles cost more, workers' compensation costs more, so as premiums have increased, people are asking whether there is a better way to purchase coverage. Group captives offer that alternative, and that is why there is more interest today.

Standalone single-parent captives have traditionally been the purview of Fortune 500 companies. How has the industry evolved to make the group captive a viable and sophisticated tool for middle-market businesses?

Wise: Over the past 30 years, since group captives were introduced, the product mix has focused on general liability, workers' compensation, and auto. By concentrating on those three lines, the industry has developed strong predictive models. They are not trying to insure every risk in an

organisation's environment. They identified those three lines, became very good at them, and achieved a high degree of predictability.

Scale has also played a significant role. As more customers have entered the group captive space, reinsurance and internal products have become less expensive because costs are spread across a larger platform. The more people that participate, the easier it becomes for others to get involved. Scale creates scale.

That is the secret sauce of group captives. Members tell other people how much they like it. If they have a positive experience, they introduce the concept to their peers.

A group captive relies on a collaborative risk-sharing mechanism among like-minded businesses. How does this collective approach improve an individual member's resilience compared to the traditional, siloed insurance model?

Wise: Human nature would suggest that if you experience profit or loss personally, you pay closer attention. A group captive creates an opportunity to benefit from the insurance transaction. You pay a premium, but if you manage your losses well and invest in safety and training, you recapture the money that would otherwise have gone to the insurance company as profit.

That is one of the principal reasons why people join group captives. If you are making investments in risk control, why give that work product away to a third party? In a group captive, you own the insurance company, so you retain the benefit of those investments.

For years, traditional insurers have been the beneficiaries of their policyholders' loss prevention efforts. The group captive model reverses that dynamic.

While cost reduction is often the initial driver, what are the broader operational advantages, such as claims transparency and tailored loss-control programmes, that define the true value of a group captive?

Wise: Culture is a significant factor. Most group captives have between 50 and 250 members. When you join a group

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For years, traditional insurers have been the beneficiaries of their policyholders' loss prevention efforts. The group captive model reverses that dynamic.

that shares risk together, that owns a company together, you start exchanging best-in-class ideas. Peer-to-peer review and knowledge sharing are tremendously valuable because everyone has a vested interest in collective success.

The other major advantage is renewal predictability. Pricing is typically based on a five-year look-back of your claims activity, so you are not subject to broader market swings.

You will know your renewal figure 60 to 90 days out, rather than waiting until the day before. Customers value that certainty. It is full disclosure, full transparency in how the premium is calculated.

In an era of elevated interest rates and social inflation, how does participating in a group captive contribute to a company's long-term financial stability and cash flow management?

Wise: You are insulated from the insurance market cycle. Take auto as an example. That market has been difficult for the past five to ten years, with premiums up 15 to 17 per cent annually. If you have a strong auto account with minimal losses, you should not have to participate in that market trend. In a group captive, you are priced on your own performance, not on market conditions.

From a long-term perspective, 15 per cent compounded annually is not sustainable for many businesses. They need an alternative, and a group captive can provide that. You will have good years and bad years, but in the good years you retain the underwriting profit to help offset the difficult ones. That creates genuine financial stability.

What are the most significant hurdles that organisations face when transitioning from a conventional insurance programme to a group captive, and how should they evaluate their own eligibility?

Wise: There are five key criteria. First, premium size. If you do not spend at least US\$150,000 a year on general liability, workers' compensation, and auto combined, you are unlikely to be a fit. Second, loss ratio.

You need a ratio below 50 per cent. Third, you must have a genuine commitment to safety, training, and education, because you are sharing risk with other members who expect

that of their peers. Fourth, financial condition. You need to be able to post a letter of credit. Fifth, if you are planning to sell your company within the next 18 months, a captive is probably not the right move.

Meeting all five criteria does not automatically make it right for you; proper evaluation is still required. But if you fall short on a couple of them, it is unlikely to be a good fit.

What internal objections should risk managers anticipate from the C-suite when proposing a group captive, and how should they address those concerns?

Wise: The first step is a straightforward analysis. Does the maths work? Will the captive perform better than your current programme based on past performance? Nobody knows the future, but you can typically look back five years and determine whether the numbers support the move.

The second question is cultural. Is the organisation committed long term to owning its losses and investing in safety and training? If the C-suite is aligned on that, then ownership might make more sense than continuing to rent coverage from a traditional carrier. Those are the two central issues: does the maths work, and is the culture right?

As the market becomes more complex, how has the role of the captive advisor shifted? Is it no longer just about placement, but rather about providing a continuous educational and strategic framework for the client?

Wise: The role has evolved well beyond placement. Finding the right captive is one consideration, but perhaps not even the most important.

The starting point is helping clients evaluate whether a captive is appropriate at all. There are many options in the market today, each with different performance histories, so identifying the right fit requires considerable analysis.

On an ongoing basis, it becomes an exercise spanning five to seven years. You need to understand where premium is going, how it is invested, what interest it is earning, and what dividends are being paid. That level of complexity requires long-term thinking and the ability to see how all the pieces work together to form a comprehensive risk management solution.

How do group captives complement other sophisticated risk-retention structures, such as single-parent captives or cell companies, and when should an organisation consider migrating from one to the other?

Wise: It is largely a function of premium size. Group captives typically serve the US\$150,000 to US\$4 million range, which accounts for about 95 per cent of the market. This is commonly referred to as the middle market. Once you are spending US\$5 million or more, a single-cell captive might be a better fit.

Some companies start in a group captive and eventually outgrow it. They become the largest member and find themselves taking on a disproportionate share of the collective risk, which may not suit them. At that point, a different structure makes sense. NFP also has a captive consulting and management practice, which focuses on the formation of single-parent captives, and we work closely with that team to determine the best fit for each customer.

With global supply chains and regulatory environments becoming more volatile, how can a collaborative risk-sharing model help businesses better insulate themselves from external market shocks?

Wise: I would caveat this by saying that external forces are inherently difficult to control. If anyone tells you they can manage external market forces effectively, be wary. What a group captive does control is how risk is priced. External forces certainly impact the broader insurance marketplace, but in a captive, pricing is driven by your claims activity. In that sense, you are insulated from market volatility.

Your premium reflects your own performance, giving you a mechanism to manage costs through loss prevention rather than being subject to forces beyond your control.

Looking towards the next decade, what emerging risks do you believe are best suited for the group captive model, and how will the industry adapt to accommodate them?

Wise: The biggest growth area right now is group medical stop-loss captives. All the major players in the US are seeing explosive growth there as they aggregate stop-loss risk.

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The most rewarding part of this work is when a buyer understands that insurance can be a profit centre rather than just an expense.

Alan Wise

president

Trinity Risk



Property captives have also emerged in the last few years, targeting organisations with significant property insurance spend. That is becoming an established product.

The third area is basket aggregation, combining environmental, cyber liability, and similar lines into a single captive.

These coverages are often not large enough to stand alone unless you are a very large company, so bundling them makes sense. That may be part of the future, but medical stop-loss and property are definitely here now.

Regarding the basket of coverages you mentioned, specifically the aggregation of secondary risks like environmental and cyber liability, is this a relatively new trend or an established model that the industry is still refining?

Wise: It is something the industry discusses but has not fully figured out yet. What has been established is the trend around umbrella and higher limits, with some captives taking quota share above the traditional US\$2 million occurrence limit,

offering US\$5 million or US\$10 million and assuming risk in those layers. That is where innovation is happening.

The basket aggregates remain harder to execute. The appetite is there, but the pricing and profitability model has not been solved yet.

Are there any final thoughts you would like to share regarding the future of this sector?

Wise: It is genuinely enjoyable to discuss group captives with buyers, because you see the light bulb go off.

They realise they do not have to purchase insurance the way they always have. For me, the most rewarding part of this work is when a buyer understands that insurance can be a profit centre rather than just an expense.

Once that clicks, they become very interested in the fundamentals, how it works, and what the best structure might be for them. Those are great conversations to have, and we are well positioned to guide them through the process. ■

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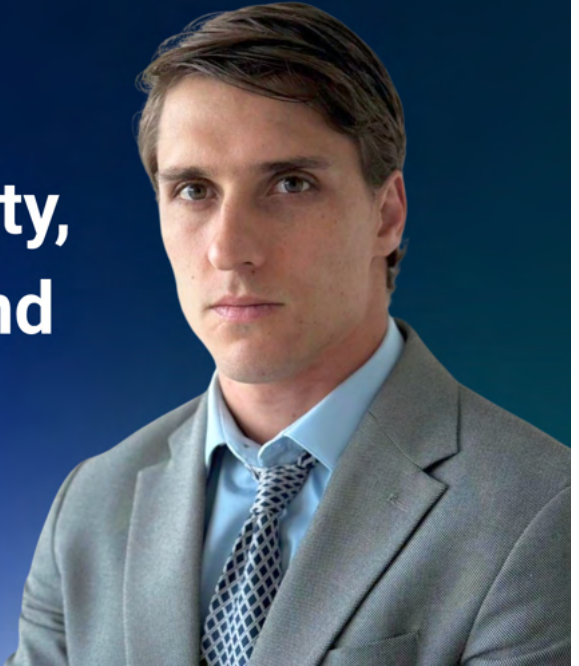


Image: Andre Luiz Baldo

Three years after first featuring in our Emerging Talent series, Andre Luiz Baldo, a programme business analyst at Oxford Risk Management Group, within Arrowhead Specialty, a newly formed division of Arrowhead Intermediaries, sits down with Nicole Bennett to reflect on his career progression. Baldo discusses his evolving view of captives as strategic assets and where hybrid captive structures and parametric solutions are heading

It has been three years since we first profiled you in our Emerging Talent series. Since then, you have moved into a programme business analyst role within Arrowhead Specialty. How has your understanding of the captive industry matured during this period, and what has been the most significant shift in your professional responsibilities?

Andre Luiz Baldo: My understanding of the alternative risk financing industry, and captives in particular, has matured significantly since our original profile. I have been fortunate to work with teams that truly value professional development,

which enabled me to accelerate my growth through industry certifications, targeted events, and, most importantly, close collaboration with experienced board directors and senior executives from insurers, reinsurers, and leading brokerage firms.

Before stepping into my current role within the broader organisation, I moved quickly from senior financial analyst to chief financial officer at a captive management firm.

That shift broadened my focus substantially, moving me beyond programme structuring and daily analytics into a more

strategic advisory position. It also pushed me to grow as a leader, especially in managing teams and maintaining a strong long-term perspective when designing programmes.

Those experiences exposed me to a wide spectrum of challenges across the alternative risk landscape and helped me build the confidence and technical depth needed to design and implement tailored risk financing solutions.

In my current role within this broader organisation, I continue to support customers and brokers using this expanded perspective. Today, I view captives not merely as risk transfer tools, but as strategic financial assets that can generate meaningful long-term value when thoughtfully structured and managed.

As a programme business analyst, you act as a bridge between technical financial data and the practical business needs of stakeholders. How do you approach the challenge of eliciting and validating complex business requirements for new captive programmes?

Baldo: Structuring and restructuring complex programmes sits at the heart of what I do every day. I have always embraced complexity because it pushes creativity and forces deeper thinking to deliver optimal solutions.

At a fundamental level, I assess every captive programme as a capital-allocation decision that must deliver acceptable risk-adjusted returns for sponsors or owners.

When evaluating prospects, I focus on key drivers: loss mitigation protocols, risk tolerance levels, management expertise, and overall programme size.

Because every risk is unique, the ability to simplify concepts and communicate them clearly to sponsors, business owners, and brokers is essential.

In practice, this means leveraging quantitative tools I use daily, such as multilinear regressions, tail-value-at-risk modelling, and aggregate loss distributions, while I coordinate closely with independent actuaries, auditors, attorneys, and carriers.

Ultimately, successful captive programmes must be financially and actuarially sound, regulatory compliant, market competitive, and, above all, aligned with the client's objectives.

You have a well-documented passion for capital markets and alternative risk financing. In the current economic environment, what strategies should captive owners be considering to ensure their investment portfolios are working as hard as their underwriting?

Baldo: Each captive programme is different, so solutions must be tailored. Portfolio allocation is shaped by the lines of coverage written, the owner's risk appetite, surplus levels, and collateral and liquidity requirements.

As of early 2026, the US market is currently in a stabilised but still elevated interest-rate environment compared to the last decade.

Fixed-income instruments such as corporate bonds and US Treasuries continue to generate meaningful investment income for most captives, yet the outlook includes the possibility of modest rate adjustments later this year amid lingering inflation pressures and geopolitical uncertainty.

This environment has also tightened bank lending and boosted private-credit activity, while private-equity deal flow rebounded considerably in 2025 but remains highly selective. US equities have delivered solid returns, albeit with notable concentration risk in a handful of technology names.

European and emerging-market equities have also performed relatively well over the past 12 months and deserve attention as protectionism becomes a stronger force. Precious metals and natural resources remain relevant hedges against macro volatility.

The guiding principle remains asset-liability matching. Captives, especially those retaining longer-tail lines, should actively manage portfolio duration as rates evolve and limit position sizes given the shifting index composition.

You often speak about out-of-the-box thinking in risk finance. Beyond the traditional goal of premium savings, what are the most significant quantitative benefits that a mid-sized business can realise through a well-structured captive arrangement?

Baldo: This question arises almost daily and I consistently highlight three under-appreciated benefits: transforming expenses into a profit centre, greater control, and enhanced predictability of coverage.

A captive enables owners to reclaim the investment returns they have already deployed in risk management.

Investments in telematics, wearable safety devices, or other loss mitigation tools frequently benefit traditional carriers through lower losses and investment float, yet the sponsor rarely sees those gains.

In a captive, those savings flow directly back as underwriting profit and investment income. Control is equally powerful, as captive owners gain a direct seat at the table for claims strategy and reinsurance renewals.

Predictability of coverage has become especially valuable in private equity and real estate sectors, where thinner margins leave little room for surprises.

Captives deliver optionality that aligns precisely with each risk appetite, turning insurance from a cost centre into a strategic financial asset that strengthens balance sheets.

Your list of professional designations, including the CPCU, AIAF, ARM and ARe, is extensive. How does this deep technical knowledge inform your day-to-day analysis?

Baldo: These credentials have become incredibly valuable. They give me a much deeper understanding of how all the different pieces of the alternative risk finance ecosystem fit together.

In my current role, I spend a significant portion of my time focused on the technical backbone of every captive programme: reviewing statistical models, running pricing scenarios, and analysing feasibility studies.

The reinsurance expertise from the Associate in Reinsurance (ARE), the financial perspective from the Associate in Insurance Accounting and Finance (AIAF), and the quantitative skills from the Chartered Property Casualty Underwriter (CPCU) and Associate in Risk Management (ARM) enable me to translate complex variables such as collateral requirements and loss distributions into practical, actionable recommendations.

This technical depth also sharpens my ability to anticipate how bigger-picture changes, whether a shift in interest rates or new regulatory requirements, will impact a specific captive structure.

Your organisation is active in the middle-market captive space. What unique challenges do these organisations face, and how are you tailoring financial strategies to meet their specific risk appetites?

Baldo: Middle-market companies typically operate with tighter margins, which makes them much more sensitive to liquidity and capital efficiency. Regulatory compliance and securing favourable reinsurance terms can feel especially burdensome when resources are limited.

We have seen this dynamic play out frequently. Over the past few years, we have attracted several US\$ multi-million captive programmes because a significant number of legacy programmes in the market suffer from inefficient capital structures that unnecessarily tie up liquidity. We approach this by designing tailored financial strategies that better match each client's specific risk appetite, including smart use of fronting carriers and reinsurance layers calibrated to the actual risk profile of the captive.

Looking at the broader market, what emerging trends or hard-to-place risks are you currently seeing that captives are particularly well-equipped to handle over the next few years?

Baldo: Captives are stepping up strongly for parametric and insurance-linked securities (ILS) hybrid structures that tackle catastrophe and climate volatility, cyber and supply-chain gaps, and now emerging artificial intelligence (AI)-related exposures.

The ILS data tells the story clearly. According to *Artemis*, the catastrophe-bond market shattered records with approximately US\$25.5 billion in new issuance in 2025, up 45 per cent from the prior year. Early 2026 maintained momentum, with first quarter issuance tracking on pace to be one of the highest on record.

Captives allow businesses to self-insure the volatile middle layers and blend in parametric ILS for the tail. AI risks are quickly becoming a major hard-to-place exposure. Parametric triggers based on verifiable metrics such as system downtime duration can bridge those windows inside a captive. Transportation and mobility risks are another prime emerging area. Operations in this space often deal with constantly shifting coverage periods, moving between personal, contingent commercial, and operational exposures amid

high-frequency, short-duration events. Traditional policies can struggle to price these exposures effectively. Parametric triggers based on verified usage data, incident indices, or downtime metrics can bridge those exact windows inside a captive.

I am very bullish that captives can serve as a bridge, allowing sponsors to retain control and bring in ILS capital exactly where traditional reinsurance becomes restrictive.

The captive industry is often cited as facing a talent shortage. As someone who has progressed rapidly within the sector, how can the industry better capture the wisdom of senior professionals?

Baldo: The industry must become more deliberate about knowledge transfer. That starts with a willingness to work collectively and embrace technology. Investing in structured training programmes, mentorship pairings, and regular industry events creates more opportunities for experienced professionals to share hard-earned lessons. In my own career, the most valuable insights came from direct exchanges with board members and senior officers. We cannot afford to let institutional wisdom retire without passing the baton.

With nearly six years of experience in the sector, where do you hope to see your career in the next five years?

Baldo: I am focused on advancing my career by expanding my leadership in originating and structuring both specialty captive programmes and innovative hybrid captives that integrate ILS and parametric solutions.

Looking further ahead, I am committed to taking a more influential role in senior leadership, shaping key strategic decisions, and moving into a broader capital management role where I can optimise capital deployment by blending strong risk transfer with disciplined investment performance. Ultimately, I want to influence the high-level decisions that define our growth, ensuring that our approach to risk remains both innovative and disciplined as the market continues to evolve. ■

Disclaimer: The views and opinions expressed in this interview are those of the interviewee and do not necessarily reflect the official policy or position of any entities they represent. This content is for informational purposes only and should not be taken as an endorsement.



Investing in structured training programmes, mentorship pairings, and regular industry events creates more opportunities for experienced professionals to share hard-earned lessons. In my own career, the most valuable insights came from direct exchanges with board members and senior officers.



Future Leaders:

The 2025-2026 CICA Student Essay Winners Panel

The 2025-2026 Captive Insurance Companies Association (CICA) Student Essay Contest invited the next generation of risk professionals to develop strategic solutions for increasingly complex global risk environments. Under the theme ‘Captive Insurance Solutions for Today’s Risk Management Challenges’, student teams from Temple University, St. Mary’s University, and the University of Wisconsin-Madison demonstrated exceptional technical proficiency and forward-thinking analysis. In this panel discussion, these emerging practitioners share the insights gained from their research, the practical applications of their captive designs, and their professional aspirations within the captive sector.

What was your initial introduction to the CICA Student Essay Contest, and what prompted your decision to participate?

Gabriel Albertson: I became aware of the contest through my Risk Management and Insurance capstone class at Temple University. The competition was discussed in the 'Managing Risk Across the Enterprise' course by Professor Mitra, who encouraged students to view it as a significant professional development opportunity.

Sajjad Alloo: I also learned about the CICA Essay Contest through my capstone course for the Risk Management and Insurance major. It was introduced as an opportunity supported by the department, and I decided to participate to further my understanding of the industry.

Isabella Martinez: I learned about the contest through my university's risk management programme and Gamma Iota Sigma, where faculty members regularly share industry opportunities and applied learning experiences with the student body.

Elizabeth Jouini: My partner, Isabella, whose studies are more closely connected to insurance and risk management, introduced me to the competition. I was curious about how captive insurance fits into broader international business strategies, which motivated me to explore the topic further.

Noah Oachs: I first heard about the contest last year when a student team from the University of Wisconsin-Madison participated. This year, I decided to enrol in a captive insurance class, which provided the perfect opportunity for me to enter.

Zoey Bendewald: I learned about the contest through students and faculty in the Risk Management and Insurance programme at UW-Madison. These opportunities are frequently shared through my involvement in the Risk Management and Insurance Society (RMIS) and relevant industry coursework.

The 2025-2026 theme focuses on contemporary risk management solutions. Which specific elements of this topic resonated most with your academic interests or professional aspirations?

Albertson: The prompt was compelling because it focused on the tangible challenges organisations are currently facing in a volatile insurance market. With rising premiums and reduced

capacity, the topic allowed for a practical analysis of captive insurance as a strategic risk management tool.

Alloo: The topic stood out because it addressed a real and timely problem; traditional insurance markets are increasingly restrictive and misaligned with many organisations' risk profiles. The contest offered an opportunity to explore captive insurance as a data-driven solution rather than just a theoretical concept.

Martinez: The contest stood out because it connects academic theory with real-world risk challenges. It allows students to apply strategic thinking to practical insurance solutions, which is a key interest of mine.

Jouini: I was drawn to the opportunity to examine how businesses utilise innovative risk management strategies in an increasingly complex global environment. Captive insurance represents a unique intersection of finance, strategy, and international business.

Oachs: The essay contest appealed to me because it provided a unique opportunity to analyse a business and determine how a captive insurance structure might fit into its broader risk management strategy. It was a great way to apply my classroom learning to a relevant scenario.

Bendewald: The contest presented the opportunity to explore captive insurance in a hands-on, applied way. Rather than approaching captives from a purely theoretical perspective, the competition challenged me to think critically about how organisations respond to evolving risks using alternative risk financing tools.

In the context of your chosen case study, how did a captive insurance structure address specific operational vulnerabilities or strategic objectives for the organisation?

Albertson: For Diamond Cruise Line, a captive provided a way to retain routine, predictable losses while gaining better visibility into loss trends across the fleet. By centralising claims data, the company could improve forecasting, strengthen capital planning, and reinvest favourable results into safety programmes.

Alloo: The captive was helpful because it allowed the company to retain predictable, working-layer losses. This created a

mechanism to retain favourable results, where surplus could be returned to the parent company or reinvested into crew safety initiatives and cyber resilience.

Martinez: Captive insurance provided the organisation with greater control over risk financing, improved long-term cost stability, and the flexibility to tailor coverage to specific operational risks that the traditional market might not cover.

Jouini: The captive structure provided the organisation with greater control, allowing it to tailor coverage to its specific exposures. This helped reduce long-term costs and created incentives for better internal risk practices, strengthening the organisation's financial resilience.

Oachs: Captive insurance was helpful for The Corner Basket because it allowed the company to fill coverage gaps in the commercial insurance market and stabilise its insurance premiums. The greater control and stability provided by the captive were very beneficial.

Bendewald: Captive insurance provides Corner Basket with greater control over financing and managing its risks. Instead of relying solely on traditional insurance, the captive allows the company to customise coverage and retain funds when losses are lower than expected.

During the research and composition phase of your essay, what were the most significant technical or strategic insights you gained regarding the captive insurance industry?

Albertson: I learned that a strong governance foundation is essential for a successful captive. Decisions regarding domicile selection, regulatory compliance, and actuarial data are critical to the long-term sustainability of the structure.

Alloo: I learned that captive insurance is not just a financial vehicle, but a strategic platform for managing risk. I gained a much deeper understanding of the interplay between underwriting, investment income, and capital management.

Martinez: I learned how captives function as long-term risk management tools that integrate governance, loss control, and financial planning, rather than serving only as an alternative insurance option.

Jouini: I learned that captive insurance extends far beyond alternative coverage. It serves as a strategic tool that supports financial planning and risk mitigation, allowing organisations to design solutions that traditional markets often do not offer.

Oachs: I learned that captive insurance can be a crucial part of a company's risk management strategy due to the flexibility and control it provides. I also gained insight into how the feasibility of a captive is evaluated and the necessary steps for implementation.

Bendewald: I learned about the importance of aligning a captive's objectives with the broader goals of the parent company. Researching captives showed me that they are not just about cost savings; they are about creating a more resilient and proactive risk culture.

How has your perception of the captive landscape evolved from your initial understanding prior to engaging with this competition?

Albertson: Before participating, I viewed captive insurance primarily as a financial alternative to traditional insurance. The research process revealed that there are many factors, such as the Total Cost of Risk (TCOR), that influence these strategic decisions.

Alloo: Previously, I viewed captive insurance primarily as an alternative way to finance risk. Through this project, I came to see captives as an operating discipline that connects claims data, capital planning, and operational decision-making.

Martinez: Before this project, my understanding was mostly theoretical. Through research and application, I gained insight into how captives operate in practice and how they support a wider enterprise risk strategy.

Jouini: Prior to entering the competition, I had only a general understanding of insurance. Through research, I gained a much clearer perspective on the regulatory environment surrounding captives and the strategic advantages they provide to a business.

Oachs: I had a very limited understanding before the contest. Participating gave me the opportunity to gain an in-depth, foundational understanding of captives that I did not have previously.

Bendewald: My previous understanding was fairly surface-level and academic. After completing the essay, I have a more comprehensive view of how captives function in practice and how they can be used as a strategic tool for the long term.

Given your experience with the contest, how do you view the professional prospects within the captive sector, and which facets of the industry do you find most compelling?

Albertson: A career in captive insurance is very appealing. The field combines financial analysis, risk assessment, and strategic planning. The opportunity to help organisations design customised risk solutions is particularly interesting to me.

Alloo: I would strongly consider a career in captive insurance. What appeals to me most is the analytical and strategic nature of the work, which sits at the crossroads of finance, insurance, and enterprise risk management.

Martinez: I would certainly consider a career in the industry. The field appeals to me because it blends analytical problem-solving, strategic planning, and collaboration across various business functions.

Jouini: I would consider a career in this field as it combines analytical thinking, global business perspectives, and creative problem-solving. It also offers exposure to diverse industries and evolving risk challenges.

Oachs: A career in captive insurance is an interesting path and something I am excited about pursuing. It is a unique and complex area, and I believe working with captives would be very rewarding.

Bendewald: I would consider a career in captive insurance. I like that the work forces you to think through each situation to develop customised solutions. The mix of problem-solving, judgement, and collaboration is what draws me to the field.

In what ways has your academic curriculum provided a foundation for the complexities of captive insurance, and how does it prepare you for the technical demands of the industry?

Albertson: My coursework at Temple University supports a career in this field. Classes emphasise TCOR, alternative

risk transfers, loss reserving, and claims management, which directly reflect the responsibilities involved in captive management.

Alloo: My coursework in risk financing, actuarial concepts, data analytics, and insurance regulation directly supports a career in this sector. My classes mirror the real-world decision-making involved in captive formation and management.

Martinez: My coursework in finance, risk management, and business strategy has strengthened my analytical thinking, financial literacy, and understanding of risk transfer concepts.

Jouini: My studies in international finance, management, and business analytics have strengthened my understanding of risk and financial decision-making. These classes taught me to evaluate global business environments and think critically about organisational challenges.

Oachs: My college coursework has prepared me to think critically about risk. The classes I have taken provided the opportunity to learn more about captives and explore the various career opportunities available in the industry.




Bendewald: My coursework at UW-Madison has given me a deeper understanding of how organisations approach risk and insurance decisions. I have become more comfortable analysing different insurance structures and considering risk at a broader enterprise level. ■



CICA student essay contest: The 2026 finalists

Captive Insurance Times is proud to present the three finalist essays from the annual CICA student essay contest. Sponsored by Hylant Global Captive Solutions, the competition tasks students with developing innovative captive solutions for complex risk management challenges. This year, the top honours were awarded to teams from Temple University, St. Mary's University and the University of Wisconsin-Madison for their detailed proposals addressing cruise line and retail exposures

First place: Temple University - The Essay: Diamond Cruise Line

			
Gabriel Albertson			Sajjad Alloo
<p>Albertson is a student at Temple University studying risk management and insurance, and is set to graduate in May 2026. During his academic career, he has held several internships, including a role within Comcast's global risk management department where he analysed builder's risk programmes for major construction projects. Upon graduation, Albertson will join the multinational casualty team at Chubb. When not focusing on risk management, he plays for the Temple Men's Hockey Club team.</p>			<p>Alloo is a recent graduate of Temple University's Fox School of Business, where he earned degrees in risk management and insurance, and management information systems. He has worked on the carrier side at GBLI since summer 2024, focusing on data analytics, product management, and insurance software development. Alloo also completed a risk management internship with Comcast. His professional interests include alternative risk financing, captive insurance, and the use of claims data to inform capital decisions.</p>

The team's essay proposes a sophisticated captive insurance solution for Diamond Cruise Line, a rapidly expanding cruise operator. To address challenges in the 2025 insurance market, specifically rising casualty rates and coverage gaps for sexual assault and molestation liability and pandemic disruption, Albertson and Alloo propose the formation of Diamond Re Ltd. This Bermuda-domiciled Class 3A insurer is designed to retain predictable, high-frequency losses while accessing global reinsurance markets for catastrophic risks. The proposal also includes an innovative travel-protection programme that generates third-party premium, transforming the insurance function into a strategic financial asset.

2025-2026

CICA STUDENT ESSAY CONTEST

Captive Insurance Solutions for Today's Risk Management Challenges



TEMPLE UNIVERSITY:
**Gabriel Albertson &
Sajjad Alloo**

DIAMOND CRUISE LINE



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Introduction

Diamond Cruise Line, headquartered in Miami, Florida, is a rapidly expanding bluewater cruise operator with ten vessels in service and two under construction, offering 10-14 day voyages across the world. Four ships operate year-round in the Caribbean, while two each rotate seasonally through Alaska, Europe, and Mexico (see Figure 1). Supported by a 15,000-person workforce and a private Caribbean island where guests can relax before their voyage, Diamond provides a globally integrated travel experience to more than 3,000 passengers per ship. As the company grows, its complex marine, operational, and international exposures require a more resilient approach to risk financing.

Challenges in the Insurance Marketplace

Despite moderate property softening, the 2025 insurance market remains difficult for cruise and hospitality operators. Commercial pricing fell about 4 percent overall¹, yet U.S. casualty rates continue rising roughly 8 percent due to social inflation and nuclear verdicts². This uneven recovery has left key coverages for cruise lines either unaffordable or unavailable.

Two classes remain especially constrained. Sexual-assault and molestation (SA/M) liability faces broad carrier withdrawal, restrictive sublimits, and exclusions for guest-on-guest incidents, reflecting heightened litigation and trafficking enforcement³. Communicable-disease and pandemic coverage has largely vanished under ISO CP 01 40 virus and bacteria exclusions, forcing operators to self-insure voyage-interruption and decontamination losses^{4 5}.

¹ Marsh. (2025). *Global Insurance Market Index – Q3 2025*. Marsh LLC. <https://www.marsh.com/>

² Willis Towers Watson. (2025). *Insurance Marketplace Realities 2026*. WTW. <https://www.wtwco.com/en-US/Insights/2025/10/insurance-marketplace-realities-2026>

³ Insurance Business America. (2024). *Carriers retreat from sexual abuse and molestation (SAM) coverage amid litigation pressures*. <https://www.insurancebusinessmag.com>

⁴ Allianz Commercial. (2025). *Safety & Shipping Review 2025*. <https://www.allianz.com>

⁵ International Group of P&I Clubs. (2024). *Communicable Disease Exclusions and Guidance for Shipowners*. <https://www.igpandi.org/article/communicable-disease-exclusions>

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While cyber-insurance capacity has expanded, new exclusions for state-backed and systemic attacks following Lloyd's Bulletin Y5381⁶ leave critical operational exposures uninsured. Even improving markets maintain higher retentions and narrower wording across marine, liability, and travel lines.

For Diamond Cruise Line, these persistent coverage gaps – particularly in pandemic disruption, guest liability, and cyber exposures – underscore the need for a captive structure capable of retaining predictable losses while maintaining efficient reinsurance access.

Exhibit 1 - Current Coverage Gaps for Cruise Operators

Exposure	Typical Loss Profile	Commercial Market Conditions (2025)	Implication for Diamond
Hull & Machinery / Property Damage	High-frequency, moderate-severity repairs	Property rates down \approx 8%; higher deductibles persist ¹	Economical to retain working-layer losses in-house
Crew Medical / Workers' Comp.	High-frequency, low-severity WC claims	Stable, but limited international coverage consistency ²	Predictable line suited for captive funding and return-to-work programs
Liquor / Guest Liability	Medium-frequency ; severity influenced by litigation	Limited capacity; increased exclusions for A&B ³	Elevated pricing--retention more cost-effective
SA/M Liability	Low-frequency, high-severity	Broad exclusions; scarce follow-form excess capacity ³	Market failure requires captive assumption
Communicable Disease / Event Cancellation	Catastrophic, low-frequency	Virtually uninsurable beyond parametric triggers ⁴	Candidate for captive-funded parametric coverage
Cyber (IT / OT Systems)	Low-frequency, high-severity	Rates falling but new systemic and war exclusions ⁶	Partial market coverage; captive can fill residual risk

Key Risks and Exposures

⁶ Lloyd's of London. (2023). *Market Bulletin Y5381: State-backed Cyber-Attack Exclusions*. <https://assets.lloyds.com/media/35926dc8-c885-497b-aed8-6d2f87c1415d/Y5381.pdf>

Diamond Cruise Line faces diverse risks across marine operations, workforce safety, guest liability, cyber systems, and climate-related disruptions. Since 2020, declining commercial capacity for these perils has reinforced the need for a captive to retain predictable losses and transfer catastrophic ones.

Diamond's fleet remains its largest exposure. Each vessel, valued at \approx \$1 billion, experiences frequent but manageable hull and machinery losses. These working-layer losses are ideal for captive funding, with major fires or collisions reinsured through global markets.

Crew health and safety risks – especially slips and falls, which represent about 45 percent of maritime injuries⁷ – are high-frequency but low-severity. Rising social-inflation costs and inconsistent international coverage make captive retention more economical and allow investment in proactive safety and return-to-work programs.

Guest liability produces medium-frequency but high-visibility losses. Routine incidents and liquor-related injuries are common, while sexual-assault and molestation (SA/M) events, though rare, create severe reputational exposure. With carriers imposing exclusions⁸, retaining primary layers and reinsuring catastrophe levels preserves control and confidentiality.

Cyber risk has become a systemic concern. Shipboard networks, booking platforms, and control systems expose Diamond to infrequent but severe events. Following Lloyd's Bulletin Y5381⁹, many policies exclude state-backed or systemic attacks, leaving gaps the captive can fill through breach-response, resilience funding, and Difference in Conditions (DIC) policies.

⁷ Integrity for Justice. (n.d.). *Maritime injuries – Cruise ship slip & fall accidents*. <https://www.integrityforjustice.com/practice-areas/maritime-injuries/>

⁸ Insurance Business America. (2024, May 25). Hospitality sector grapples with assault-and-battery exclusions. <https://www.insurancebusinessmag.com/us/news/hospitality/hospitality-sector-grapples-with-assaultandbattery-exclusions-492803.aspx>

⁹ Lloyd's of London. (2023). *Market Bulletin Y5381: State-backed cyber operations*. <https://assets.lloyds.com/media/35926dc8-c885-497b-aed8-6d2f87c1415d/Y5381%20Market%20Bulletin%20-%20Cyber-attack%20exclusions.pdf>

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Finally, climate and communicable-disease threats remain largely uninsurable. Hurricanes, port closures, or outbreaks such as COVID-19 can halt operations and generate multimillion-dollar uninsured losses⁴. Captive-funded parametric programs tied to storm intensity or infection counts can restore liquidity and diversify risk.

Overall, Diamond's exposures divide cleanly: frequent, low-severity risks (hull and crew claims) fit captive retention, while low-frequency, high-severity losses (SA/M, cyber, and pandemic events) require reinsurance. This structure stabilizes loss funding, protects capital, and supports long-term financial resilience.

Travel-Protection Program Integration

Diamond Cruise Line currently offers an optional passenger travel-protection program sold at booking, consisting of two separate products that together provide comprehensive pre-trip and post-trip protection¹⁰. The pre-trip component, priced at approximately 5% of ticket value, reimburses cancellations, delays, missed connections, and baggage loss. The post-trip component, offered for a flat \$75 per passenger, provides medical coverage, trip interruption benefits, and baggage protection during return travel¹¹.

Across the cruise industry, enrollment in travel-protection plans averages 30-40 percent. Applying a 35% participation rate to Diamond's 720,000 annual passengers yields approximately 252,000 insured travelers⁹. Using a \$2,500 average fare, the combined pre- and post-trip products generate an estimated \$50 million in annual gross written premium – derived from a \$125 pre-trip premium (5% of fare) plus the \$75 post-trip fee, for a total of roughly \$200 per insured passenger. A licensed fronting carrier will underwrite the program and cede around 40% of written premium to Diamond's captive through a quota-share arrangement.

¹⁰ Chubb. (2024). *Travel 365: Leisure travel plans for U.S. residents* [Brochure]. ACE American Insurance Company. [PDF file]

¹¹ Bailey, T. (2025, November 4). Assistant Vice President and Deputy Segment Leader – Accident & Health, Chubb Limited [Personal communication].

Cruise-line travel-insurance portfolios are generally stable performers, with typical 45–60% loss ratios and sub-100% combined ratios – reflecting predictable claim patterns and the high volume of short-duration policies¹². These products also require maintenance of unearned-premium reserves, consistent claims reimbursement, and adherence to state travel-insurance regulatory frameworks. The program remains fully optional, in accordance with consumer-protection and disclosure requirements under NAIC Model 674¹³.

As Diamond grows, the travel-protection program represents a significant and reliable source of third-party premium, detailed policy-level data, and customer-experience insights – elements that can support broader risk-financing strategy decisions addressed in subsequent sections.

Captive Insurance Solution and Structure

Diamond Cruise Line's \$8 billion fleet – roughly \$275,000 per berth across ten 3,000-passenger vessels – requires a stable, long-term risk-financing platform that retains working-layer losses and transfers catastrophic events. To meet this need, the company will form Diamond Re Ltd., a Bermuda-domiciled Class 3A general business insurer under the Insurance Act 1978. Bermuda provides direct access to London and regional reinsurance markets, a clear capital regime under the BSCR, and a \$1 million statutory minimum for Class 3A carriers¹⁴.

A single-parent captive offers greater control over coverage, claims, and data analytics than pools or RRGs, which are limited to liability lines under the LRR¹⁵. Centralizing

¹² Allianz Global Assistance. (2024). *Travel insurance claims review 2024*.

<https://www.allianztravelinsurance.com/about/newsroom/2024-travel-insurance-claims-review.htm>

¹³ National Association of Insurance Commissioners. (2022). *Model Law 674: Travel Insurance Model Act*.

<https://content.naic.org/sites/default/files/inline-files/MDL-674.pdf>

¹⁴ Bermuda Monetary Authority. (2025). *Insurance licensing: Class 3A general business insurers — capital, solvency, and BSCR framework*. Retrieved from <https://www.bma.bm/insurance-licensing>

¹⁵ Risk Retention Reporter. (n.d.). *Risk retention groups: A basic overview*. Captive.com. <https://www.captive.com/articles/risk-retention-groups-a-basic-overview>

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coverage through Diamond Re reduces frictional costs, consolidates loss funding, ensures global policy consistency, and increases enterprise-wide visibility of risk management.

Diamond Re will retain high-frequency, low-severity losses and reinsure low-frequency, high-severity events. Retained programs include hull & machinery (including builder's risk and P&I), property damage, crew medical and wage replacement, liquor and guest liability, and sexual-assault and molestation (SA/M) exposures where commercial capacity has contracted. The captive will also assume cyber risk up to \$1 million per event and fund parametric storm and communicable -disease triggers that release liquidity upon measurable thresholds such as wind speed, port closure, or infection counts^{9 16 17 18}.

Expected retained premium totals \$41 million annually, producing modeled retained losses of \$32 million and an expected 58 percent loss ratio. Including the reinsured travel-protection business, total written premium approaches \$61 million, consistent with benchmarks for mature marine and hospitality captives¹⁹. The modeled combined ratio near 88 percent reflects efficiencies from direct reinsurance negotiation and centralized claims management²⁰.

Line	Retained Premium	Retention (Per Event)	Expected Losses	Recommended Reinsurance Purchase
Hull & Machinery/ Property Damage	\$13,000,000	\$2,000,000 per vessel event	\$12,000,000	Excess of \$2M up to ~\$250M per vessel (London/Bermuda)

¹⁶ Swiss Re Corporate Solutions. (2025, March 27). *Parametric solutions: Wind, surge, and rapid payout structures*. <https://corporate.solutions.swissre.com/risk-management/parametric-insurance.html>

¹⁷ Aon. (n.d.). *Using parametric insurance to match capital to climate risk*. <https://www.aon.com/weather-risk/parametric-insurance.jsp>

¹⁸ Munich Re. (n.d.). *Epidemic Risk Solutions: Parametric outbreak and pandemic structures*. <https://www.munichre.com/en/solutions/epidemic-risk-solutions.html>

¹⁹ Captive International. (2025, March 3). *Evolution and trends in captive insurance*. Retrieved from <https://www.captiveinternational.com/evolution-and-trends-in-captive-insurance>

²⁰ McDonald, J. (2021, July 1). *Captives 101: What Are They, and Why Do I Want One?* IRMI. <https://www.irmi.com/articles/expert-commentary/captives-101-what-are-they-and-why-do-i-want-one/>

Crew Medical & Wage Replacement	\$8,000,000	\$1,000,000 per occurrence	\$7,000,000	Excess of \$1M up to ~\$25M per occurrence
SA/M Liability & Defense	\$6,000,000	Retained primary layer	Expected ≈ \$5,000,000	Limited market; optimize self-insured structure
Liquor / Guest Liability	\$4,000,000	\$1,000,000 per occurrence	\$3,000,000	Excess of \$1M up to ~\$10M per occurrence
Cyber Liability	\$3,000,000	\$1,000,000 per event	\$2,000,000	Excess of \$1M; tower to ~\$25M agg (subject to state-backed/systemic exclusions)
Weather (Parametric)	\$4,000,000	Trigger=Cat-1/2 wind/port closure	\$3,000,000	Parametric limit up to ~\$50M per named storm
Communicable Disease (Parametric)	\$3,000,000	Trigger: outbreak/closure threshold	\$2,500,000	Parametric limit up to ~\$30M per outbreak

This balanced portfolio funds recurring operational losses, reinsures catastrophic risks, and leverages third-party premium from the passenger travel-protection program as a profit center. Captive underwriting profit and analytics will strengthen enterprise risk management (ERM) by linking pricing, loss prevention, and operational decisions. Centralized claims handling, standardized data, and integrated safety initiatives will drive measurable reductions in loss frequency and support Diamond's long-term strategic and financial goals.

Capitalization and Domicile Rationale

Diamond Re will be capitalized with \$20.3 million paid-in capital and surplus, \$7 million of which in liquid reserves (≈2 months of losses). This exceeds Bermuda's Class 3A floor and is calibrated to maintain a Target Capital Level safely above the ECR (BSCR) so the captive absorbs a 1-in-5-year adverse result without parent injections and remains well-within regulatory solvency expectations^{14, 21}.

²¹ Chaplin, R. A., & Jaffer, C. C. (2025, March). *The Bermuda Prudential Solvency Regime*. In *The Standard Formula: Encyclopaedia of Prudential Solvency*. Skadden. Retrieved from <https://www.skadden.com/insights/publications/2025/03/chapter-2-the-bermuda-prudential-solvency-regime>

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Bermuda is selected for practical reasons: a mature regulatory framework recognized by global reinsurers; proximity and access to marine, cyber, and parametric markets; and a transparent fee-based regime rather than premium taxation (BMA fees schedule). By contrast, Hawaii imposes graduated captive premium taxes (0.25% to 0.05% bands with a \$200,000 cap) that increase frictional cost without adding market access for a cruise-focused program²². Furthermore, since the vessels would likely be flagged in international registries outside of the U.S., the program would not have access to the Terrorism Risk Insurance Act (TRIA) backstop, further necessitating Bermuda's direct access to global reinsurance capacity. As surplus grows and claims data gain credibility, Diamond Re can raise retentions and add cells or segregated programs on the same Bermuda platform. Additionally, Diamond Re could also pay dividends to Diamond Cruise Line and fund loss prevention programs.

Feasibility and Strategic Fit

The formation of Diamond Re Ltd. is financially and operationally sound given Diamond Cruise Line's \$61 million in annual written premium, modeled retained losses of \$40.4 million, and strong balance-sheet capacity. Strategically, Diamond Re stabilizes the company's (TCOR) and embeds risk-based decision-making across operations. Retaining predictable loss layers reduces dependence on cyclical markets and allows reinvestment in safety and maintenance programs – an approach shown to lower TCOR by 15–25% in well-managed captives². These programs include return-to-work and predictive maintenance. Located in Bermuda, the world's largest reinsurance hub, Diamond Re gains direct access to long-term quota-share and excess-of-loss treaties that enhance liquidity and pricing stability. Overall, Diamond Re provides

²² Hawaii Revised Statutes § 431:19-116. (2024). *Taxation of captive insurance companies*. Retrieved from <https://law.justia.com/codes/hawaii/title-24/chapter-431/section-431-19-116/>

a data-driven, compliant, and strategically aligned platform that transforms insurance from a cost center into a lasting competitive advantage.

Financial Summary and Governance

Diamond Re Ltd. will write about \$61 million in annual premium – \$41 million from retained risks and \$20 million from the travel-protection program. Modeled retained losses of \$40.4 million (including travel protection) yield a 66% loss ratio and an 88% combined ratio, consistent with mature marine and hospitality captives²³. Operating expenses near 22% of premium – consisting of TPAs, audit professionals, actuarial services, and regulatory fees – support modest profitability and 4-6% annual surplus growth^{24 25}.

Governance will follow Bermuda Monetary Authority (BMA) standards, requiring local directorship, actuarial certification, and annual independent audits. A five-member board, including the CFO, Risk Director, General Counsel, and two independent directors, will oversee committees for Finance, Claims, Risk Control, and Strategic Planning^{26 27}. External providers will complete solvency and reserve reviews under IFRS 17^{28 29}.

By integrating strict governance with financial discipline, Diamond Re aligns underwriting results with capital management, ensuring transparency, solvency, and long-term stability²⁵.

Risk Management and Implementation

²³ Marsh. (2025). *2025 Captive Benchmarking Report*. Retrieved from <https://www.marsh.com/en/services/captive-insurance/insights/captive-benchmarking-report.html>

²⁴ Captive International. (2025, January 3). *2024: A milestone year for captive insurance growth*. Retrieved from <https://www.captive.com/news/2024-a-milestone-year-for-captive-insurance-growth>

²⁵ Bermuda Monetary Authority. (2025, March 24). *2023 Captive Report*. Retrieved from <https://cdn.bma.bm/documents/2025-03-24-13-49-51-2023-Captive-Report.pdf>

²⁶ Mitra, D. (2025). Assistant Vice President, Risk Management, Temple University [Personal communication].

²⁷ Wrzos, K. (2025, August 10). Senior Director of Global Risk Management - Property & Executive Risk, Comcast Corporation [Personal communication].

²⁸ International Accounting Standards Board. (2025). *IFRS 17 – Insurance Contracts*. IFRS Foundation. Retrieved from <https://www.ifrs.org/issued-standards/list-of-standards/ifrs-17-insurance-contracts.html/content/dam/ifrs/publications/html-standards/english/2025/issued/ifrs17/>

²⁹ Marsh Captive Solutions. (2024, December 15). *ESG captive solutions guide*. Retrieved from <https://www.marsh.com/en/services/captive-insurance/insights/esg-captive-solutions-guide.html>

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The creation of Diamond Re Ltd. shifts Diamond Cruise Line's risk management from reactive insurance buying to a data-driven decision framework. Centralizing losses and claims within the captive links financial outcomes to operational performance³⁰. Consolidated claims data across crew injuries, equipment failures, and guest incidents enables benchmarking and aligns premiums with ship-level safety results.

Captive data will guide predictive maintenance, safety training, and cyber risk mitigation. Captives that leverage internal loss data achieve up to 25% lower loss frequency, while reinvesting 5-10% of surplus into prevention programs can reduce (TCOR) by 15-25%²⁹. Diamond Re will follow this model by allocating surplus to crew wellness, environmental monitoring, and technology upgrades³¹.

Performance will be measured through defined milestones: Year 1 will focus on licensing, policy issuance, and baseline data collection; Year 2 will introduce benchmarking of key indicators such as claim closure time and incident frequency; and in Year 3, the captive aims for a combined ratio below 90%, 5% annual surplus growth, and a 10% reduction in incident frequency versus baseline metrics^{26 32}.

By converting loss information into actionable insights, Diamond Re strengthens financial stability, compliance, and operational resilience, positioning Diamond Cruise Line as an industry leader in ERM³².

Conclusion

The formation of Diamond Re Ltd. transforms Diamond Cruise Line's insurance program from a reactive expense into a proactive source of stability and value. By retaining predictable

³⁰ Aon Global Risk Consulting. (2025, November 4). *Captives and cyber: From tactical response to strategic risk optimization*. Retrieved from <https://www.aon.com/insights/articles/captives-and-cyber-from-tactical-response-to-strategic-risk-optimization>

³¹ Marsh & McLennan Agency. (2025, April 25). *Total cost of risk: Strategies for sustainable growth*. Retrieved from <https://www.marshmma.com/us/insights/details/total-cost-of-risk.html>

³² International Risk Management Institute. (2021, November 17). *Understanding captive insurance*. Retrieved from <https://www.irmi.com/articles/expert-commentary/understanding-captive-insurance>

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losses, reinsuring catastrophic exposures, and underwriting passenger travel protection, the captive builds a balanced portfolio that strengthens both resilience and profitability.

This structure gives Diamond direct control over claims, coverage, and capital, using real-time loss data to align operational performance with financial results and reduce Total Cost of Risk. Operating in Bermuda provides transparent regulation, reinsurance access, and global compliance. As surplus and data credibility grow, Diamond Re can raise retentions, broaden coverage, and expand third-party business.

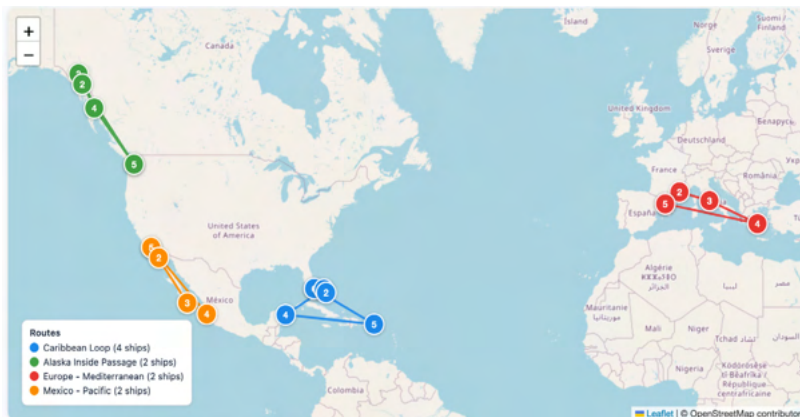
A well-managed captive not only finances risk but drives enterprise-wide improvement. Integrating insurance, operations, and strategy under one disciplined framework, Diamond Cruise Line secures a lasting competitive and financial advantage.

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NOTE: We thought to look at Diamond Cruise's risk in a holistic view and take into account pertinent exposures. We also decided to fully flesh out the domicile selection, as we believe it to be a quintessential factor when deciding to form a captive.

Appendix

Figure 1



More Information at <https://diamondcruises.alloovault.dev/>

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Second place: St. Mary's University - The Essay: Diamond Cruise LineST. MARY'S
UNIVERSITY**Isabella Martinez**

Martinez is a senior at St. Mary's University double majoring in finance and risk management and management. She is actively involved in Gamma Iota Sigma and is interested in how risk strategy, financial analysis, and business decision making intersect in real-world settings.

**Elizabeth Jouini**

Jouini is a senior at St. Mary's University in San Antonio majoring in international business with a marketing track. Her studies reflect a strong interest in global markets, strategic decision making, and how organisations navigate complex challenges. Jouini aims to apply her international business background to roles that value adaptability and analytical thinking.

This essay recommends that Diamond Cruise Line form a pure captive insurance company to sit alongside its traditional insurance programme. The proposed captive initially focuses on three lines where the commercial market is least responsive: weather and event cancellation, passenger and crew health, and the travel insurance programme sold to guests. By closing specific coverage gaps and retaining underwriting profit, the captive would build a data-driven foundation for long-term risk improvement as the company expands its fleet and workforce.

2025-2026

CICA STUDENT ESSAY CONTEST

Captive Insurance Solutions for Today's Risk Management Challenges



ST. MARY'S UNIVERSITY:
**Isabella Martinez &
Elizabeth Jouini**

DIAMOND CRUISE LINE



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Navigating Uncertain Seas: A Captive Insurance Solution for Diamond Cruise Line

Introduction

Diamond Cruise Line is entering one of the most risk-intensive sectors in global tourism. Ten operating ships, two vessels under construction, 15,000 employees, itineraries across Europe, the Caribbean, Mexico, and Alaska, and a private Caribbean island reserved exclusively for guests create a dense web of operational and financial exposures. The company also sells optional travel insurance that passengers purchase directly from the cruise line. These features give Diamond a strong brand and significant revenue potential, but they also concentrate risk in ways that are unusual even within hospitality and transportation.

At the same time, Diamond is facing a hard insurance market. Premiums are rising and capacity is tightening for general liability, marine, workers' compensation, builder's risk, weather and event cancellation, travel insurance, and communicable disease. Insurers are reacting to years of catastrophe losses, pandemic impacts, and social inflation by charging more, adding exclusions, and narrowing coverage for exactly the risks that matter most to Diamond (Florida Bar Journal; Holly and Greszta).

This essay recommends that Diamond form a pure captive insurance company to sit alongside its traditional insurance program. The captive would initially focus on three lines that are central to Diamond's risk profile and where the commercial market is least responsive: weather and event cancellation, passenger and crew health and communicable disease, and the travel insurance program sold to Diamond's guests. To ensure sufficient premium volume and financial sustainability, the captive could also assume a defined layer of general liability or

workers' compensation risk, particularly through deductibles or quota share participation. The captive would close specific coverage gaps, retain underwriting profit and investment income on manageable risks, and build a data-driven foundation for long-term risk improvement. As experience and surplus accumulate, Diamond can extend the captive to other lines such as marine deductibles, and builder's risk.

Risk Landscape for Diamond Cruise Line

The modern cruise business functions as a floating supply chain. Cruise ships sit at the center of a network that links ports, destination excursions, fuel and food suppliers, entertainers, travel agents, and regulators. Research on cruise tourism supply chains finds that disruptions cluster around a few critical nodes, especially ports and key destinations, and that the system is highly vulnerable when multiple stressors occur at once (Gan and Liu). Work on the Caribbean cruise network reaches a similar conclusion and shows how port disruptions and schedule changes quickly propagate costs and operational challenges throughout the chain (Rodrigue and Wang). For Diamond, itineraries in four regions add complexity: the Caribbean and Atlantic are exposed to hurricanes, Mexico carries both weather and political risk, Alaska is sensitive to storms, fog, and environmental regulation, and European ports face evolving labor and geopolitical conditions. The private island is a signature asset but also a single point of failure.

Operational safety is a second core exposure. Analyses of passenger ship incidents between 2000 and 2021 show that while overall accident frequency has declined, grounding, collision, and contact incidents remain significant, and rare severe events still carry heavy consequences (Eliopoulou et al.). For these low-frequency, high-severity losses, captive structures allow insureds to access the reinsurance market directly, retaining predictable layers of

risk while transferring catastrophe-level exposures that would otherwise be costly or inefficient to insure through the traditional market alone. Studies of passenger ship fires highlight machinery spaces, galleys, and cabin areas as common sources of ignition and conclude that even non-fatal fires can generate large repair costs and business interruption (Ventikos et al.; Spyrou and Koromila). Medical research on burn and trauma care at sea underlines how distance from tertiary care and the constraints of shipboard medicine magnify the impact of onboard accidents (Ottomann et al.). For Diamond, this risk translates into potential general liability, marine, and workers' compensation claims, as well as reputational damage if high-profile incidents are mishandled. Importantly, a captive structure also enables Diamond to access the reinsurance market directly, allowing the company to transfer low-frequency, high-severity catastrophe losses more efficiently while retaining predictable layers of risk.

Communicable disease risk cuts across these operational exposures. Cruise ships are well-documented settings for outbreaks of acute gastroenteritis, especially norovirus. Surveillance by the Maritime Illness Database and Reporting System shows that although overall gastrointestinal illness rates have decreased, norovirus remains the leading identified cause of cruise ship outbreaks and has been associated with repeated incidents across multiple seasons (Jenkins et al.; Neri et al.). Public health reviews emphasize that close living quarters, shared dining facilities, and frequent interpersonal contact create a favorable environment for gastrointestinal and respiratory disease transmission (Mouchtouri et al.). Even when only a small percentage of passengers become ill, outbreak response can be intense and the reputational impact long-lasting.

Weather and climate change intensify Diamond's exposures. Hurricanes, tropical storms, and severe weather regularly force itinerary changes and port closures in the Caribbean and

Atlantic, while storms, fog, and changing ice conditions affect port access and shore activities in Alaska. Insurance and advisory firms have noted that extreme weather events have increased in frequency and severity and that traditional indemnity-based event cancellation and property policies often respond slowly or not at all to the full economic impact of such events (Hylant; Marsh). At the same time, travel insurance claim data show a sharp rise in cruise claims for missed ports and itinerary disruptions, with missed port incidents growing from a minor share to as much as a quarter of cruise related claims for some portfolios (Langfield; “Surge in Cruise Passengers Claiming for Missed Port Incidents”).

Diamond must also consider legal and consumer-protection risk linked to the travel insurance it sells. European supervisors have raised concerns about complex exclusions, high commissions, and low-value travel insurance products, especially when sold as add-ons by travel providers (EIOPA). Empirical work on Australian travelers found relatively low claims ratios and numerous denied or partial claims, often because losses fell outside policy scope or under deductibles (Leggat et al.). In the United States, commentary on cruise travel insurance in the post-pandemic environment highlights confusion about coverage for Covid-related cancellations, quarantine, and itinerary changes and notes that some policies contain epidemic exclusions that courts have enforced (Morrison; *Bauer v. AGA Service Co.*). Litigation over alleged mishandling of coronavirus outbreaks and cancellations has underscored the reputational stakes when passengers believe their losses should be covered but find that cruise contracts or travel insurance policies leave them unprotected (“Is There a Class Action Lawsuit Against Cruise Lines for Mishandling Coronavirus?”).

Challenges in the Commercial Insurance Market

The pressures Diamond faces on premiums and capacity reflect conditions in a broader hard global insurance market. Legal and professional commentary describes how insurers have responded to catastrophe losses, low interest rates, and pandemic-related claims by increasing rates, reducing limits, and inserting new exclusions into property, event cancellation, and liability policies with large aggregation potential (Florida Bar Journal; Holly and Greszta).

For Diamond, these market dynamics create specific challenges. Premiums for marine, general liability, and event cancellation covers are higher and more volatile than in prior soft markets. Communicable disease exclusions and strict sublimits are now common in property, business interruption, and event cancellation policies, limiting coverage for outbreak-related cleaning, quarantine, and revenue loss. Travel insurance products sold through third-party carriers often have low claims ratios and high commission expenses, suggesting that a meaningful share of premium flows to distribution costs and insurer margin rather than claims (EIOPA; Leggat et al.). Underwriters are cautious about cruise-specific risks because they combine marine, hospitality, and public-health exposures in one platform, and a few high-profile mishaps can shape perceptions of the whole sector (Mileski et al.).

In this context, it is logical for Diamond to explore alternative risk-financing vehicles that increase control and reduce dependence on market cycles. Empirical work on captives indicates that large firms often establish captives to expand their menu of risk-financing options, tailor coverage, and retain profitable business where they have strong risk-management capabilities, even if the immediate effect on cash-flow volatility is modest (Chen et al.).

Why a Captive Insurance Company Fits Diamond's Needs

A captive insurance company is a licensed insurance company owned by the organization whose risks it underwrites and that primarily insures the risks of its owner and affiliated entities. Captives allow companies to combine risk retention and risk transfer in a regulated structure, access reinsurance markets directly, and design coverage terms that reflect their actual operations (Captive.com; Captive Insurance Times).

For Diamond, a captive is attractive because it can address cruise-specific exposures that are difficult or inefficient to insure commercially. Many traditional policies exclude or heavily sublimit communicable-disease outbreaks, itinerary disruptions, and private-island closures, leaving meaningful gaps between Diamond's actual risk profile and available coverage. A captive allows the company to deliberately design coverage that fills these gaps, aligning insurance protection more closely with operational realities whilst reducing reliance on restrictive market terms. It can retain underwriting profit and investment income on lines where Diamond has meaningful control over loss frequency and severity, such as travel insurance sold to its own guests. The captive also becomes a centralized hub for loss data across ships, regions, and lines of business, supporting targeted safety and health investments and more accurate underwriting. Analyses of captive structures stress that this alignment between risk management and financial outcomes reduces moral hazard and encourages proactive prevention (Holly and Greszta).

A captive improves access to innovation as well. Recent work from brokers and captive managers highlights the growing use of parametric climate solutions and pandemic covers within captives. These structures rely on objective triggers such as wind speed, rainfall, or disease incidence to provide rapid payouts to the captive, which then supports the parent's operations (Marsh; Hylant; "Captive Insurance: A Strategic Asset for Mitigating Climate Risks"; "Climate

Risk and the Captive Insurance Company: Responses”). For a cruise line that must react quickly to storms and outbreaks, a combination of tailored indemnity coverage and parametric protection is particularly valuable.

Recommended Captive Structure and Key Coverages

The recommended structure for Diamond is a pure, single parent captive owned wholly by the cruise line group that initially insures only Diamond’s own risks. The captive would be licensed as an insurance company in an appropriate jurisdiction and would underwrite policies for Diamond’s operating entities. Over time, Diamond could expand the captive’s scope through strategic reviews, incrementally adding lines of business consistent with its capital position and risk strategy, while retaining centralized control and governance.

Within this captive, the initial focus should be on three lines that are central to Diamond’s risk profile and where the commercial market is least effective: weather and event cancellation, passenger and crew health and communicable disease, and travel insurance sold to guests. To ensure the captive is financially viable, Diamond could also include a defined layer of general liability or worker’s compensation to generate sufficient premium volume, allowing the captive to spread fixed operating costs, support actuarially sound pricing, and accumulate surplus more efficiently.

The weather and event cancellation program inside the captive would respond to itinerary changes, port closures, and voyage cancellations driven by adverse weather and carefully defined non-weather events such as port-infrastructure failures or regulatory safety closures. The captive would reimburse Diamond for net costs such as extra fuel, port fees at alternative harbors, hotel and transport arrangements for guests when voyages are cut short, and credits or partial refunds

granted to protect goodwill. Above a defined retention, the captive would purchase reinsurance and parametric covers triggered by measures like hurricane category or official port-closure announcements. This combined structure allows Diamond to treat routine weather disruptions as retained, budgeted costs while retaining access to external capital for truly catastrophic seasons.

The passenger and crew health and communicable disease program would centralize outbreak and health-related costs that are now fragmented across several lines and often fall into coverage gaps. The captive would assume a primary layer of passenger medical expenses for onboard treatment and limited evacuation costs, particularly when those costs fall below deductibles or outside the scope of travel insurance. It would also provide a specific communicable-disease extension that covers outbreak-management costs, including enhanced cleaning, additional supplies, temporary isolation accommodations, and reasonable voluntary compensation to guests when Diamond chooses to go beyond strict legal obligations to preserve its reputation. Many commercial policies now exclude or strictly limit communicable-disease coverage, so building this program inside the captive creates a deliberate financial buffer for exactly these scenarios. Over time, as the captive gains experience with outbreak frequency and severity across ships and itineraries, it can refine underwriting and pricing. That data can inform investments in ventilation, sanitation, crew training, and health communication. Public-health research on ships emphasizes that disease control depends not only on clinical care but also on hygiene behavior and prompt implementation of control measures, so a program that links outbreak costs and prevention spending through the captive can reinforce better practices (Mouchtouri et al.; Neri et al.; Liu-Lastres et al.).

The third key program is the travel insurance Diamond sells to guests. Instead of ceding this entire portfolio to an external insurer, Diamond can use a fronting arrangement in which an

admitted carrier issues policies and then cedes a substantial quota share of the risk and premium to the captive. Within this structure, the captive participates in trip cancellation, trip interruption, medical and evacuation, baggage, and cruise-specific benefits such as missed-port compensation and private-island non-use. The product can be redesigned so that coverage for cruise-specific risks, including defined outbreak scenarios and itinerary disruptions, is clearer and better aligned with what guests reasonably expect when purchasing insurance through the cruise line. This approach mirrors broader trends in transportation and hospitality, where firms use captives to support customer-facing warranty and insurance products and to capture underwriting profit when their own operations drive loss outcomes (Captive.com). It also responds to regulatory concerns about low-value travel insurance by allowing Diamond to adjust benefits, exclusions, and pricing over time based on actual claims and complaints rather than relying on standard forms designed for a generic travel market (EIOPA; Leggat et al.; Morrison).

Future Strategy for the Captive

Forming the captive is the start of an ongoing strategic process. In its first three to five years, as the captive matures, Diamond should concentrate on conservative capitalization, disciplined underwriting of the three core programs, and robust governance. Board oversight, clear policies for related-party transactions, and independent actuarial support are essential to ensure that the captive is recognized as a genuine insurer rather than a purely financial vehicle (Holly and Greszta).

As data and surplus accumulate, Diamond can gradually extend the captive to other lines through regular strategic reviews. Workers' compensation and crew health benefits are natural candidates, particularly for medical and repatriation costs associated with injuries at sea.

Builder's risk deductibles and delay-in-start-up exposures for new ships and major refits can be partially retained within the captive, especially for non-physical damage delays that are difficult to insure commercially. Marine hull-and-machinery deductibles and minor incidental damages that fall below large policy attachment points can also be brought into the captive once loss experience is better understood. Each expansion should be supported by capital modeling and a clear business case so that the captive's solvency and long-term viability are preserved (Chen et al.).

In the longer term, Diamond can use the captive as a platform for innovation and collaboration. Partnerships with reinsurers and parametric providers can support advanced climate and pandemic solutions that integrate objective triggers and rapid payout structures. Collaboration with other cruise operators or industry bodies on anonymized data sharing could help refine benchmarks for safety, health, and environmental performance. As environmental regulation tightens in sensitive regions, the captive may also support coverage for certain environmental liabilities and remediation costs when insurable, reinforcing Diamond's commitment to sustainable operations (Ottomann et al.; Mouchtouri et al.). The captive can also function as an investment mechanism for funding targeted risk-management initiatives, crew training, and safety or health programs that directly reduce loss frequency and severity.

Conclusion

Diamond Cruise Line is launching into a complex risk environment shaped by climate volatility, communicable disease, operational hazards, and evolving legal and regulatory expectations. Traditional insurance markets are not delivering comprehensive and affordable

coverage for all of these exposures. Premiums are rising, exclusions are broadening, and key risks such as disease outbreaks and itinerary disruption are often left under-insured or uninsured.

A pure captive insurance company owned and controlled by Diamond offers a practical way to regain control over the most critical elements of the company’s risk profile. By focusing initially on weather and event cancellation, passenger and crew health and communicable disease, and travel insurance sold to guests, and a defined layer of general liability, the captive can close important coverage gaps, retain underwriting profit where Diamond has strong risk-management capabilities, and create a central, data-driven platform for prevention and resilience. With disciplined governance and a phased expansion plan, the captive can evolve into a strategic tool that supports safe, reliable, and sustainable cruising for guests, crew, and stakeholders while positioning Diamond as a sophisticated and forward-looking risk manager.

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Third place: University of Wisconsin-Madison - The Essay: The Corner Basket



Noah Oachs

Oachs completed his final semester at the University of Wisconsin-Madison in autumn 2025, where he studied risk management and insurance and finance. Originally from Rochester, Minnesota, he enjoys travelling and hiking in his free time. This coming summer, Oachs will join Zurich as a market-facing underwriting trainee on the group captives team in Schaumburg, Illinois.

Zoey Bendewald

Bendewald is a senior studying risk management and insurance at the University of Wisconsin-Madison. She has served as communications executive for the Risk Management and Insurance Society for two semesters. Bendewald previously interned as a facultative casualty underwriter at Everest Re's Chicago office. Outside of her studies, she enjoys travelling and recently spent time exploring Australia.

The team's report evaluates the viability of a captive insurance company for The Corner Basket, a regional grocery chain operating 900 stores across seven states. As the company plans to expand into new locations, it faces rising costs and limited availability for property and casualty exposures. The essay details how a captive could address core risks such as general liability, employee injury, and cyber threats. By leveraging the advantages of a captive, The Corner Basket can achieve cost efficiencies and greater control over policy design while navigating a market impacted by social inflation and catastrophic climate losses.

2025-2026

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UNIVERSITY OF WISCONSIN-MADISON:
**Zoey Bendewald &
Noah Oachs**

THE CORNER BASKET



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Introduction

The Corner Basket (Corner Basket) is a regional grocery chain in the Southwestern United States, operating 900 stores across seven states. The company plans to expand into two additional states by the end of 2026, adding 100 new locations. As the company grows, so do its property and casualty exposures. At the same time, rising costs and limited availability in the commercial market make it increasingly difficult to obtain adequate, affordable coverage.

Given these pressures, Corner Basket may benefit from considering a captive insurance solution as an alternative to traditional coverage. A captive offers greater control over policy design and coverage terms, access to reinsurance markets, cost savings, the ability to build reserves, and potential tax benefits on premium contributions. Together, these benefits support a stronger and more flexible approach to managing the company's long-term risk.

This report evaluates the viability of a captive insurance company for Corner Basket as it expands. It reviews the company's core risks and insurance challenges, analyzes the current state of the commercial insurance market, and explains the strategic advantages of a captive over traditional coverage. It also examines factors affecting the structural and operational feasibility of a captive, details startup and implementation steps, and outlines the recommended design and coverages for the captive. Finally, it provides an outlook for how the captive may evolve alongside Corner Basket.

Key Risks and Insurance Coverages

Grocery chains like Corner Basket face unique risks that impact their insurance coverage needs. Given the nature of their operations, even a single disruption or incident can trigger claims across multiple lines of coverage, making a well-structured, holistic insurance program crucial.

Bendewald & Oachs 2

Liability Risk

Hundreds of customers visit Corner Basket daily, making customer-related incidents a significant risk. Slip-and-fall accidents are among the most common claims a grocery store faces, making general liability coverage imperative to protect the company from medical expenses, legal defense costs, and potential settlements. With an endorsement, general liability can also cover product-related risks. Corner Basket's reputation relies on providing reliable, high-quality meats and produce, and the wide variety of items they sell increases the risk that a product may injure or sicken a customer, emphasizing the need for comprehensive general liability protection.

Employee Injury Risk

Due to its sizable workforce, employee injury risk is a critical concern for Corner Basket. Staff members may sustain injuries during routine work activities, making workers' compensation insurance essential to cover medical expenses and related costs.

Cyber Risk

Corner Basket also faces substantial cyber risk. With point-of-sale (POS) systems, online ordering, and a customer loyalty program, the company handles large volumes of sensitive customer information. In the event of a data breach or cyber-attack, cyber liability insurance can safeguard the business from regulatory fines and legal fees.

Business Continuity Risk

Because Corner Basket relies on fresh produce, regional supply chains, and in-store operations, business interruption insurance is vital. Internal physical disruptions like store closures and equipment failures can halt operations and lead to lost revenue. Contingent risks also arise if a key supplier, distributor, or logistics partner suffers a loss, indirectly preventing Corner Basket

from continuing sales. Business interruption insurance with an endorsement for contingent business interruption can help cover lost income and ongoing expenses in these events, ensuring the company can continue operating despite unforeseen interruptions.

Other Key Risks

Beyond its primary exposures, Corner Basket faces employment practices liability from potential workplace disputes, equipment breakdown risks from reliance on refrigeration and POS systems, and regulatory compliance risks related to food safety and labor laws. While these risks remain important to monitor, the captive should initially target the company's core risks to ensure it is well-established and effective before potentially expanding to cover additional exposures.

State of the Commercial Insurance Market

The current commercial insurance market presents numerous challenges for a business like Corner Basket. In 2025, several factors drive these challenges, contributing to rising premium costs and increasingly limited coverage options. Social inflation and nuclear verdicts, for example, are significantly impacting liability claims. Swiss Re (2024) reports that "social inflation has increased liability claims in the US by 57% in the past decade." As a result, obtaining liability coverage has become more expensive and difficult for businesses nationwide.

Climate change and the rise in catastrophic losses also exert considerable pressure on the commercial insurance market. According to the World Economic Forum (2025), natural disasters caused \$162 billion in global economic losses during the first half of 2025 alone. Floods and wildfires are major contributors, making certain regions too risky for insurers to cover. High-risk areas are costly to underwrite, prompting some insurers to withdraw from these markets or offer

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coverage with extensive exclusions. This has further limited the availability of commercial coverage for businesses seeking to protect their physical assets.

Cybersecurity threats are another pressing concern. The rise in ransomware attacks, data breaches, and other cyber incidents underscores the importance of cyber insurance as a key risk mitigation tool. The global cyber insurance market is growing rapidly, with Munich Re (2025) projecting that it will reach \$16.3 billion in 2025. Increasing cyber threats place additional strain on the market, reinforcing the need for businesses to secure affordable, effective coverage to safeguard their digital operations.

Why a Captive?

Establishing a captive may prove to be a highly effective strategy for managing Corner Basket's unique risk profile. Captive insurance offers a flexible alternative to traditional commercial coverage, providing several advantages in addressing the company's diverse exposures.

A primary advantage of establishing a captive is the ability to address coverage deficiencies through customized or manuscript policies. Standard commercial policies often include exclusions or limits that do not fully align with a company's risk profile. By forming a captive, Corner Basket can create policies targeting these gaps, ensuring protection from risks partially or entirely excluded in the commercial market. Additionally, a captive serves as a formal funding vehicle for self-insured risk, allowing the company to retain and manage risks internally. This structure enhances risk management and provides greater certainty over potential losses.

A captive also enables Corner Basket to arbitrage the insurance market by leveraging differences in pricing, coverage terms, and availability between the commercial market and the captive. This approach allows the company to achieve cost efficiencies unavailable through standard

insurance. The captive is especially useful in a hard market, when premiums rise and coverage is limited, while commercial insurance can be used in a soft market to secure favorable terms.

Finally, a captive provides enhanced access to reinsurance markets, giving Corner Basket greater flexibility to spread risk and secure coverage at more competitive terms than offered through traditional insurance. Direct placement with reinsurers eliminates additional costs typically charged by conventional insurers, generating savings that can outweigh the captive's initial setup and operational expenses (Landry, 2023).

These advantages allow Corner Basket to design a tailored, cost-effective insurance program that addresses specific risks while improving financial and operational control. Captives generally deliver around 90 cents of value per premium dollar, compared with commercial insurance, where only around 60 cents contribute to coverage due to insurer overhead and profit. To confirm whether it is appropriate, the company should conduct a feasibility study to evaluate the potential risks and benefits of implementing a captive program.

Feasibility Study

Because a captive may not fully address a company's needs, conducting a feasibility study is essential to determine whether it is a suitable solution for Corner Basket. Gathering the relevant background information, like historical premiums and loss data, is a crucial first step in the process of evaluating the captive's financial viability.

Next, management meets to review the collected data and identify gaps or deficiencies in current insurance coverage. These discussions are necessary to set the captive's goals and understand how it may address the company's unique risks. While a captive should never be established solely for tax purposes, if tax benefits are a consideration, an outside captive attorney should

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assess whether the captive would be tax-qualified. By meeting IRS requirements for mixing and shifting risk, a properly structured captive allows premiums paid to be deductible.

After setting goals, actuaries prepare claim projections to ensure the captive is appropriately capitalized, maintaining solvency and meeting regulatory requirements. Operational expenses such as administrative costs, reinsurance premiums, and potential fronting company fees are also estimated. A present value (PV) analysis of these estimates helps determine the captive's premium structure.

Once the premium is established, the appropriate capital level must be calculated to support insured exposures. Capitalizing the captive to at least the 90th percentile ensures only a 10 percent chance of underfunding in any given year. While risk interactions influence capital needs, the low correlation between property and casualty exposures provide diversification benefits and allows for adjustments as additional risks are incorporated into the captive.

After addressing financial considerations, qualitative factors are evaluated, including the selection of a domicile and the establishment of management or governance structures. Captives may be based onshore or offshore, with common domiciles including Vermont, Bermuda, and Utah. It is important to select a location with a stable regulatory environment, a strong reputation for supporting captives, and low operational costs. Additionally, appointing an experienced captive manager is critical to ensure smooth operations and effective risk oversight.

Finally, five-year financial projections are prepared to assess the captive's long-term viability. A PV analysis comparing Corner Basket's current insurance program to a potential captive is essential to determine the value a captive may add to operations. Together with the full

feasibility study, these realistic projections provide the foundation for determining whether a captive insurance program is the right strategy for Corner Basket.

Captive Start-Up and Implementation

After determining that forming a captive is feasible for Corner Basket, it is crucial to carefully plan and execute the implementation process. Implementing a captive involves several strategic steps that ensure regulatory compliance, operational effectiveness, and alignment with the company's risk management objectives.

The first major step is preparing and submitting the captive application, including the feasibility study, financial statements, and a detailed business plan. The plan should outline the company's organizational structure, coverages and policy terms, projected premiums and expected losses, and financial projections for a five-year period. It should also state whether a fronting company will be used and if reinsurance is necessary. Beyond supporting regulatory approval, this business plan provides a framework for the captive's ongoing operations and management.

Once the business plan is finalized, Corner Basket can advance to the operational steps required to establish the captive. Manuscript policy drafting develops the initial policies, clearly defining terms, conditions, coverages, and exclusions in accordance with regulatory requirements. The captive is then capitalized and funded to satisfy solvency standards and support anticipated underwriting activity. An initial board meeting is held to approve policies, appoint officers, and establish formal governance. Finally, the captive can begin writing business, assuming risk, and issuing policies to Corner Basket, while actively monitoring its performance and compliance.

Captive Structure and Coverages

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Given the scale of Corner Basket's operations, a single-parent (pure) captive offers the most effective structure. A pure captive is an insurance entity created to insure the risks of its parent company. This structure provides flexibility in policy design, oversight of underwriting and claims, and profit retention within the captive.

Establishing a pure captive requires significant capital investment, but the expected premiums generated by Corner Basket justify the initial cost. Most jurisdictions require a minimum of \$250,000 in capital for larger captives (Hobday & Stollmeyer, 2025). However, additional capital is typically needed to fund the captive to the 90th percentile, ensuring a low probability of underfunding in any given year. It is also important to consider regulatory requirements when selecting a domicile, as capitalization rules vary.

In certain cases, a fronting company may be necessary, as counterparties such as banks and landlords often require proof of A-rated, licensed insurance. The standard cost of a fronting insurer ranges from three to seven percent of the premium, representing an additional operational expense associated with managing the captive.

Coverages

When establishing a captive, the primary areas of focus should be achieving stability and operational simplicity, as well as selecting the optimal coverages. Starting with predictable, low-severity coverages is a practical approach. Corner Basket can purchase a large deductible policy for general liability and workers' compensation with a \$1 million deductible from a commercial insurer. The captive then issues a deductible reimbursement policy (for a premium) to the parent company and issues reimbursement for claims under the deductible. This ensures predictable cash flow while allowing additional coverages to be added in subsequent years.

General liability is well-suited for the captive due to high commercial market rates and limited coverage availability, which make adequate protection difficult to secure externally. Its long-tailed nature makes losses more predictable, supporting effective capital management. Coupled with a strong risk management program, captive general liability coverage would help Corner Basket mitigate risk, reduce costs from customer incidents, and cover liability exposures, with product recall available by endorsement.

Workers' compensation coverage is also a good fit for Corner Basket's captive. Claims tend to be high-frequency but low-severity, making losses predictable and ideal for retention through the deductible reimbursement policy (Ellington, 2019). This approach ensures costs remain stable over time, and robust employee safety programs can further reduce losses and associated costs.

In addition to these core coverages, the captive should include cyber insurance, given its growing importance and market volatility. The program should provide first-party coverage for data restoration and business interruption, and third-party coverage for regulatory fines, legal defense, and related liabilities. For example, operating as a gross line captive, it could retain up to \$10 million, with excess-of-loss reinsurance above that limit. This setup allows Corner Basket to manage its cyber exposures more efficiently, especially when paired with strong IT risk controls.

Future of Captive

During the first one-to-two years of operation, the captive should prioritize maintaining adequate capitalization. Program arrangements can then be refined using loss and claims data to ensure they continue to meet Corner Basket's insurance requirements. Additionally, Corner Basket should continue investing in its risk management programs, which work to minimize losses as the captive grows.

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If the captive remains well-capitalized and generates a surplus in its initial years, Corner Basket can consider expanding coverage. The first addition, ideally in year three, would be auto liability. As a statutorily required coverage, it can be structured similarly to the workers' compensation program, with the captive reimbursing the parent company under a deductible reimbursement plan.

After establishing a solid foundation for growth, Corner Basket can then explore opportunities to limit the level of retained risk within the captive. An aggregate stop-loss reinsurance policy would protect the company from financial or liquidity issues associated with high aggregate annual losses. This approach may prove especially useful in managing losses from high-frequency coverage lines included in the captive. With careful implementation and continual monitoring to support ongoing adjustments, Corner Basket can enhance the value of its captive and better support its long-term objectives.

Conclusion

Coupled with the current challenges in the commercial insurance market, Corner Basket's unique risk profile makes it well-suited to explore a captive insurance solution. A pure captive structure, including a deductible reimbursement program for workers' compensation and general liability, provides an effective way to manage employee injury and general liability risks. Similarly, a gross line program for cyber insurance complements the captive, offering tailored coverage for the company's specific exposures. Collectively, these strategies establish a resilient and cost-effective risk financing framework that enhances operational continuity and reinforces Corner Basket's long-term commitment to sustainable growth and community engagement.

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A portrait of Brian McNamara, a middle-aged man with short brown hair, wearing a dark suit, light blue shirt, and a patterned tie. He is looking directly at the camera with a serious expression. The background is a blurred bookshelf filled with books.

Take off the blinkers and play the long game

Brian McNamara, global head of captive solutions at Allianz Commercial, sits down with Elliot Hayes, reporter at Captive Insurance Times, for this month's instalment of the AKT Series: Alternative Knowledge Transfer, a dedicated knowledge-sharing platform where senior industry figures impart their career experiences and technical expertise to mentor and inspire the next generation of captive insurance leaders.

Image: Brian McNamara



Be open to absorbing knowledge, learn to communicate with people from different cultures, and invest your energy in learning everything you can from your daily interactions with colleagues in other countries.

Your career spans more than three decades in the insurance industry, through hard markets, soft markets, regulatory shifts, and fundamental changes in how risk is understood. Looking back across that journey, which transition was the most formative in shaping how you think about captives and risk today, and what did that experience teach you that no formal education ever could?

Brian McNamara: I do not think formal education can ever teach you what experience does.

Experience, by its nature, takes time. But if I had to point to one shift, it would be the move to data-driven underwriting and the use of technology to collect that data and apportion capital to risk.

That sounds like a very technological answer, but this shift, which has really accelerated over the past 10 to 15 years, has been fundamental to how we assess and price risk.

In the 1980s, many of us from the UK and Ireland came into this industry straight from high school without university degrees, and while that is still possible, some technical knowledge is helpful now given the way the industry has evolved.

Bermuda is where much of the captive industry's deepest institutional knowledge lives, and where many of the structures and practices that now define

the global market were first developed. Having spent your career at the centre of that, what did working in Bermuda specifically teach you about how captives actually function in practice?

McNamara: I would say that other domiciles also have a great deal of institutional knowledge and experience. Vermont, Cayman, and Arizona all have deep expertise, and the captive management professionals in those markets are equally proficient and supportive of their clients. But the structures and practices around captives began in Bermuda. That is in Bermuda's DNA.

What makes Bermuda different is that, in addition to being one of the world's largest captive domiciles, it is a huge reinsurance and insurance market. As of 2023, Bermuda was writing approximately US\$171 billion in gross written premium.

It is a one-stop shop where risk managers can access the capacity of the reinsurance and insurance markets on-island.

Twenty-five years ago, Bermuda was the preeminent captive market. In the 1980s and the early 1990s, captives were the foundation of the Bermuda insurance market. In the mid-1980s, the challenges with casualty capacity created the insurance market in Bermuda, and thereafter further growth was fuelled by major events: Hurricane Andrew, the World Trade Center, and Hurricanes Rita, Katrina, and Wilma, all of which attracted capital to the island.

Another very important factor is that the regulator, the Bermuda Monetary Authority, is one of the most reputable, knowledgeable, and efficient insurance regulators in the world.

Other markets have since followed the Bermuda captive model, and there is strong competition now, but Bermuda remains unique as a one-stop shop for risk managers and their captives.

The hard market pushed large multinationals to seek alternatives to traditional commercial coverage, and demand for captive solutions grew significantly as a result. From your vantage point in the fronting space, what did that shift actually look like in practice?

McNamara: Some of the largest captive managers are quoted as saying that they saw a huge increase in interest in captives in the early years of the last hard market, more than they had seen in the previous 20 years. In a hard market, organisations turn to captives and alternative structures.

In a soft market, it is cheaper to transfer risk commercially, so captive formation slows.

What we saw was a huge increase in feasibility studies conducted by brokers and consultants. Also, a significant number of cell captive structures were formed, alongside large independent captives.

Existing captives assumed additional lines of business and much higher retentions in an attempt to reduce the cost of risk because carrier premiums were so high.

We also saw growing interest from countries that were not traditionally oriented towards captives. It was something of a seismic shift, and it was accompanied by growth in alternative risk transfer (ART) structures. ART providers thrived.

Unbundled fronting, where the front retains no risk and cedes 100 per cent to the captive, has a longer history than many realise. What lessons from that history do you think the current generation of captive professionals is in danger of overlooking?

McNamara: I think that there is not enough consideration given to the fact that it can make sense to bifurcate capacity from fronting services. Traditionally, the lead market tends

to do the fronting, but you can separate those two elements of the transaction entirely and have a global fronting carrier handle the programme independently from the capacity provided by the panel behind the captive.

The market has been slow to recognise that. It is also possible to implement multi-line and multi-year programmes on an unbundled fronting basis.

Energy companies have been doing this for 50 to 60 years out of Bermuda. You can structure it in two ways: reinsure 100 per cent to the captive, and the captive then retrocedes to its panel; or cede to the captive its retention and separately cede to the panel of reinsurers beside the captive.

Not every company's philosophy allows for it. Some major carriers will not front without providing capacity. Others, including Allianz Commercial, will. I think there is a great deal of scope for doing more of this in the future.

Crafting a genuinely integrated multi-line, multi-year global programme is a very different discipline from assembling separate policy wordings. What is the intellectual process behind that kind of programme design?

McNamara: There is really only one company currently that can do multi-line, multi-year policies on a truly global basis, and that requires a particular internal structure.

You need a certain amount of internal authority/autonomy across various lines of business in order to construct a multi-line policy and replicate it in 60 to 80 countries.

Building a programme of this nature takes at least six months. It is not a case of taking separate wordings and stapling a cover page to them. The wording is crafted, accommodating the various lines of business with an aggregated policy limit and then a global aggregate across all policies.

That requires significant legal resource to ensure the coverage reflects what the risk manager and broker want, and that it complies with the regulatory requirements of every jurisdiction where the policy will be issued.

Credit exposure for the fronter is also of preeminent importance. You have to account for aggregate limits on each line, the overall policy aggregate, and the global programme aggregate.

What has your vantage point on the fronting side taught you about what captive owners and managers genuinely need from their fronting partners, and where does the relationship most commonly break down?

McNamara: My career has not been exclusively on the captive fronting side. It has spanned many facets of insurance.

If you are in the captive industry and specifically focused on it, I would advocate looking at the broader industry and not having blinkers on. The broader the experience you have, the better you can apply it to the captive market you work in.

As for what captive owners and managers need from us: above all, they need us to enable them to assume risk within their appetite from multiple countries in a compliant manner.

They also need contract certainty and the expeditious movement of premiums to the captive. Premiums are the lifeline of a captive programme.

Where it commonly breaks down is around managing expectations, particularly around the movement of cash. The insurance industry has made great strides technologically, but it still lags behind banking. I used to joke that I could put my card into an ATM in Buenos Aires and withdraw money from my Bermuda account, but could not tell a client in real time whether a million dollars of their premium had been paid to us in the same city.

The other area is cost transparency. There is sometimes a lack of understanding among risk managers about the actual costs of a fronting programme (cost of capital, cost of credit, and administrative costs), which can be significant. I think a number of carriers in the market do not actually know the real cost of what they are doing from a fronting point of view. They bury those costs in the underwriting income and do not necessarily get paid what they should for their cost of capital and credit risk. As an industry, we would benefit from explaining those component costs in greater detail.

For a younger professional who wants to work at the level of global unbundled fronting, where should they be investing their energy?

McNamara: Multinational global programmes, whether captives are involved or not, are a tremendous way of learning

the industry. You are dealing daily with different people in different countries, different cultures, different regulatory environments. The amount of information and benefit of experience you can get from that is second to none. I think some companies understate the value of it. It makes people very well rounded in their thinking about the insurance industry in general.

What I would say to young professionals is: be open to absorbing knowledge, learn to communicate with people from different cultures, and invest your energy in learning everything you can from your daily interactions with colleagues in other countries.

Learn about the insurance industries there, the regulations, and culturally, just absorb it. Working on these programmes is also a tremendous way of building connections and even friendships globally, and those relationships will sustain you through your career.

Relationships are the currency of the captive market, and trust built over years is rarely replaceable. Can you share an example of a relationship or mentor that significantly changed your direction?

McNamara: My father was a plumber, and one of the things he said to me before I started working was that most professions and trades are built on personal relationships. That has held true throughout my career. I have known people for many years in far-flung countries around the world, and it has been a privilege to work with them.

I worked for one global company for many years, and there were some tremendous industry professionals in that company, some of them almost household names. Being in Bermuda, I was fortunate to come into contact with many of them and to see the way they operated. My advice to anyone starting out would be to look for people within your company who inspire you, people who clearly have integrity, and to make meaningful professional connections with them.

The captive and multinational market is a relatively small group of people, and even though people are competitors, they know each other socially, they respect each other, and there is a great deal of learning that comes from being that closely knit. As more countries form captive legislation, that community is going to broaden, but the close nature of it has always been one of its real strengths.

“

A colleague of mine is often heard saying that ‘a puppy is for life, so is a captive’. Captives are a long-term play, and everyone needs to understand that.

Captive insurance has moved from the margins of risk management into the mainstream. What is the most important thing that emerging captive professionals need to understand about where the industry is heading?

McNamara: A colleague of mine is often heard saying that ‘a puppy is for life, so is a captive’. Captives are a long-term play, and everyone needs to understand that. Risk managers have gone from being considered as ‘insurance purchasers’ to sophisticated risk financing/risk management and capital allocation specialists. They now apply that level of sophistication to their captives. Captives are now assuming more esoteric coverages and playing increasingly important roles in their parents’ risk financing and capital strategies.

Young emerging professionals need to understand this development and the more complex and esoteric risks being placed in captives, particularly as we move through market cycles. Artificial intelligence (AI) is creating particular challenges around the assessment of risk, and it is also helping the assessment of risk, and it is phenomenal what it can do. My main advice would be to get to grips with artificial intelligence: its uses, its capabilities, and also the exposures it creates for captive managers’ clients.

I would also say the captive management industry has traditionally employed a lot of accountants, and I think it needs to think beyond that. You have some very powerful independent players now, independent from the alphabet house brokers, and I think there is a lot more competition and sophistication in that space than there was even 10 years ago.

If you could go back and give your younger self one piece of advice, what would it be?

McNamara: Facetiously, if you can count to ten, become an actuary! On a serious note, if you look at the Bermuda insurance industry in particular, many of the CEOs have actuarial backgrounds. Actuaries have stepped out from behind the desk over the past 20 years and assumed very senior roles within companies. ■

Get Involved: If you would like to participate in the new ‘Alternative Knowledge Transfer’ series, please contact our reporter:

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Industry Appointments



Phillips and Raybshteyn join Alvarez & Marsal Tax

Paul H. Phillips III and Mikhail Raybshteyn join Alvarez & Marsal Tax (A&M Tax) as managing directors within the firm's financial services markets channel. Based in Dallas and New York respectively, the duo joins the global professional services firm to enhance its captive insurance tax capabilities.

The appointments focus on connecting structuring, compliance and advisory services across the full lifecycle of a captive.

Ernesto Perez, global practice leader at A&M Tax, says: "Their experience enhances our captive insurance tax capabilities by connecting structuring and advisory across the full lifecycle. Paul and Mike add tremendous

expertise to our team as we continue to grow our capabilities in this space".

Phillips brings more than 33 years of accounting experience to the firm, specialising in taxation and strategic advisory for insurance companies. Most recently, he served as the Americas markets leader for insurance taxation at EY, where he was also the global tax leader for the firm's captive insurance network. Phillips has been recognised globally as a top executive in accounting and received the Distinguished Service Award from the Captive Insurance Companies Association (CICA).

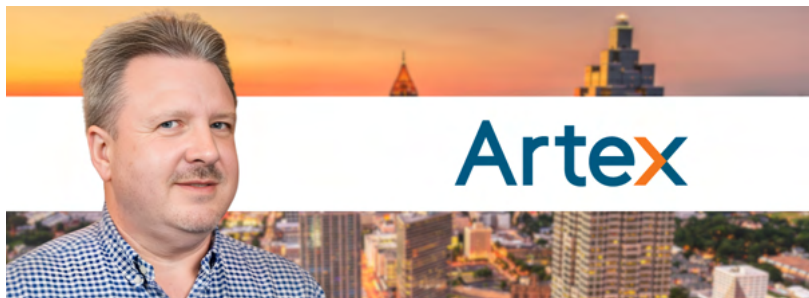
Commenting on his new role, Phillips says: "I'm excited to step into this next chapter at Alvarez & Marsal, where I will be focused on building and expanding insurance tax services. I am

energised to leverage my skills and drive results".

Raybshteyn joins A&M Tax with more than 22 years of experience in financial services tax. He previously served as a tax partner in EY's global insurance sector, holding leadership roles as the Americas captive insurance services co-leader and US Northeast InsurTech tax services leader.

In his new position, Raybshteyn provides tax planning, structuring, and regulatory guidance across traditional and emerging insurance markets.

Raybshteyn adds: "I'm proud to share this exciting news and truly grateful to be part of such a strong team. I'm excited to hit the ground running and contribute to meaningful work alongside this exceptional group". ■



Kelly joins Artex Risk Solutions as SVP, advisory and analytics

Aidan Kelly has joined Artex Risk Solutions as senior vice president of advisory and analytics.

Based in Atlanta, Kelly is responsible for providing expertise in the reinsurance and insurance-linked securities (ILS) marketplace to help clients reduce the total cost of risk and improve return on capital.

Commenting on the appointment, Kelly says: "I am pleased to announce that I have joined Artex Risk Solutions. I am delighted to re-join the captive and risk financing advisory sector and look forward to catching up soon".

Kelly has specialised in international insurance and captives for more than 20 years.

Prior to joining Artex, he was senior director of underwriting at Asurion, a role he held for more than four years. His career also includes a tenure at Aon, where he served as a director within the firm's risk finance and captive consulting (RFCC) practice. During

his time with the RFCC team, Kelly focused on developing unique solutions using alternative financing methods.

Kelly previously held the role of chief operations officer and compliance officer for the Willis Towers Watson global captive practice. In this role, he was responsible for the operational delivery of client services and ensuring a compliance culture across the firm's global captive operations. Earlier in his career, Kelly was a director of Willis captive management in the Isle of Man and a property facultative underwriter for QBE Reinsurance (Europe).

He is a past president and member of the governing board of the International Center for Captive Insurance Education (ICCIE).

He has been involved with ICCIE committees since 2014 and serves as an instructor for the core course 'Protecting the Captive: Reinsurance and other Transfer Mechanisms'. Kelly holds the Associate in Risk Management (ARM) and Associate in Captive Insurance (ACI) designations and is a fellow of ICCIE. ■

Doughty joins Strategic Risk Solutions as senior account manager

Strategic Risk Solutions (SRS) appoints Morgan Doughty as senior account manager.

Based in Charlotte, North Carolina, Doughty joins the independent insurance management firm from Aon, where she serves as an account executive within the captive and insurance management team.

During her tenure at Aon, she led financial reporting for client accounts and acted as the primary contact for various departments to ensure quality and timeliness in financial reporting and regulatory requirements.

Doughty brings extensive captive management experience to the role, having previously spent more than seven years at Atlas Insurance Management.

At Atlas, she held several positions including senior manager and senior finance account manager.

Earlier in her career, she served as an assurance resource senior associate at PricewaterhouseCoopers.

In addition to her corporate roles, Doughty is an active member of the captive community, previously serving as a board member and secretary for the North Carolina Captive Insurance Association (NCCIA).

SRS is the world's largest independent insurance company manager, supporting more than 1,300 insurance entities globally.

The firm provides financial reporting, regulatory compliance and underwriting management services to captive insurance companies across all major onshore and offshore domiciles. ■



Paul Carleton
Executive Vice President,
Chief Client Officer
Brookfield, WI



John Lapreay
Senior Vice President,
Business Development
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Chris Weber
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Business Development
Chicago, IL

Carleton, Lapreay, and Weber promoted at Old Republic

Old Republic Risk Management (ORRM) has announced several leadership updates, including the promotions of Paul Carleton, John Lapreay and Chris Weber.

Paul Carleton takes on additional responsibilities as executive vice president and chief client officer, reflecting an increased focus on client strategy. Carleton previously served as executive vice president of business development. With more than 17 years at the firm, he specialises in large retention primary casualty and affinity captive programmes for Fortune 1000 companies. Prior to ORRM, he was a managing director at Marsh.

In further updates, John Lapreay and Chris Weber are promoted to senior vice president of business development. In these new

positions, Lapreay and Weber will drive business development and lead initiatives to strengthen growth.

Lapreay, based in New York, joined the firm in 2016 and is responsible for producing and underwriting national account clients. He previously spent 24 years at Marsh and began his career as an actuarial analyst at Deloitte.

Weber, based in Chicago, specialises in casualty insurance and group captive programmes.

His industry background includes tenure as a managing director at Marsh and vice president at Benfield, alongside underwriting roles at General Reinsurance Corporation and AIG. ORRM provides primary casualty risk management solutions to large corporate clients and captives across North America. ■

Raza joins RH CPAs as supervisory senior auditor

RH CPAs, PLLC appoints Ahmed Raza as a supervisory senior auditor in the firm's Karachi, Pakistan office.

In his new role, Raza takes on auditing and assurance responsibilities within the firm's international team. Raza joins the accounting, tax and advisory firm from Naveena Steel, where he served as senior manager of finance since November 2024.

He brings more than 10 years of experience in financial planning, commercial finance, quality assurance and auditing to the position. Raza previously spent over three years as a senior auditor at Deloitte. His professional background also includes finance management positions at Dawood Engineering (Pvt.) Limited.

Raza holds a Chartered Accountant degree from the Institute of Chartered Accountants of Pakistan (ICAP). He is also a member of the Association of Chartered Certified Accountants (ACCA).

RH CPAs specialises in the captive insurance industry, providing audit, tax and consulting services for risk retention groups, small captives and large life insurers. The firm's expertise covers statutory accounting, generally accepted accounting principles (GAAP) and international financial reporting standards (IFRS).

The appointment follows continued expansion for the firm's Karachi office, which serves as an international hub for its global audit and tax operations. Leon L. Rives II, chief visionary officer at RH CPAs, has previously noted that the firm is "deeply committed" to growing its teams in both domestic and international offices to build a "deep bench of talent". ■



Powell promoted to executive vice president at Aon

Aon has promoted Jessica Powell to the role of executive vice president within its Cayman captive and reinsurance management team. Powell, who possesses 15 years of captive insurance experience, holds deep specialist expertise in the healthcare captive space.

In her new capacity, Powell is responsible for the oversight and delivery of comprehensive management services to a portfolio of offshore captive insurance companies. Commenting on the appointment, the firm says: "Jessica is a highly trusted client advisor and we look forward to her continued leadership and impact in this new role."

Prior to this promotion, Powell served as senior vice president at Aon in the Cayman Islands, a position she had held since July 2023. Her career with the firm spans 15 years, during which she

held several senior leadership roles including vice president and assistant vice president. She has contributed to various internal committees to encourage best practices and assist with change management through collaborative communication.

Powell's tenure with Aon began in 2011 as an account manager, in which capacity she managed all aspects of captive operations, including financial reporting and regulatory compliance. Before entering the insurance industry, Powell completed a human resources internship at HSBC.

Powell holds a Bachelor of Business Administration in international finance and marketing from the University of Miami. She also earned an International MBA in international business from Temple University, a programme involving study in Philadelphia, Paris, and Singapore, and holds an IMBA from the École des Ponts Business School. ■



Ammirato rejoins Brown & Brown as senior captive consultant

Allison Ammirato has rejoined Brown & Brown as a senior captive consultant within the firm's alternative risk and captives team.

Ammirato returns to the firm following a tenure at Luzern Risk, where she served as a client advisor. She previously spent six years at Beecher Carlson, a Brown & Brown company, where she held several accounting positions, including senior accountant.

Commenting on her return, Ammirato says: "Coming back feels like a homecoming, but I'm returning with a much larger toolkit. My time at Luzern Risk was a masterclass in versatility. I'm ready to dive back in at Brown & Brown and apply these lessons to the road ahead".

In her new role, Ammirato supports a division that provides alternative risk consulting, financial reporting, and regulatory representation. The team also specialises in captive feasibility studies, audit support, and brokerage analytics. Ammirato is a graduate of Union College, where she earned a Bachelor of Science in mathematics.

Headquartered in Florida, Brown & Brown offers insurance and reinsurance products alongside risk management and captive services through its global network. ■



MARSH



Geraghty promoted to managing director at Marsh

Marsh promotes Robert Geraghty to managing director, international sales and consulting leader of captive solutions.

Based in London, Geraghty leads the sales and consulting team across the international region, driving growth and business development within consulting and management across domiciles in Europe, the Middle East and Africa (EMEA), and Asia Pacific. He also serves as a member of the Marsh captive global executive committee.

Commenting on his promotion, Geraghty says: “I am proud to share that I have been promoted to managing director. Nearly 15 years ago, I moved from Ireland to London with two suitcases, some experience, a lot of ambition, determination, and drive. Since then, it has been a real journey, including invaluable time spent working in Bermuda.

I am happy to reach this milestone and excited for what is ahead!”

Geraghty has been with the firm for nearly 15 years. Prior to this promotion, he served as senior vice president and international sales and consulting leader for captive solutions, a role he held from March 2024.

With extensive experience across the full spectrum of captive services, Geraghty has assisted clients with insurance company formation, structure, and strategy. Throughout his career, he has been based in several key domiciles, including London, Bermuda, Ireland, and Gibraltar.

Before joining Marsh, Geraghty spent three years as an insurance analyst at Aon Risk Solutions, where he managed complex captive insurance companies for multinational clients in Dublin and Gibraltar. In 2022, he received the Marsh CEO award for extraordinary work. ■

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