

A portrait of Dr. Wong Wan Zhen, a woman with long brown hair, wearing a black blazer over a white striped shirt. She is smiling and has her arms crossed. The background is a blurred outdoor scene with greenery and a building.

## Structuring beyond the captive: The strategic use of Labuan PCCs

The captive conversation has shifted from whether to form one to how best to structure it. Dr Wong Wan Zhen of BBS Trust International Limited makes the case for Labuan's PCC framework

### Market Cycles

Luke Renz on how a hard market is the captive industry's best salesperson, and its biggest test

### Emerging Risk

Michelle Bradley and Enoch Starnes on pricing and reserving for risks the market has barely begun to measure

### Tax Elections

TJ Strickland on what regulators, auditors, and the IRS really look for beyond the elections

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## Aon reports record US\$790bn reinsurance capital at midyear renewals

Aon reports that record levels of reinsurance capital are creating greater flexibility for insurers, in its Reinsurance Market Dynamics Midyear 2026 Renewal Report.

Global reinsurance capital reaches a record US\$790 billion as of 31 March 2026, largely driven by continued growth in alternative capital. Aon says capacity is plentiful and more than adequate to meet increased demand, particularly in the US, while insurers in Latin America and Australia and New Zealand also benefit from fewer constraints and ample capacity for placements.

Across the 1 June and 1 July 2026 reinsurance renewals, insurers achieve double-digit pricing reductions and improved terms and conditions on their property catastrophe reinsurance placements. Global reinsurance demand increases by more than 10 per cent, driven by expanded reinsurer

product offerings and stronger appetite from US insurers to purchase additional protection at the top of programmes.

George Attard, chief strategy officer, reinsurance at Aon, says: “A stable, well-capitalised and competitive reinsurance market provides insurers with an opportunity to align capital more closely with their risk strategies while using analytics and insight to support long-term growth.”

The report says the midyear renewals demonstrate a continued shift towards more customised and creative reinsurance solutions. Investments in data quality, analytics and artificial intelligence are helping expand capacity and strengthen reinsurer confidence.

Reinsurers are more open to flexible structures and expanded products, including aggregate covers and earnings protection.

Reinsurers’ underwriting results remain strong, with an average first quarter return on equity of 14.1 per

cent, well above the average cost of equity. With a strong El Niño weather pattern expected to suppress Atlantic hurricane activity in 2026, Aon says most reinsurers are well placed to comfortably exceed their cost of capital this year.

Alfonso Valera, international chief executive officer, reinsurance at Aon, says: “As the industry navigates geopolitical uncertainty, evolving exposures and shifting market cycles, insurers will need to remain agile as they assess emerging risks.”

Aon says the ongoing conflict in the Middle East has no direct effect on midyear renewals; however, specialty coverages including marine, war, terrorism and political violence remain directly exposed, with any changes more likely to emerge at January renewals.

If loss activity remains within expectations, Aon expects reinsurers to provide greater flexibility in structures, coverage and retentions heading into 2027. ■



### Redion launches direct cross-border employee benefits business

Redion launches its direct cross-border employee benefits solutions business, establishing a direct insurance model to write cross-border group life and disability schemes through Assicurazioni Generali, Luxembourg Branch.

The business complements Redion Employee Benefits' established strengths in multinational pooling, captive

reinsurance and local market expertise, extending its existing global network model into direct cross-border insurance.

It strengthens the group's ability to support multinational employers with expat and mobile employees across the pan-European area.

Assicurazioni Generali, Luxembourg Branch acts as the insurance carrier for the solution, supported by the Generali Group balance sheet and a dedicated servicing team.

The cross-border business is set to become effective from 1 January 2027, with regulatory notification and approval steps underway.

Antoine Parisi, CEO of Redion Group, says the business is "an important step towards our vision to be the world's premier care partner".

Wendy Liu, CEO of global benefits and partnerships at Redion, says Cross-Border Solutions "connects multinational employers with the right insurance capabilities through a governance model they can trust", strengthening the connection with Redion's global employee benefits network. Ludovic Bayard, CEO of Redion Employee Benefits, says the launch "reflects our belief that customer focus, contractual simplicity and operational excellence must go hand in hand", and is designed as a stronger platform for the future. ■

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### Sage Advisory crosses US\$30bn as captives drive insurance growth

Sage Advisory Services has crossed the US\$30 billion mark in assets under management, with the captive insurance space driving its growth in the insurance sector over the past decade.

The Austin, Texas-based investment manager, which is marking 30 years in business, says insurance now represents its largest corporate line of business, with expansion powered by the alternative risk transfer and captive space.

Sage says it draws on 30 years of experience managing investment portfolios for the captive industry, positioning it to assist captive managers, risk consultants and boards of directors at every stage of a captive's life cycle, whether de novo, reserve or mature.

Sage's risk management process spans corporate governance, enterprise-wide initiatives and portfolio management. Looking ahead, Sage is entering the insurance-linked securities (ILS) market through a partnership with a Bermuda-based ILS manager, responding to captive client inquiries on alternative products and seeking returns lightly correlated to financial markets.

The commentary was authored by Gregory Cobb, director of insurance solutions at Sage Advisory. ■

### Higginbotham enters South Carolina through Turbeville deal

Higginbotham, an employee-owned insurance and financial services company headquartered in Texas, joins forces with Turbeville Insurance Agency, a Columbia, South Carolina-based independent brokerage with four offices across the state.

The move marks Higginbotham's first presence in South Carolina, one of the fastest-growing US states, and aligns it with one of the state's largest independent firms.

Turbeville was established in 1991 by William L. "Bill" Turbeville Jr. The firm has grown to more than 60 employees, with offices in Columbia, Lexington, Beaufort and Charleston, serving personal, commercial, life, health, and employee benefits clients. It holds specialised experience in coastal property, construction, contractors, developers, restaurants and other industries.

Clients will continue working with their local teams while gaining access to Higginbotham's expanded resources, including Day Two Services, claims advocacy, contract review, loss control support and specialty market capabilities in areas such as trucking and aviation.

Rusty Reid, chairman and CEO of Higginbotham, says: "A South Carolina presence has been our goal for a long time, and we didn't want to tiptoe into it. Bill Turbeville and his team have built one of the state's most respected independent firms, and they did it by staying close to their clients."

Turbeville says the decision came down to fit and to Higginbotham's employee-ownership model, which gives staff a path to share in the value they help create. "Our clients aren't losing the agency they know. They're getting the same team, with a lot more behind them." ■

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Monetary Authority  
of Singapore



### **MAS consults on protected cell company framework for alternative risk transfer**

The Monetary Authority of Singapore (MAS) issues a consultation paper proposing a legislative framework for a new protected cell company (PCC) corporate structure, aimed at supporting the growth of alternative risk transfer solutions and deepening Singapore's role as a risk management hub.

A PCC operates as a single legal entity comprising a central core and one or more separate cells.

The assets and liabilities of each cell are legally segregated from those of other cells and the core, allowing multiple insurance solutions to be managed independently within a single PCC while the core provides centralised governance. MAS says this is a more cost-effective structure than the current requirement to establish individual legal entities, such as special purpose vehicles, to ringfence capital for each risk programme.

The framework is designed to support three insurance use cases at the outset: captive insurance, insurance-linked securities (ILS) and sovereign risk pools.

For captive insurance, MAS says companies can establish dedicated captives managing multiple self-insuring programmes through separate cells, or participate in rent-a-captive solutions that use a segregated cell within a shared captive facility. MAS says this reduces setup and operating costs and increases the accessibility of captive solutions that would otherwise be commercially unviable, particularly for smaller firms.

For ILS, insurers can tap the capital markets to secure additional risk-bearing capacity by issuing instruments through separate cells without establishing a new special purpose vehicle for each transaction, enabling faster execution and lower issuance costs for structures such as sidecars and collateralised reinsurance.

For sovereign risk pools, PCCs can support facilities that pool risks across

multiple countries or participants, such as disaster risk financing initiatives.

MAS positions the framework against a backdrop of rising and increasingly complex risk. It notes that Asia remains significantly underinsured, citing Swiss Re Institute figures that natural disasters caused about US\$65 billion in economic losses across Asia in 2025, more than 90 per cent of which were uninsured.

George Ong, regional director for captive insurance at Aon, welcomes the proposal, saying it "has the potential to be a major advancement for Singapore's insurance and risk-financing landscape". Ong says Aon expects demand from small and mid-size corporates, larger corporates and ILS sponsors, and identifies the legal segregation of assets and liabilities between cells as a key strength.

The consultation follows an announcement by Gan Kim Yong, deputy prime minister and minister for trade and industry and chairman of MAS, at the Association of Banks in Singapore on 25 June. The closing date is 7 August. ■

### HDI Global maps climate risk at Tokyo's Ueno Park in Iconic Landmarks study

HDI Global publishes a physical climate risk assessment of Tokyo's Ueno Park, using the analysis to illustrate the insurance implications of extreme heat and heavy rainfall for densely populated cities.

The study is carried out by HDI Risk Consulting, a wholly owned subsidiary of the corporate and specialty insurer, as part of HDI Global's Iconic Landmarks series.

It draws on EarthScan datasets and the firm's ARGOS 4.0 tool to visualise climate risks, evaluate their potential impacts and identify response measures.

Ueno Park, one of Japan's five oldest public parks, attracts around two million visitors a year during cherry blossom season. Under a business-as-usual scenario, heatwaves in Tokyo could lengthen by more than two weeks on average by 2050, from 6.94 days a year in 1970 to around 21.28 days.

The assessment also flags rising risks from heavy rainfall and localised "guerrilla rainstorms" that can disrupt transport, supply chains and business continuity.

"Our goal is to identify climate risks with precise spatial accuracy," says Lars Regner, head of resilience services at HDI Risk Consulting. "Ueno Park shows that local changes are part of broader climatic developments affecting entire cities."

Johanna Rohrer, risk analyst for natural hazards at HDI Risk Consulting, says the urban heat island effect acts as a systemic risk factor in dense cities.

Extreme heat reduces worker productivity, increases energy demand for cooling and poses a serious public health risk, while business interruption and supply chain threats are rising.

The firm notes that the insurance sector has adapted to these pressures, with climate-related risks modelled in greater detail and factored into risk analyses and pricing. Its analysis sets out optimisation measures for urban planning including cooling corridors, sponge city elements and embedding heat as an economic risk factor. ■

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### **NACHC partners with ClearPoint Health to expand captive-backed health plans for community health centres**

The National Association of Community Health Centers (NACHC) partners with ClearPoint Health, a performance-based captive platform, to expand access to employer-sponsored health plan options for community health centres (CHCs) across the US.

Under the partnership, ClearPoint Health serves as the benefits solution partner for NACHC Cares, a new programme designed to give CHCs access to flexible, customisable employer-sponsored health plan solutions tailored to each centre's workforce. NACHC members comprise a CHC workforce of 330,000 across 1,512 health centres at more than

17,000 sites, providing care to 52 million patients.

Through the programme, CHCs gain access to national carrier and network solutions, funding solutions, clinical risk management programmes, employee advocacy resources, dedicated benefits concierge support, and performance reporting tools.

ClearPoint Health's ClearChoice Health Plans connect employer members to captive management, clinical oversight and plan performance reporting.

Kyu Rhee, president and CEO of NACHC, says: "Community Health Centers provide high-quality, affordable, patient-governed primary and preventive care embedded in the communities they serve, while also building strong, sustainable

benefits programmes for their own workforce. ClearPoint Health brings the infrastructure and expertise to make that possible across health centers of every size."

Jeb Dunkelberger, CEO of ClearPoint Health, says: "By bringing together Community Health Centers from across the nation, we have an opportunity to build one of the largest mission-aligned employer health platforms in America.

Together, NACHC and ClearPoint are meeting each provider organisation where they are, building a customisable benefits package aligned with their workforce, goals and long-term needs."

ClearPoint Health, based in West Palm Beach, Florida, is a performance-based captive platform and alternative funding marketplace for mid-sized employers. ■



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### PARIMA crowns Kritika Bajaj winner of Mumbai Next-Gen Risk Takers Challenge

The Pan-Asia Risk and Insurance Management Association (PARIMA) concludes the Mumbai edition of its Next-Gen Risk Takers Challenge, naming Kritika Bajaj of Cube Highways Transportation Assets and Advisors as the winner.

The challenge is a speaking competition created to give emerging risk professionals a platform to share their insights and experiences with a live audience.

Eight risk professionals applied to take part, with three finalists selected to compete in the final.

Each finalist delivered a 15-minute presentation followed by a live question and answer session, fielding questions from the audience and a panel of judges. The format tested entrants on their knowledge of risk management as well as their ability to communicate under pressure.

Alongside Bajaj, the finalists were Bhaumik Pandya, global manager for sustainability and ESG at DKSH Holding, and Poonam B. Gilani, head of group insurance at Airtel.

Bajaj says: "I am honoured to have won this challenge, and I would encourage others not to hesitate to share their stories — not just to win, but to collaborate with and learn from fellow risk professionals as well."

The challenge is supported by QBE Asia as title sponsor. Ronak Shah, CEO of wholesale markets Asia at QBE Asia, says QBE is "proud to support initiatives like the Next-Gen Risk Takers Challenge, which help nurture future leaders and showcase the depth of expertise in the market".

PARIMA confirms the challenge will continue across Asia in 2026, with editions in Penang on 6 August and Beijing on 17 September. Winners of each stop receive a subsidised trip to the inaugural grand final on 14 October 2026 in Singapore. ■

### 831(b) Institute marks third anniversary

The 831(b) Institute marks its third anniversary on National Insurance Day, 28 June, citing three years of education and advocacy within the 831(b) micro-captive insurance industry.

Founded in 2023, the Institute was established to educate business owners and industry professionals about 831(b) micro-captives and their role in helping small and mid-sized businesses manage unforeseen risks.

The Institute has built a nationwide grassroots network focused on protecting and improving micro-captive insurance. It has secured national accreditation and local accreditations in Idaho, Utah and Colorado from the National Association of Insurance Commissioners (NAIC), enabling it to offer continuing education (CE/CPE) credits.

The Institute says these accreditations have strengthened its educational outreach, helping captive managers, small business owners and CPAs better understand 831(b) micro-captive insurance, enterprise risk management and compliance expectations.

Dustin Carlson, president of the 831(b) Institute, says: "As we mark our third anniversary on National Insurance Day, we are proud of the progress the Institute has made in advancing education and advocacy around 831(b) micro-captive insurance."

This milestone reflects the growing need for risk management education and the importance of helping business owners better understand the tools available to protect their businesses."

Carlson adds that at a time of mainstream insurance crisis and growing regulatory uncertainty, the Institute remains committed to advancing advocacy for common-sense reform. ■

### Howden Re opens Ireland office with Carpenter appointment

Howden Re establishes a new office in Ireland, expanding its European footprint and strengthening its ability to support clients across the country's managing general agent (MGA) and captive segments, alongside the domestic insurance market. David Carpenter is appointed director, Howden Re Ireland.

Based in Dublin, Carpenter brings more than 20 years of experience in reinsurance and broking across Dublin, London, and international markets, most recently at McGill and Partners. He holds an MSc in Insurance and Risk Management and is a Fellow of the Chartered Insurance Institute. Carpenter is tasked with building

a local team to deliver reinsurance solutions for Irish insurers, MGAs, and captives, delivered through Howden Re's data-led reinsurance, analytics and capital advisory capabilities.

Ireland is the fourth-largest insurance market in the EU, generating more than €100 billion in annual premiums. As the only English-speaking EU member, it serves as a bridge between the EU and the US, and is becoming a strategic hub for global risk capital as international insurers shift underwriting and reinsurance functions to the country.

Matthew Westerman, managing director, Howden Re International, UK&I, says: "Ireland is an important market for our clients, particularly across the domestic

insurance space, but also for global clients with complementary Irish portfolios and the MGA and captive segments where demand for specialist reinsurance continues to grow."

Carpenter says: "Our focus is to provide clear, practical reinsurance advice that helps clients connect capital to risk more effectively. Domestic and international insurers operating in this market, MGAs and captives deserve locally based reinsurance advice."

Sebastian Cook, deputy CEO, Howden Re International, says Ireland's role in the European reinsurance landscape has evolved quickly, with Howden Re building on the work of retail colleagues who have established a trusted brand across Ireland. ■



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### **Pinnacle expands captive actuarial reach in Bermuda and Canada**

Pinnacle Actuarial Resources, Inc. acquires Bermuda-based Ordinance Holdings Limited and the renewal rights for clients of Canadian firm Grape Bay Actuarial Consulting Inc., effective 30 June 2026.

Ordinance, based in Hamilton, Bermuda, provides actuarial consulting services to insurance, reinsurance, captive insurance, and segregated accounts companies.

Grape Bay is an actuarial consulting firm serving insurance, reinsurance, and captive insurance companies, professional associations and other businesses in Canada.

Julie Perron, president of both Ordinance and Grape Bay, joins Pinnacle as an independent contractor. She continues to serve former Ordinance and Grape Bay clients and remains based in Canada. Grape Bay clients move under Pinnacle Actuarial Resources of Canada, the firm's subsidiary established to coordinate its strategy in that market.

Roosevelt Mosley, managing principal at Pinnacle, says: "Pinnacle is pleased to announce this key strategic acquisition, and we look forward to working with Julie."

He adds: "This acquisition of Ordinance and clients of Grape Bay will increase Pinnacle's international presence and enhance the services we provide our clients in Bermuda and Canada. It will also expand and deepen the expertise, market knowledge, capabilities, and scale of service for clients of Ordinance and Grape Bay."

Perron brings more than 25 years of experience as an actuary, with expertise in captive insurance, loss reserving, pricing, and structuring of reinsurance programmes. She is a Fellow of the Canadian Institute of Actuaries (FCIA), a Fellow of the Casualty Actuarial Society (FCAS) and a Member of the American Academy of Actuaries (MAAA).

Mosley says: "Julie will bring a wealth of international knowledge and experience to our firm. We're looking forward to bringing her expertise, knowledge, and skills to bear on behalf of our clients in all markets we serve."

Pinnacle holds a substantial presence in the Bermuda insurance market, including a leading position as an actuarial advisor to numerous captive insurance companies.

Robert Walling, Pinnacle principal and consulting actuary and a leader for the firm in the Bermuda market, says: "The global property and casualty insurance industry continues to grow, and this acquisition will strengthen Pinnacle's position for captive insurance, traditional insurance, and reinsurance in two key regions."

He adds: "It is an exciting acquisition that increases our firm's international footprint and positions Pinnacle to continue to deliver best-in-class consulting services and actuarial expertise throughout Bermuda and Canada."

Pinnacle is an independent, full-service actuarial firm focused on the property and casualty insurance industry. Headquartered in Bloomington, Illinois, the firm has offices in Atlanta, Chicago, and San Francisco. It is owned by its professional staff and ranks among the largest independent property and casualty actuarial firms in the US. ■

# 2026 CAPTIVE INSURANCE SYMPOSIUM

October 22, 2026 | 8:00am - 3:00pm | Gainey Ranch Golf Club, Scottsdale, AZ





### FERMA elects five new board members at General Assembly

The Federation of European Risk Management Associations (FERMA) elects five new members to its board at its General Assembly in Brussels.

Those elected are Sonia Cambier, head of corporate insurance and prevention at Solvay; Sharon Cilia Tortell, chief risk and sustainability officer at Steadfast Insurance Partners; Gabriella Fraire, chief executive

officer of Prysmian Riassicurazioni; Panu Haapaniemi, director of risk management at UPM; and Richard Hoult, vice president of risk, audit and compliance at Synthomer.

Philippe Cotelte, president of FERMA, uses his address to reinforce the federation's Together Stronger vision, a commitment to building a more resilient European risk management community by strengthening connections between national associations.

Cotelte says: "Together Stronger is our commitment to building a more resilient European risk management community by strengthening connections between our national associations, fostering greater collaboration and creating more opportunities for everyone to contribute."

He points to recent initiatives engaging national associations across Europe, including the inaugural Presidents' Workshop and the Next Generation European Risk Council, and references Open Sesame, a project supporting new approaches to financing climate adaptation.

Commenting on the election, Cotelte says: "Our Board represents an outstanding combination of expertise, leadership and experience across the risk management sector. Their collective insight and commitment enable us to shape the future of the profession, amplify the voices of our member associations and champion the value of risk management across Europe and on the international stage. ■

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### **PRA sets out plans for UK captive regime ahead of summer consultation**

The Prudential Regulation Authority (PRA) sets out its plans for a bespoke UK captive insurance regime, confirming that it expects to issue a consultation paper in summer 2026 and for the regime to go live in mid-2027.

Shoib Khan, director of insurance supervision at the PRA, outlines the approach in a speech to the Airmic annual conference in Birmingham, framing the ambition as an onshore pivot that would see captives choose the UK as a competitive and credible home.

The PRA gained the powers to amend the relevant rules in its rulebook in 2025, giving it the means to create a bespoke regime. Following HM Treasury consultation papers and a series of Subject Expert Groups (SEGs) held with the Financial Conduct

Authority (FCA), the scope of what UK captives might do has expanded.

Khan says captives have the potential to advance the PRA's primary and secondary objectives as risk-financing and risk-management tools that can help share risk, match capital more closely to risk and bridge protection gaps where commercial insurance capacity is constrained. Khan adds that captives can act as incubators for emerging and hard-to-place risks, including supply-chain disruption.

Khan acknowledges the need to monitor risks to policyholder protection, particularly where captives expand beyond their original purpose to write business outside their own group.

Khan says: "We want a regime which is clear, transparent and easy to navigate for firms."

The SEGs discussed moving away from Solvency II-based minimum capital

requirements towards a simple, factor-based approach for captives. The groups also explored proportionate regulatory reporting and preferred transparent authorisation processes.

Khan confirms that the regime will continue to develop, noting HM Treasury's commitment to legislate for Protected Cell Companies (PCCs) to conduct insurance business. The PRA intends to consult on incorporating PCCs once the necessary legislation is in place.

The PRA expects the regime to go live in mid-2027, and says it wants to work with industry and potential captive owners to support a pipeline of applicants between now and implementation.

Khan says: "If we get the framework right, and if we work together to make the regime a success, then, like the World Cup, it is coming home. Captives are coming home." ■

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### Willis expands CyMax cyber facility for EMEA SMEs and mid-market

Willis, a WTW business, expands its CyMax Facility, a primary and excess cyber facility for small and medium-sized enterprises (SMEs) and mid-market companies across EMEA, in partnership with insurers AXA XL, Beazley, HDI Global and Markel.

Building on its previous Continental Europe facility, the renewed offering provides broader access, higher limits and faster execution for eligible companies.

It covers exposures ranging from data breaches and ransomware to supply chain risks, and supports clients through crisis management and incident response. It also provides financial protection for business interruption and supply chain losses, alongside cover for social engineering, telephone hacking and invoice manipulation.

The facility moves from a single-insurer model to panel-based capacity, supporting broader insurer participation.

It uses a one-page cyber application form and a short eligibility questionnaire of six to eight underwriting questions, alongside pre-agreed pricing grids to reduce back-and-forth with insurers. Eligibility covers companies with turnover up to €500 million or the equivalent in Swiss francs, with established security controls and access also available for businesses with partially implemented controls.

Clients benefit from WTW's EMEA CyCore Primary and Excess wordings, aligned with GDPR, NIS2 and DORA, with coverages including cyber incident response, business interruption, cyber theft and reputation harm.

Brian Vosloh, head of cyber EMEA at Willis, says: "As cyber risks continue to grow in complexity, SMEs and mid-market companies need cyber insurance solutions that are easier to access, quicker to place and better aligned to their evolving exposures. Willis' expanded CyMax Facility gives clients broader access to capacity, higher limits and a faster, simpler route to cyber insurance. ■

### GUY CARPENTER A MARSH BUSINESS

### Guy Carpenter combines UK property and casualty and London Europe teams

Guy Carpenter is uniting its UK property and casualty and London Europe teams under a single leadership structure, effective 1 January 2027, in a move it says will give clients more seamless access to broking, claims, analytics and advisory expertise across Europe.

The reinsurance specialist, a business of Marsh, appoints Leon Janeke to lead the combined team. Janeke previously led the London Europe team for three years. In his role he reports to Paul Moody, UK CEO, and Julian Enoizi, Europe CEO, at Guy Carpenter.

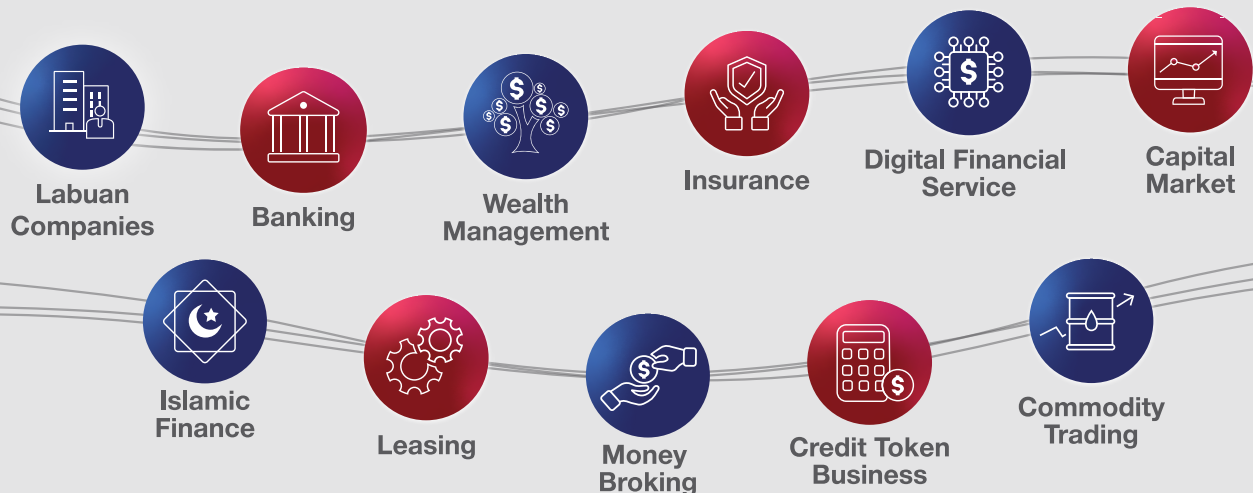
Dean Jenner is appointed chairman of the combined team. Jenner, who has 41 years of industry experience and six years at Guy Carpenter, was instrumental in establishing the firm's position in UK property and will focus on developing the talent pipeline, resolving complex client challenges and identifying emerging growth opportunities. Jenner reports to Moody.

Moody says: "By combining these teams under Leon's leadership and Dean's strategic guidance, we're creating a UK Property and Casualty and London Europe team that brings together deep market expertise, integrated client capabilities and a clear growth agenda."

Enoizi adds: "London is a critical hub for our European franchise. Bringing together our UK Property and Casualty and London Europe teams creates a centre of expertise and client relationships that strengthens our competitive position across the continent. ■

# Labuan International Business and Financial Centre (Labuan IBFC)

- An international business and financial centre set up by Malaysia in 1990
- Marketed by Labuan IBFC Inc. the official promotional and marketing agency for Labuan IBFC
- Regulated by Labuan Financial Services Authority, a statutory body under the Ministry of Finance, Malaysia
- A tax-efficient substance enabling jurisdiction that offers a wide array of business including:



- Well-balanced legal and regulatory framework
- Adheres to Malaysia's AMLCFT requirements and international standards

## Tax Structure

- Income from Labuan trading activities (as defined) taxed at 3% of net audited profits
- Non-trading income (e.g. from investment holding activities) is not taxed
- Clear and prescribed substance requirements based on business activities
- Fiscal regime is perpetual, not time bound

## Other Benefits

- Exemption from withholding tax on dividends, interest, royalties, service fees and lease payments to non-residents
- Exemption on stamp duty
- Access to most of Malaysia's 70+ double taxation agreements\*
- 100% foreign ownership is allowed
- Access to live in Malaysia

\* Labuan entities enjoy the benefits of most of Malaysia's tax treaties, but certain treaties have specifically excluded Labuan entities from treaty benefits

# Structuring beyond the captive: The strategic use of Labuan PCCs

The captive conversation has moved on from whether to form one to how best to structure it. Dr Wong Wan Zhen, Executive Director cum Principal Officer at BBS Trust International Limited, makes the case for Labuan's protected cell company framework as the logical next step in captive design

**Dr Wong Wan Zhen**

Executive Director cum Principal Officer

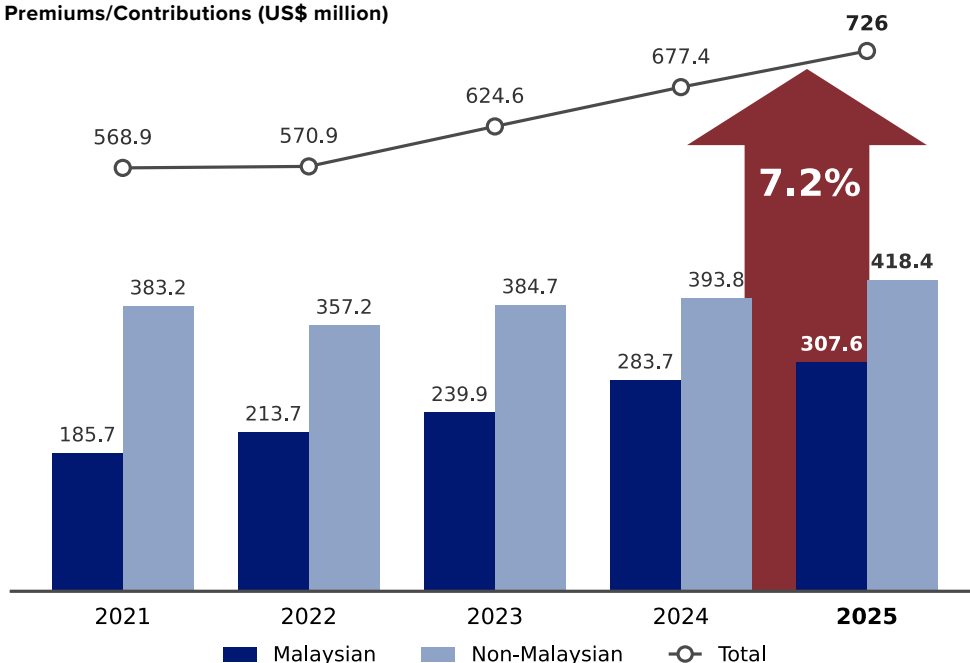
**BBS Trust International Limited**

(licensed in Labuan IBFC)

As captive insurance programmes mature, the discussion increasingly shifts away from formation and licensing, and toward structural efficiency. For many players, the challenge is no longer whether a captive is appropriate, but whether the structure itself remains optimal as risk exposures diversify, operational footprints expand, and stakeholder participation becomes more complex.

Within this evolving context, the Protected Cell Company (PCC) framework in Labuan International Business and Financial Centre (Labuan IBFC) has emerged as a practical structuring alternative. Rather than replacing traditional captives, it refines how captive programmes can be organised, particularly where segregation of risk, capital efficiency, and scalability are key considerations.

**Total Gross Premiums/Contributions (US\$ million)**



- Labuan captive premiums and contributions continued their upward trajectory, increasing by 7.2 per cent to reach US\$726 million, reflecting ongoing underwriting growth and strengthening confidence in Labuan as a preferred domicile for self-insurance structures.
- Captive premium volumes represented 36 per cent of the overall industry premiums, underscoring the expanding role and significance of captives within Labuan IBFC's insurance landscape.
- The sector's net retention ratio eased slightly to 56.5 per cent in 2025, compared to 58.6 per cent in 2024, potentially reflecting adjustments in reinsurance strategies among certain captive operators.



By combining legal segregation with operational consolidation, the PCC allows sponsors to scale their risk architecture without multiplying structural complexity

This growth is consistent with broader trends across the Asia Pacific captive insurance market. Asia Pacific remains a key region for expansion, with both Indonesia and Japan accounting for 58.1 per cent of total captive premiums underwritten in the region.

The continued incorporations of captives in major regional economies point to an increasing diversification of risk financing strategies in organisations across the board.

This underscores the importance and relevance of scalable structures such as Protected Cell Companies (PCCs) for greater corporate flexibility and efficiency.

#### From single captive to cellular structuring

The traditional captive model is typically built around a single legal entity that retains and finances risk on behalf of its parent group.

While this remains effective in many cases, complexity arises when different business units or participants require distinct risk treatment within the same overarching programme.

Replicating standalone captives for each risk stream often leads to:

- Duplication of capital and governance structures
- Increased administrative and regulatory burden
- Fragmentation of underwriting performance across entities

The PCC model addresses this by introducing a cellular architecture within a single legal structure, allowing multiple segregated risk pools to operate under one licensed platform.

#### Legal and structural framework

Under the Labuan Companies Act 1990, a PCC is established as a single limited liability company consisting of:

- A **core**, which holds the licence and non-cellular assets
- Multiple **cells**, each with segregated assets and liabilities

While neither the core nor the cells are separate legal entities, each cell is statutorily ring-fenced. This creates a legally enforceable separation such that:

*The liabilities of one cell cannot be enforced against the assets of another cell or the core.*

Each cell effectively functions as a standalone risk compartment within the PCC framework.

From a statutory perspective, the asset structure of a Labuan PCC is clearly defined. The assets of the company are categorised into:

- Cell assets, being assets held within or on behalf of specific protected cells; and
- General assets, being assets of the PCC that are not attributable to any cell.

Each cell's assets include capital contributed through cell shares, reserves attributable to that cell, and any other assets

held within it. This statutory clarity provides a high degree of legal certainty, which is critical for stakeholders relying on effective risk segregation.

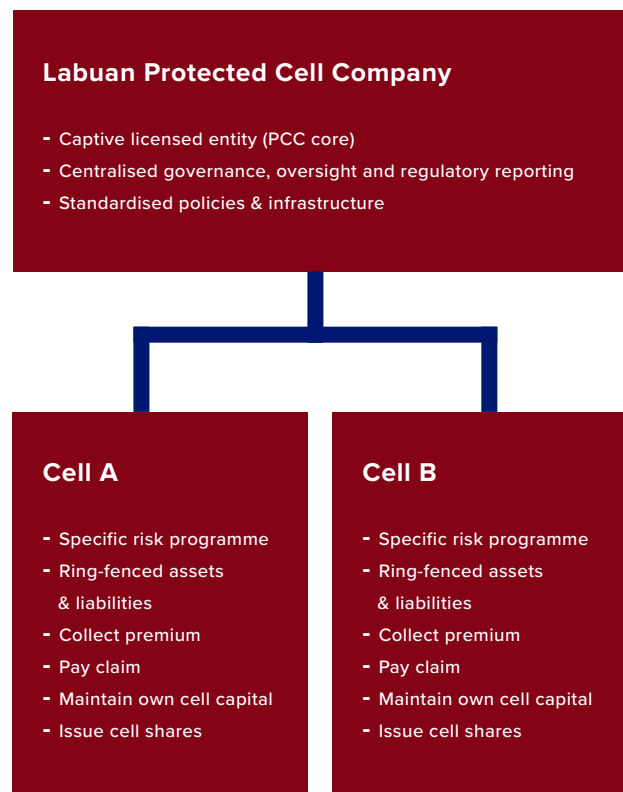
### Key structural features

In practice, the PCC structure allows a principal to operate multiple “mini-captives” within a single regulated entity. Each cell may:

- Maintain its own accounting records and financial performance
- Issue cell-specific shares to participants or stakeholders
- Write different classes of insurance or takaful risks
- Accumulate its own underwriting surplus or deficit

At the same time, the PCC maintains unified governance, regulatory reporting, and infrastructure at the core level.

This combination of statutory segregation and operational centralisation is what gives the structure its efficiency.



### When does a PCC structure make strategic sense?

A PCC structure becomes particularly relevant where organisations move beyond simple risk retention and begin to manage risk as a structured, multi-dimensional function across the business.

This is often the case where different business units, geographies or operational lines require distinct risk treatment, but still benefit from being managed within a unified framework.

Rather than consolidating all exposures within a single balance sheet, the PCC allows risk to be compartmentalised in a way that reflects the underlying business reality.

In addition, PCC structures are increasingly relevant where organisations are addressing emerging or non-traditional risks, including cyber exposures, environmental, social and governance (ESG)-linked risks or supply chain disruptions.

These risk categories often require a more flexible approach, where dedicated cells can be used to pilot underwriting strategies or develop risk financing solutions without impacting the broader programme.

From a capital perspective, the PCC model is particularly advantageous where there is a need to phase or optimise capital deployment.

Organisations can establish specific cells for targeted risk programmes without committing to the full capital requirements of a standalone captive, allowing for a more measured and efficient approach.

PCC structures support organisations with evolving or expanding risk programmes. As business operations grow or diversify, additional cells can be introduced without restructuring the entire captive framework, enabling a modular and scalable approach to risk management.

### Regulatory and tax framework

Labuan PCCs conducting captive insurance or takaful activities operate under a clearly defined regulatory framework, including the Labuan Financial Services and Securities Act 2010 and the Labuan Islamic Financial Services and Securities Act 2010.



The PCC model is not merely an alternative structure, but an increasingly relevant consideration in modern captive design

From a tax perspective, the PCC is treated as a single taxable entity under the Labuan Business Activity Tax Act 1990, meaning taxation is assessed at the PCC level rather than at individual cell level. This simplifies compliance and eliminates intra-structure tax fragmentation.

Subject to compliance with economic substance requirements, Labuan entities may benefit from:

- A preferential tax rate of 3 per cent
- No withholding tax on distributions
- No stamp duty on Labuan-related instruments and share transfers
- Access to Malaysia's extensive double taxation treaty network

However, these advantages are contingent upon meeting substance requirements, including minimum staffing and operating expenditure in Labuan IBFC.

#### **Substance requirements: The commercial reality**

To qualify for the favourable tax treatment under Labuan IBFC rules, a PCC must demonstrate real economic presence.

This typically includes:

- At least two full-time employees
- Minimum annual operating expenditure of 100,000 Malaysian ringgit (US\$24,200)
- Adequate governance and operational substance aligned with business activity

#### **Why Labuan IBFC for PCC structures?**

##### **Regulatory clarity and stability**

Labuan IBFC operates within a well-established and business-oriented regulatory framework, providing clear legal recognition for PCC structures and certainty on asset and liability segregation.

##### **Efficient capital deployment**

The PCC model allows capital to be allocated at the cell level, enabling more efficient utilisation of resources compared to traditional captive structures.

##### **Access to international markets**

As part of Malaysia, Labuan IBFC benefits from an extensive network of double taxation agreements, facilitating cross-border structuring and regional expansion.

##### **Scalable and supported ecosystem**

With centralised governance at the core and access to experienced service providers, PCC structures in Labuan IBFC offer both operational efficiency and the flexibility to scale as business needs evolve.

##### **Concluding perspective**

The evolution of captive insurance is increasingly a story of structure rather than formation.

As risk profiles become more diversified and stakeholders more complex, efficiency is no longer driven solely by underwriting performance, but by how effectively risk is compartmentalised and managed.

The PCC framework offers a pragmatic response to this shift. By combining legal segregation with operational consolidation, it allows captive sponsors to scale their risk architecture without multiplying structural complexity.

Within this context, Labuan IBFC provides a jurisdictional platform that supports both regulatory robustness and commercial flexibility, making the PCC model not merely an alternative structure, but an increasingly relevant consideration in modern captive design. ■



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# The punitive policy paradox

Why a hard market is the captive industry's best salesperson, and its biggest test



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With the wider commercial market softening while casualty lines such as commercial auto and general liability stay hard, the conditions that sell captives can also pull in owners forming them for the wrong reasons. Luke Renz, captive consultant at Captives.Insure, speaking with Elliot Hayes, examines how a consultant tells a captive that should exist from one built simply to escape a bad renewal

**The wider commercial market has begun to soften, yet the casualty lines that most often drive captive interest, commercial auto and general liability, remain under real pressure from social inflation and large jury verdicts. How does a two-speed market like this change the conversations you are having with prospective captive owners?**

**Luke Renz:** While it's no surprise a hard market drives insureds to contemplate alternative means of procuring their insurance, the conversation largely remains the same. A captive is a long-term play. Attempting to time the insurance market, much

like the stock market, is a losing game that results in poor reactionary decisions.

Evaluating your operations and ensuring appropriate risk management protocols are in place will always encourage insureds to take some meaningful risk to retain premium dollars that would otherwise be absorbed in the commercial market. Hard market or soft market, the captive conversation is simpler than most insureds initially think: is my historical loss performance repeatable? Is the amount of risk worth the potential reward? And can my balance sheet comfortably absorb an adverse year if things go sideways?

**Many businesses experience a commercial casualty renewal as something closer to a penalty than a purchase, particularly after a year of strong loss performance. When a frustrated business approaches you on that basis, how do you separate that frustration from a genuine, durable case for forming a captive?**

**Renz:** The commercial casualty segment is a mess, particularly auto and general liability. Insurers are fighting economic inflation, social inflation, nuclear verdicts, and even “thermonuclear verdicts”, not to mention the ethically questionable practice of third-party litigation funding driving increased settlement demands.

These factors result in increasing rate to protect their balance sheet to ensure solvency.

There appears to be no end in sight as the cost of living has become a runaway train. How can a captive alleviate these issues? Insulation from the standard market. If an insured’s operations highlight best-in-class risk management practices and are outperforming the standard market, we can apply experience rating to their operations to insulate them from commercial rate increases over time.

They will also accumulate surplus that results in lower total cost of risk. Appointing independent defence counsel to influence claims handling also helps ensure they do not become a target for future claimants looking for an easy payday.

**There is a distinction at the heart of this conversation between a captive that a business could form and one that it should form. How would you characterise the difference, and what does a captive that should not exist tend to look like in practice?**

**Renz:** A captive that should not exist is one that has been implemented many times over. Desperate service providers and uneducated buyers lead the pack in these structures.

I fear with the rise of new “captive experts” (aka Claude and ChatGPT), poorly structured captives will only become more commonplace. “Captive insurance” has become an attractive buzzword rather than the tenured, sophisticated, alternative risk financing mechanism it truly is. The primary difference between a good captive and one that should not exist is

one that can be determined through deep expertise and the independent evaluation of an insured’s operations along with carefully structured attachment points.

If a business can’t prove their loss performance is a result of good risk management and safety controls prior to implementing a captive, they are a tinderbox just waiting to be hit by a catastrophic loss.

**With property and several other lines now easing, the businesses still feeling acute pain are concentrated in a few casualty lines. What are the warning signs, early in a feasibility conversation, that a prospective owner is reacting to that pressure rather than building a structure for the long term?**

**Renz:** If this is the first time the insured has heard the word captive and the first words I hear surrounding the conversation after a tough renewal is “my client needs to pay less premium”, the narrative surrounding the expectations of a captive needs to be recalibrated.

Premium savings can be achieved through captive insurance, but the driving factor behind forming a new insurance company should be carefully calculated, not reactionary.

Captive insurance is a long-term risk financing solution with a commitment to risk management to obtain premium stability, control, and insulation from the commercial market, not a short-sighted decision to save a few points on premium.

**Declining to take a client forward carries an obvious commercial cost for a consultant. Where does saying no sit in your assessment, and how do you handle the conversation with a broker or insured who has approached you expecting a captive to be the answer?**

**Renz:** The cost of saying “yes” to an unprepared or uneducated captive buyer is miles beyond the cost of saying “no”.

The consultation process should be objective: interjecting personal bias with the concern of missing commissions is not only unethical, but the sign of a weak consultant unwilling to have the correct conversation based on the material facts of the opportunity.



Captive insurance is a long-term risk financing solution with a commitment to risk management to obtain premium stability, control, and insulation from the commercial market, not a short-sighted decision to save a few points on premium

**Hard conditions in any line tend to attract new entrants on the service-provider side as well as new owners. What risks does that influx create for the industry, and how should brokers and managers protect clients from structures built without the necessary expertise?**

**Renz:** My concerns surrounding the influx of service providers go beyond the captive industry. We are at a point in time where formal professional development and hard work are no longer valued or required. Entry level jobs are starting to disappear to AI, subsequently creating a lack of experienced leaders throughout all industries.

This lack of long-term dedication to the craft and willingness to learn the material through the appropriate designations and mentorships is concerning to say the least. AI is creating new

“captive experts” every single day and flooding the market with superficial charts, graphs, and pitch decks attempting to draw in prospects for the wrong reasons.

Being able to separate those trying to capitalise on the current buzzword of “captive” from those that genuinely live and breathe captive insurance is paramount for the success of a long-term captive insurance solution.

**Captives formed in the depths of a hard market are now meeting a period where some lines are softening. What happens to a captive that was formed purely to escape a difficult renewal once that pressure lifts, and how do you stress-test a structure against the turn of the cycle?**

**Renz:** Captives that were formed during a hard market should be even more well positioned when the market softens. Assuming normal loss experience, the captive should have built up surplus and be in a greater position to insulate themselves from the volatility of the commercial market.

They can also look to add additional lines of cover, purchase additional reinsurance with the increased capacity, or look to stay “risk-off” for the lines of business that are cheapest.

The decision to form a captive should always be a long-term one, regardless of the market. The captive conversation shouldn’t be one of desperation, but one that provides a long-term solution for high performing operators.

**When you evaluate an account that does not look promising on a first read of premium and loss data, what do you look at beyond those headline figures to judge whether the insured is genuinely a strong candidate?**

**Renz:** This is where underwriting expertise becomes the differentiating factor in any captive evaluation. Many opportunities may look less than favourable at a glance but diving deeper into the insured’s operations can change the conversation relatively quickly. Bad losses happen; the question becomes “what did you do about it?” Did you strengthen your risk management and contractual risk transfer?

Maybe we tightened the indemnification language and hold harmless agreements, or in some cases, the insured ceased

operations that caused adverse loss experience entirely or moved out of a highly litigious jurisdiction.

Conversely, accounts that have performed well with no formal risk controls in place may be worse captive candidates than those that have just had a string of bad luck.

**For brokers and captive managers advising clients in this environment, what would you say is the single most important question they should be asking before they take a captive conversation any further?**

**Renz:** “Is this an emotional reaction based on a hard renewal or am I truly committed to a long-term alternative risk financing strategy through captive insurance?” The argument can be made in favour of hard market formations just the same as it can for soft markets.

Where the answer truly lies are the characteristics of the insured, their commitment to risk management, and the ability to take a meaningful amount of risk to escape the unpredictability of the commercial market.

**Looking beyond the current cycle, what would a healthier relationship between commercial market conditions and captive formation look like, and what would you most want a prospective owner to understand before they take the first step?**

**Renz:** The commercial market will be what the commercial market will be. In any captive arrangement, especially fronted captives, the relationship between the fronting carrier and all service providers is incredibly important for the insured to understand the transaction in excruciating detail.

We are implementing a licensed, regulated insurance company for insureds that have never previously done so; this should not be taken lightly. The captive owner must understand all details from top to bottom.

Having a healthy relationship with the front, an independent consultant, broker, and manager fosters transparency, collaboration, and trust.

These items couldn't be more important when determining who to work with and how you should structure your captive to best suit your needs. ■

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The cost of saying “yes” to an unprepared or uneducated captive buyer is miles beyond the cost of saying “no”

**Luke Renz**

Captive consultant

Captives.Insure



Image: Luke Renz, captive consultant, Captives.Insure

# Solving European Access for US and Offshore Captives

Ian-Edward Stafrace, chief strategy officer at Atlas Insurance PCC, explains how EU and UK protected cells can work alongside existing US and offshore captives, providing the admitted insurance capability needed to write group and customer risks in Europe, reducing dependency on fronting carriers, and giving groups greater control over product design, distribution and customer value

## The European access gap

Many US and offshore captives already perform exactly as intended, helping international groups retain risk, access reinsurance markets, and bring greater discipline to their insurance programmes and risk financing.

Challenges often emerge when those same groups need to insure risks or customers in Europe, where often covers need to be written on an admitted basis by an authorised insurer.

This can create a practical gap between where the captive sits and where the policy needs to be issued. The captive may remain the right risk-retention vehicle for the group, while still needing an admitted insurer to issue policies to European subsidiaries, customers or distribution partners.

Similar considerations arise for businesses that are not traditional captive users. Companies that have successfully sold protection products, service contracts, warranties, cancellation benefits or other value-added services outside Europe may find that, in many European markets, these products fall within the regulatory definition of insurance.

Entering Europe can therefore require an admitted insurance solution that allows the group to retain control over product design, distribution relationships, data, intellectual property and customer experience.

An EU protected cell, especially in a protected cell company (PCC) with a UK branch for UK risks, can complement an

existing US or offshore captive. The cell can act as the admitted European insurance front-end, writing risks or customer policies directly where permitted, while reinsuring the appropriate share of risk back to the group's existing captive or reinsurance structure.

## When fronting becomes dependency

Fronting carriers remain important, providing admitted paper, local regulatory knowledge, claims infrastructure and coordination across territories. However, they are not always available on terms that fit the captive owner's objectives.

Fronting fees, minimum premiums, collateral requirements, and changing risk appetite can affect feasibility, particularly when European premium volumes are below carrier thresholds or when the group needs to move quickly on a new product, distribution partner, or market opportunity.

The commercial issue is wider than cost. A group may have reinsurance capacity lined up, or may be comfortable retaining the risk in its existing captive, while still depending on a third-party carrier to issue policies. That dependency can affect timing, cover design, data access, claims philosophy and continuity at renewal.

For customer-facing insurance, reliance on a third-party carrier can also affect direct relationships with distribution partners and customers, as well as the intellectual property behind pricing, technology, product design or the customer journey.

### A complementary European front-end

Protected cells are often discussed as alternatives to standalone captives or insurance companies. They can also be used alongside existing captive structures, particularly where the missing element is admitted access to European risks or customers.

The existing US or offshore captive can continue to retain risk and use its existing reinsurance programme.

The European cell provides the admitted insurance capability needed in the EU and, where the PCC has a UK branch, in the UK. It can issue policies to European subsidiaries, customers, or distribution partners, reinsuring, in turn, with the existing captive or reinsurance vehicle.

The cell benefits from the PCC's established licence, governance framework, key functions, reporting infrastructure and regulatory relationship. Its assets and liabilities remain legally segregated from those of other cells and the non-cellular core.

The group can also start with a defined scope, such as a particular class of business, territory, subsidiary group or customer product, and evolve the cell as experience, data and distribution develop.

### Group risks and customer risks

The structure can be used for a group's own European risks, particularly where admitted local policies are required, and the existing captive remains the preferred risk-retention vehicle.

These may include selected property, financial lines, employee benefits or other covers where the risk profile and local requirements fit the cell structure.

The same model can also be relevant where the insured is not the parent group but the group's customers. This is becoming increasingly important as more businesses build protection products around their core services. Examples include extended warranties, cancellation covers, device protection, service plans, travel-related benefits, mobility products and other embedded or affinity insurance propositions.

We have seen this with companies expanding into Europe after successfully operating protection products elsewhere. A

South American business, for example, had sold its protection product for years as a non-insurance service.

In many EU countries, the product needed to be structured as insurance. The company did not wish to place the business through a global carrier, as it wanted to maintain direct relationships with its distribution partners and protect the intellectual property it had developed around the product. It therefore established an insurance cell to write the risk.

We have also seen large InsurTechs with offshore reinsurance captives establish protected cells with Atlas to provide admitted EU and UK insurance. This allowed them to move more rapidly with distribution partners and reduce dependency on third-party carriers.

Where timing is tight, a PCC with an active non-cellular core may also provide an interim route, subject to appetite, existing permissions and the nature of the risk.

The core can write the business initially and reinsure the appropriate share back to the existing captive while a dedicated cell is assessed or progressed.

### Customer value

When going beyond group risks to include customer-facing insurance, conduct expectations come into scope, including product oversight, fair value, distribution controls, claims handling, complaints management and clear customer communications.

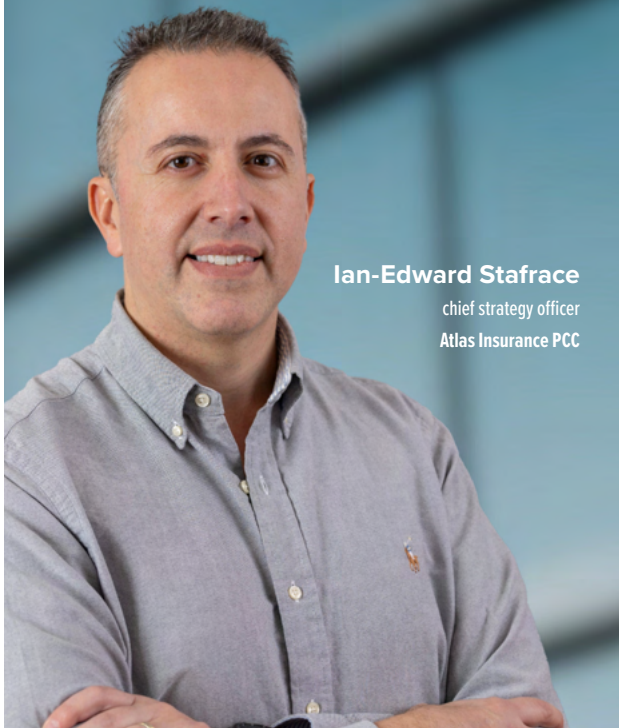
Customer-facing insurance also changes the economics of the relationship. Many groups currently earn commissions or other distribution income when placing protection products with third-party insurers.

Regulators in the EU and UK are increasingly scrutinising whether the amount paid by the customer is fairly reflected in the cover and service received, particularly where a significant proportion of the premium is absorbed by distribution remuneration or fees rather than claims, risk transfer and customer benefit.

A cell can help realign these interests. Instead of relying primarily on commission income from a third-party carrier, the group can participate more directly in the product's underwriting performance. This can reduce pressure on

“

This active domestic presence helps address substance and arbitrage concerns that can arise when an insurance vehicle only writes risks outside its domicile



**Ian-Edward Stafrace**  
chief strategy officer  
Atlas Insurance PCC

distribution margins, improve transparency around product value and create a stronger link between pricing, risk, claims experience and customer outcomes.

#### Why Malta

Malta's relevance comes from its combination of EU membership and protected cell legislation. As the only EU member state with insurance protected cell legislation, it enables cells within a licensed PCC to write insurance directly across the European Economic Area (EEA), subject to the relevant permissions.

Atlas adds a further dimension by having an authorised UK branch. This enables cells hosted by Atlas to consider both EEA and UK risks within one broader structure.

Atlas's position is also strengthened by its own operating substance. Atlas has been part of the Maltese insurance market for over 100 years and was the first traditional insurance company in the world to convert into a protected cell company over 20 years ago.

It continues to write local non-life insurance through its active non-cellular core, covering over 20 per cent of Malta's non-life insurance market. This active domestic presence helps address substance and arbitrage concerns that can arise when an insurance vehicle only writes risks outside its domicile.

Atlas also has experience with different types of cell business, including traditional captive risk-financing structures, third-party customer insurance, embedded and affinity insurance, InsurTech models and reinsurance arrangements with existing captives.

As an independent PCC host, Atlas can also work with the cell owner's preferred advisers, brokers, captive managers, insurance managers and service providers, while retaining the oversight expected of the authorised insurer.

Many US and offshore captives are already well-established and integrated into their owners' risk, finance, and reinsurance arrangements. Where European admitted access, customer insurance or carrier dependency create constraints, a complementary protected cell can strengthen the overall structure. It can make European access more controlled, more strategic, and better aligned with the captive structure already in place. ■



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# Pricing the unpriceable

With cyber, AI and other emerging exposures moving into captives well before a credible loss history exists, the actuarial groundwork has to be built almost from scratch. Elliot Hayes sits down with Michelle Bradley, consulting actuary, and Enoch Starnes, captive and complex risk consultant, both of SIGMA Actuarial Consulting Group, to hear how they price and reserve for risks the market has barely begun to measure

**Captive owners are increasingly looking to bring newer exposures such as cyber and AI-related risk in-house, often well before a credible body of claims experience exists. When the historical data is thin or absent, where does the actuarial work actually begin?**

In situations where unique historical experience is limited (or sometimes non-existent), the first step of a captive actuarial analysis is to identify alternate sources of data. Coverages with some form of industry experience, such as cyber, will often have benchmarking reports or rate filings available for an actuary to review.

Information directly related to an emerging risk is not always available, though, especially for more recent exposures like those related to AI. If that is the case, an actuary's next option is to deepen their level of research to find data with an indirect (but reasonably correlated) relationship to the one being analysed.

To do so, they might first engage the captive's management and ownership for a discussion on the nature of the underlying risk. Doing so can provide an actuary with more focused direction when seeking out data on risks with similar parameters. AI-centred risks, for example, may have a component pertaining to cyber security and a completely separate component for the risk of an AI agent producing incorrect information.

The actuary in this example could theoretically seek out specific information from rate filings for cyber and errors and omissions (E&O) as a means of creating a combined "benchmark" dataset.

**Traditional pricing leans heavily on a stable loss history. What changes in your approach when that foundation is not there, and how do you build something defensible in its place?**

As much as actuaries would love to have large, consistent datasets underpinning each of their analyses, they are not

always so fortunate. The captive space in particular includes many volatile risks (often low frequency with potential high severity) which make traditional actuarial techniques less credible.

Actuaries tasked with analysing these risks must therefore keep two key concepts in mind: the techniques most likely to produce a reasonable analysis and how the results are conveyed to their audience. A relatively common technique for analysing volatile risks involves the use of loss simulation based on specific assumptions for claim frequency and severity.

The chosen assumptions must be grounded in credible data, and they add an extra layer of parameter risk to an analysis, but their specificity allows an actuary to produce a more realistic model of how a more volatile exposure might perform.

Similarly, the information presented by these techniques must be adequately explained.

An actuary communicating the results of their analysis may point to certain metrics, like confidence levels and aggregate loss distributions, to convey the wide range of possible loss scenarios a captive covering a volatile risk might face.

They could also highlight the importance of selecting an appropriate loss layer for the captive to retain, as that selection can have a significant impact on the level of volatility they must consider.

**Cyber is perhaps the clearest example, where the threat landscape shifts faster than the data can settle. How do you account for a risk whose underlying nature keeps changing during the very period you are trying to model?**

It is our belief that analytical professions in the captive industry must not only be experts in the techniques of their own field, but also have a reasonable understanding of the types of risks placed in captives.



Even those with lower claim frequencies can easily disrupt a captive's financial status if a significant loss event happens sooner than anticipated

Ongoing training courses are a key first step in ensuring the services we provide are not immediately rendered obsolete by changes in the risk itself.

In the case of cyber, it has become fairly common for overall shifts to be dictated by the change or emergence of certain types of sub-risks. Knowing why these changes are happening and how they might impact a given captive client is only attainable through a dedicated approach to education and research.

As the question implies, professionals who are not committed to this level of knowledge can swiftly find themselves in situations where their analytical opinion is no longer credible.

**Proxy data, industry benchmarks and external datasets often fill the gap. How do you judge when an external source is genuinely informative for a particular captive, and when it risks importing the wrong assumptions?**

You have asked a great question, as the process itself can be quite difficult. Qualitative discussions between captive ownership and their actuary become increasingly important

in these scenarios, as they can reveal potential issues with external data that might not be immediately obvious.

Differences in specific subcategories, the risk landscape, and operational strategies can all lead to inaccurate assumptions being used in a captive's analysis.

Further, an actuary should ensure that the captive's owners and management are in reasonable agreement with certain key assumptions (especially related to potential frequency and severity) in their analysis, and specifically whether those assumptions are reflective of their actual risk exposure.

This can only be achieved through proactive, transparent communication, making frequent qualitative discussions all the more necessary.

**There is a balance to strike between analytical rigour and the reality that some numbers are, at root, an informed estimate. How do you communicate that uncertainty to a captive owner or board without undermining confidence in the analysis?**

Actuaries generally look to the Actuarial Standards of Practice (ASOPs) for guidance on these topics. As one might expect, the issue of limited data is not uncommon in the actuarial profession, and ASOP 23 covers a few ways an actuary might address it.

Among these are the use of professional judgement to adjust or refine the data being relied upon and the disclosure of "significant data limitations". More specifically, it is common practice for actuaries to identify within their reports the data limitations encountered, any required adjustments, and the potential impact on the analysis.

While these guidelines are broad, a common theme can be found in the emphasis on communication. Actuaries, especially those in the captive industry, must not only be able to produce a reasonable analysis but also ensure a captive's owner and manager understand the critical aspects of its preparation and results.

As with all professions, an actuary rarely works in a "perfect" environment, so being transparent about the issues they encounter and helping their audience become comfortable with the implications can be very useful in determining a captive strategy.

**Placing an emerging risk into a captive can itself begin to generate the very data the market lacks. How significant is that data-capture role, and how should owners think about it from the outset rather than after the fact?**

Implementing a data collection process through captive placement can be quite a valuable tool, as it allows the captive's actuary to monitor claims activity and ultimately reflect that experience in the actuarial model. Sometimes, this process can involve staff within a company that may not normally be engaged in the risk management process.

Even processes for emerging risks, which are often low frequency in nature, can provide useful information without necessarily generating a claim.

Over time, an actuary who may initially have been relying on benchmark data to determine claim frequency parameters can begin to shift their weighting as actual experience becomes known. A company's own pre-captive experience, including historical events which may have produced a claim under the current policy, can offer important data points as well.

**Setting reserves for these exposures carries obvious challenges when the tail is poorly understood. What guides your thinking on reserve adequacy where the range of outcomes is genuinely wide?**

Fortunately for their actuaries, many captive policies for emerging or complex risks are written on a claims-made basis, which eliminates the need for long-tailed reserve analytics. Those which are not, however, often involve discussions between a captive's owners and the actuary to determine reserving adequacy.

Because these risks tend to have a low frequency of claims, annual or semi-annual conversations regarding known events which could lead to a loss, as well as any changes to the underlying exposure, are key topics for discussion.

It is also important to consider that the tail of a risk can undergo dramatic change after policy inception. Within the last several years, we have seen legislative changes and court decisions completely alter the profile of certain risks. As a result, captive policies which were written prior to these changes required new considerations from both a pricing and reserving standpoint.

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The captive space in particular includes many volatile risks, often low frequency with potential high severity, which make traditional actuarial techniques less credible

**Michelle Bradley**

consulting actuary

SIGMA Actuarial Consulting Group





Professionals who are not committed to this level of knowledge can swiftly find themselves in situations where their analytical opinion is no longer credible

### Enoch Starnes

captive and complex risk consultant  
SIGMA Actuarial Consulting Group



**As more of these risks move into captives, what does that shift mean for the relationship between the actuary, the captive manager and the owner, and where do you see the most value in working closely together?**

The influx of complex and emerging risks in the captive space has created a need for analytical consultants to engage more directly with captive owners and managers when preparing their reports. The traditional relationship, wherein dialogue with an actuary may have been infrequent and focused solely on quantitative information, is no longer feasible. Instead, actuaries must be willing to discuss proposed captive policies at a deeper level to understand the characteristics of the underlying risk.

In some cases, this relationship might benefit from the inclusion of enterprise risk consultants. These professionals can offer strategic partners insight into potential risks to place in the captive and the associated structures that might align with the parent company's overall plan. Further, they are adept at facilitating the types of conversations which are often crucial to captive decision making and analytics.

**For an owner weighing whether to bring an emerging, data-light risk into their captive, what gives you the most confidence that it can be quantified well enough to be worth doing?**

Whenever we are discussing these types of coverages with captive owners, we try to emphasise the importance of the initial policy structure. The potential volatility of emerging risks means that even those with lower claim frequencies can easily disrupt a captive's financial status if a significant loss event happens sooner than anticipated.

Because of this, we will often recommend the captive owner consider a "slow" starting point for the policy, such as a lower retention and claims-made approach, while the captive builds surplus. Once this reaches an adequate level (which can vary depending on the owner and regulator), the captive's retained layer can increase accordingly. Another advantage of this strategy is that it provides an actuary with more data points to support the eventual decision to expand the captive's risk exposure. While it may not benefit the captive owner as immediately as they would prefer, this long-term plan can have substantial upside for the captive's overall health. ■

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## What every captive owner should know about Sections 831(b) and 953(d)

An election does not make a captive an insurance company. TJ Strickland, managing partner at Strickland Hardee PLLC, sets out what regulators, auditors, and the IRS actually look for, and why the work of proving it is never finished

For many captive owners, the conversation around Sections 831(b) and 953(d) begins with taxes. Unfortunately, that is often where the conversation ends. In reality, these elections are simply tax provisions.

They do not create an insurance company, establish a valid captive arrangement, or ensure favourable treatment by regulators, auditors, or the Internal Revenue Service (IRS). Those outcomes depend on something much more fundamental: whether the captive operates as a genuine insurance company.

After many years of auditing, preparing tax returns for, and consulting with captive insurance companies, we have

observed a common theme. Rarely do problems arise because an election was unavailable. Instead, problems arise because the captive's operations and oversight failed to support the election.

Understanding that distinction is essential.

Although Sections 831(b) and 953(d) are frequently mentioned together, they accomplish entirely different objectives. Section 831(b) allows qualifying small property and casualty insurance companies to elect to be taxed only on investment income rather than underwriting income, provided the company satisfies the statutory requirements and premium limitations.

Section 831(b) does not create insurance, eliminate the need for risk distribution, replace actuarial pricing, excuse poor corporate governance, or protect an arrangement lacking economic substance.

The election simply changes the way a qualifying insurance company is taxed. Section 953(d) serves a completely different purpose. It allows certain foreign insurance companies to elect to be treated as a domestic corporation for US tax.

This allows captives domiciled in other countries to simplify their US tax reporting requirements, as well as securing their desired regulatory oversight in the domicile they choose.

One of the biggest misconceptions we continue to encounter is the belief that once the election has been filed, the difficult work is complete. The election itself typically requires only a few pages of paperwork.

Supporting that election may require years of documentation. If a captive were examined five years after formation, management should expect to produce evidence supporting every significant aspect of its operations, including actuarial pricing, board governance, investment policies, claim files, executed policies, and accounting records. Experienced auditors often say that if something was not documented, it effectively did not happen.

#### Where captives commonly get into trouble

**Premiums without adequate actuarial support:** premium calculations should reflect the risks assumed, not a desired tax result. Independent actuarial analysis is one of the strongest pieces of evidence supporting premium reasonableness.

**Weak corporate governance:** board governance is often viewed as a yearly 'check the box' requirement. When reviewing board minutes, we frequently see the following sequence of events: open the meeting, approve service providers, adjourn the meeting.

While many domiciles only require one meeting each year, we believe that, depending on the captive's programme, quarterly (or more frequent) meetings are necessary to demonstrate continuous review of the captive's underwriting operations, reinsurance, and investments. Meeting minutes should demonstrate active oversight, not merely satisfy an annual filing requirement.



Premium calculations should reflect the risks assumed, not a desired tax result. If something was not documented, it effectively did not happen

**Claims activity that does not look like insurance:** insurance companies exist to pay claims. If years pass without documented consideration of reported and incurred-but-not-reported losses, claim evaluations, reserve analyses, or loss monitoring, outside reviewers naturally begin asking questions.

**Inconsistent financial reporting:** while not desired, small inconsistencies between financial statements, tax returns, declaration pages, and similar documents are inevitable. Material inconsistencies lead to additional questions from regulators, certified public accountants (CPAs), and, if audited, the IRS. Strong corporate governance and internal controls are crucial in supporting accurate regulatory and financial reporting.

Captive owners sometimes assume auditors are primarily evaluating tax positions when, in reality, the audit begins with fundamental questions. Does the captive maintain adequate accounting records? Are investments properly valued? Are loss reserves reasonable? Have premiums been earned appropriately? Does surplus satisfy regulatory requirements? Are related-party transactions properly disclosed? Is there sufficient evidence supporting management's estimates? These are just fundamental indicators of the broader compliance picture. Strong financial reporting supports strong tax reporting.

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The election may only take a moment to file, but demonstrating compliance is a year-round responsibility



**TJ Strickland**  
managing partner  
Strickland Hardee PLLC

### There is no I in team

Successful captive programmes require effective communication among captive management, counsel, actuaries, CPAs, owners, and regulators, as each party only sees a piece of the picture.

Each participant sees only one portion of the overall programme. Small issues can compound over time before they become visible. All parties can do their job perfectly, but when the dots do not connect, problems can emerge.

For example, we have seen a situation where the insured expanded operations internationally through a business acquisition. While there was nothing on the surface wrong with that move, not all parties were aware of it.

This resulted in premiums no longer reflecting the insured risks; other risks had effectively disappeared but continued to be insured; and reserves were being developed using assumptions that no longer matched actual operations.

None of the individual advisers made a mistake: the issue arose because no one connected all the pieces.

### Practical recommendations

Captive owners should periodically ask themselves several straightforward questions. If regulators, auditors, or the IRS requested documentation tomorrow, could management quickly provide all the pieces of the puzzle to support their financial statements, tax positions, premiums, and loss reserve estimates? If the answer is yes, the captive is well prepared to undergo scrutiny.

If the answer is no, it is important to prepare now, as an examination is not the time to strengthen documentation.

### Final thoughts

Sections 831(b) and 953(d) remain valuable provisions within the Internal Revenue Code and continue to play an important role in captive insurance planning.

However, successful captive programmes are not built on elections alone. The election may only take a moment to file, but demonstrating compliance is a year-round responsibility. ■

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# ALARA launches as Alabama enters a new era for captive insurance



Image: By Kevin Ruck, Adobe Stock

Alabama's captive insurance sector enters a new chapter as the state lifts its formation moratorium and welcomes the launch of the Alabama Alternative Risk Alliance, a new trade association bringing together captive owners, risk retention groups, service providers, and regulators behind a shared commitment to the marketplace

The Alabama Alternative Risk Alliance (ALARA) officially launched on 29 June 2026, marking the beginning of a new chapter for Alabama's captive insurance and alternative risk marketplace.

The effort to establish ALARA began in December 2024 when Alabama insurance commissioner Mark Fowler encouraged industry leaders to form a new statewide association to replace the inactive Alabama Captive Insurance Association. Recognising the value of a strong industry organisation, stakeholders from across Alabama's captive and alternative risk community accepted the challenge and began building an independent association dedicated to education, collaboration, and the responsible advancement of Alabama's captive insurance marketplace.

Over the following 18 months, representatives from every corner of the industry worked together to develop ALARA's governance structure, establish its mission and strategic vision, recruit founding members, and create an organisation designed to serve the entire alternative risk community. Guided by its motto, "Smarter Risk. Stronger Together.", ALARA was founded on the belief that education, collaboration, and shared expertise are essential to advancing Alabama's captive insurance and alternative risk marketplace.

That work culminated on 29 June, when ALARA held its inaugural installation ceremony and ribbon cutting in Montgomery. Fowler administered the oath of office to the Association's founding board of directors and officers before industry leaders, regulators, and invited guests. The ceremony

opened with a prayer led by Charles Perine, followed by the Pledge of Allegiance, reflecting the Association's commitment to servant leadership, integrity, and a shared purpose as it begins its work.

During his remarks, Fowler announced that Alabama's captive formation moratorium would expire as scheduled and would not be extended. The announcement was met with enthusiasm by attendees and signalled Alabama's readiness to welcome new captive insurance company formations once again.

Fowler also invited ALARA to participate in regular industry roundtable discussions with the Alabama Department of Insurance. The invitation reflects the Department's commitment to ongoing engagement with industry stakeholders and provides a forum for discussing opportunities, challenges, and ideas that support the continued growth and success of Alabama's captive insurance and alternative risk marketplace.

On 1 July 2026, Fowler formally rescinded the moratorium through an official Department bulletin, reopening Alabama to new captive insurance company applications. That same day, ALARA opened its membership programme, providing organisations throughout the alternative risk marketplace an opportunity to participate in shaping the industry's future.

Jennifer Haskell, president of ALARA, said the timing reflects an important moment in Alabama's evolution as a captive domicile.

"The launch of ALARA represents far more than the formation of a new trade association. It reflects the next chapter in Alabama's captive insurance story. As Alabama reopens to new captive formations, we have an opportunity to build an industry that is collaborative, innovative, and nationally recognised for excellence. ALARA was created to bring together captive owners, risk retention groups, service providers, regulators, policymakers, educators, and other stakeholders to help make that vision a reality."

Founded in 2025, ALARA's mission is to advance Alabama's captive insurance and alternative risk industry through education, collaboration, professional development, and industry engagement while promoting the highest standards of ethics, governance, and industry best practices.

ALARA's vision is to position Alabama as a nationally recognised leader in captive insurance and alternative risk by



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fostering innovation, strengthening professional relationships, encouraging open dialogue, and supporting a regulatory environment where industry, regulators, and consumers all benefit from a strong, well-governed marketplace.

From its inception, ALARA was intentionally designed to represent the full spectrum of Alabama's alternative risk community. The Association's 15 founding members represent a broad cross-section of the marketplace, including pure captive insurers, captive risk retention groups, captive managers, accounting firms, an actuarial consulting firm, an investment advisory firm, and other organisations that support the formation, operation, and regulation of captive insurers and alternative risk programmes. Each founding member appointed a representative to serve on ALARA's board of directors, ensuring that the Association's leadership reflects the diversity of the industry and that every major stakeholder group has a seat at the table.

The founding members include representatives of Alabama's first captive insurance company, second captive insurance company, and first captive risk retention group, alongside



The launch of ALARA represents far more than the formation of a new trade association. It reflects the next chapter in Alabama's captive insurance story



**Jennifer Haskell**  
president  
ALARA

organisations helping shape the next generation of Alabama's captive marketplace. This deliberate mix of perspectives reflects ALARA's commitment to ensuring every segment of the industry has a voice and a seat at the table.

That same philosophy is reflected in ALARA's membership structure. The Association offers risk-bearing memberships for captive insurers, risk retention groups, traditional insurers, self-insured entities, and organisations using alternative risk financing or considering it; industry partner memberships for captive managers, attorneys, accountants, actuaries, bankers, investment professionals, consultants, brokers, reinsurance intermediaries, third-party administrators, managing general agents, underwriting managers, and other service providers; friends of the industry memberships for educators, public officials, economic development organisations, trade associations, retired professionals, and others interested in supporting Alabama's captive and alternative risk industry; and complimentary student memberships to encourage future insurance, legal, accounting, finance, and risk management professionals to become involved in the industry.

While membership provides opportunities for education, networking, committee participation, and leadership, Haskell emphasised that the Association's long-term success will be measured by its impact on Alabama's captive industry.

"Our success will not be determined simply by the number of members we recruit or the number of meetings we hold. It will be measured by whether Alabama's captive insurance and alternative risk industry becomes stronger. If ALARA helps strengthen collaboration, encourages meaningful dialogue, supports regulatory excellence, and contributes to the continued growth of Alabama as a captive domicile, then we will have accomplished exactly what we set out to do."

Looking ahead, ALARA plans to expand educational programming, promote professional development, facilitate collaboration among industry stakeholders, and serve as a unified voice dedicated to the continued advancement of Alabama's captive insurance and alternative risk marketplace.

As Alabama marks the 20th anniversary of its Captive Insurance Act, the launch of ALARA reflects both how far the state has come and its commitment to the opportunities that lie ahead. Through education, collaboration, and industry leadership, ALARA looks forward to helping shape the next chapter in Alabama's captive insurance story. ■



## ALARA's founding members

ALARA was established through the vision, leadership, and financial commitment of 15 founding members who came together to build a stronger future for Alabama's captive insurance and alternative risk industry. Each founding member appointed a representative to serve as a director, creating a governance structure that reflects the diverse perspectives of Alabama's captive insurance and alternative risk marketplace.

Their support came at a pivotal time. Much of the Association was organized while Alabama remained under a captive formation moratorium, demonstrating their confidence in the

state's long-term potential and their commitment to helping shape its future. The founding members intentionally represent a broad cross-section of the alternative risk marketplace, including pure captive insurers, risk retention groups, captive managers, accounting firms, an actuarial consulting firm, and an investment advisory firm. Together, they provide diverse perspectives that help ensure ALARA serves the entire captive and alternative risk community.

Among the founding members are representatives of Alabama's first captive insurance company, second captive insurance company, and first licensed risk retention group, reflecting both the industry's history and its continued evolution. ■

### ALARA FOUNDING MEMBERS

ALABAMA ALTERNATIVE RISK ALLIANCE · 15 FOUNDERS

The individual named beside each founding member is the representative that member appointed to serve as a director.

**Automotive Aftermarket Association Southeast Inc.** Randal Ward

Formed the first Alabama captive, Chantilly Risk Management, licensed 15 December 2006

**Alabama Farmers Cooperative Inc.** Walt Black

Formed Alabama's second captive, Alabama Farmers Insurance Company for Cooperatives Inc., licensed 27 February 2007. Later formed two more Alabama captives, AFICC Bonnie, Inc.; and AFICC GPAH, Inc.

**American Builders Insurance Company RRG Inc.** Bud Curtis

Alabama's first captive RRG, licensed 11 October 2016

**Captive Management Solutions** Chris Workman

**Seren Specialty Insurance** Brian Menendez

Home to four captive RRGs: Alabama Healthcare Professional RRG, Healthcare Professional Long Term Care RRG, Professional Transportation RRG, and Seren Hospitality RRG

**Future Care RRG Inc.** Greg Cook

Most recently licensed captive in Alabama, 3 February 2026 (application filed just before the moratorium in March 2025)

**Shores, Tagman, Butler & Company, P.A.** Larry Shores

**SIGMA Actuarial Consulting Group, Inc.** Al Rhodes

**RH CPAs, PLLC** Leon Rives

**Millennium Risk Managers** Terry Young

**Wellspring Financial Solutions of Raymond James** Gary Greene

**Timber Creek Surety** Felicia Workman

**Risk Services, LLC** Jennifer Haskell

**First Responders Insurance Company** Lindsey Young

**Polaris Insurance Company RRG Inc.** Joel Black

Also operates an Alabama captive, PIC Re



# A new dawn for VCIA: Davis on his first conference as president

With the VCIA annual conference returning to Burlington this August under the banner “Where the Captive World Comes Together”, the association is preparing to host the captive world at its largest gathering of the year. Ian Davis, president of the Vermont Captive Insurance Association, speaks with Nicole Bennett on his first conference as host, the member-led return to a midweek format, and what convergence means across three days in Vermont

**This is your first annual conference as VCIA president. How does it feel to be stepping into the role of host, and what does that shift in perspective mean to you personally?**

**Ian Davis:** It's a different experience than I expected, and I mean that in the best way. I've attended this conference for years, including as conference chair, and I thought I understood it well. What I didn't fully appreciate until now is how much of what makes this conference so successful happens before anyone walks through the door. The decisions you have to make months in advance, the trust you're placing in your team and the conference task force, and the sheer complexity of putting on an event of this size. When I walk into

the DoubleTree in August, I'll be seeing the results of a year's worth of work by a lot of people. That's humbling, and it's motivating. I'm proud of what we've put together and can't wait to welcome everyone to Burlington.

**Shortly after your election, you stated that your priorities were listening to members, sharpening VCIA's value proposition, and strengthening the committee framework. A year on, what are you most pleased with, and where is there still work to do?**

**Davis:** The listening part has been the most rewarding, and the most revealing. We've had real conversations with members about what they value and what they need more of,



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Staff photo. From left: Jocelyn Lamb, senior director of finance; Kim McCray-Woodruff, director of learning and professional development; Diane Leach, conference education manager; Drew Frazier, technology manager; Francis McGill, senior director of marketing; Ian Davis, president; Nikki Fitzcharles, manager of events; Angie Armour, director of memberships, exhibits, and sponsorships

and that input has shaped decisions across our programming, governance, and how we show up as an association. The committee framework is stronger than it was, and I'm pleased with the progress there. On value proposition, I feel very good about the direction we're heading, but I'd be the first to say that's ongoing work. Strengthening what VCIA means to its members isn't something you finish; it's something you do continuously. There's more to do, and I'm looking forward to doing it.

**This year's conference carries the tagline "Where the Captive World Comes Together". What does that idea of convergence mean to you, and how do you see it playing out across the three days?**

**Davis:** The tagline is meant to be descriptive of what happens here. We'll have captive owners from organisations across the world sitting with regulators, attorneys, actuaries, emerging professionals, and first-time attendees. They're all in the same room, at the same receptions, in the same sessions. That convergence, across experience levels, geographies and industries, is what produces the conversations you can't have anywhere else. The educational programme is excellent, but a lot of what people carry home with them comes from the informal connections people make in the hallways or at receptions, connections they didn't expect to make.

**The conference returns to its traditional Tuesday to Thursday format this year, a change you have described as member-led. What did members tell you, and what difference do you expect the format to make to their experience on the ground?**

**Davis:** Members were clear: the midweek format works better for them. It fits more naturally into travel schedules and preserves the rhythm that longtime attendees associate with this conference. When feedback is that consistent, you listen. We made the change, and attendees are going to feel the difference.

**For someone weighing up whether to attend for the first time, how would you describe what sets the VCIA conference apart from the many other captive events now on the calendar?**

**Davis:** If I had to pick one thing, I'd say the number of captive owners is what truly sets this conference apart. You'll find captive owners who run programmes at some of the most sophisticated organisations in the world, and peers across every captive structure, size, and industry.

That mix, and the willingness of captive owners to engage openly, is what makes this event different. People come back



Members were  
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When feedback  
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year after year because of the relationships they build here. For a first-time attendee, that's the thing I'd most want them to experience.

**The educational programme is central to VCIA's reputation. Without giving everything away, which themes or sessions are you most excited about this year, and how were they shaped by what is happening in the market?**

**Davis:** The programme this year reflects what our members are actually dealing with. AI and innovation, the evolving cyber liability landscape, and the intersection of macroeconomics and captive investment strategy are all themes I'm watching closely, and they're in the programme because they're live issues for our members right now.

Beyond the thematic sessions, I'm particularly excited about the Pulse Check with Deputy Commissioner Christine Brown. Having the regulator in that kind of candid, interactive forum is something our members value enormously. I'm also looking forward to the Directors Boardroom Boot Camp on Thursday: structured instruction followed by live mock board scenarios, the kind of practical, applied education that this conference does well.

**You have spoken before about wanting VCIA to move from a reactive to a proactive stance on advocacy. How does that ambition show up in this year's conference, whether in the sessions, the regulatory presence, or the conversations you hope to spark?**

**Davis:** The calibre and range of people in the room is the most visible expression of that ambition. We'll have Department of Financial Regulation (DFR) leading a frank conversation about where the market is heading, state representatives, members of the administration, and our advocacy partners, all under the same roof.

That's not accidental. For us, proactive advocacy is about ongoing dialogue with the people who shape the regulatory and legislative environment, and making sure they understand what this industry needs and what it contributes. The conference is one of the best venues we have for that.

**VCIA puts real effort into welcoming those who are new to the industry, from the newcomers' orientation through to the emerging leaders programme. For a first-time attendee, what would you point them towards to get the most from the conference?**

**Davis:** If you can, start with Captive Immersion on Monday: there's no better foundation for the week. Then join us Monday evening for the Vermont Captive Insurance Emerging Leaders (VCIEL) Reception at ECHO.

The VCIEL community is welcoming, energetic, and a great entry point into this industry's network. On Tuesday morning, come to the Annual General Meeting and Newcomers' Orientation, not just for the practical guidance but to understand from the start that this is a member-driven association and that you have a voice in it. Beyond that: don't be shy. This is one of the most approachable professional communities I've encountered. People are here to connect.

**Networking and the special events, from the receptions to the closing keynote luncheon, are often what attendees remember most. How do you think about designing those moments, and what role do they play in the wider purpose of the event?**

**Davis:** The social architecture of the conference matters as much as the educational programme, and we think about it

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that way. Every event is designed with a purpose. The VCIEL Reception at ECHO opens the week: relaxed, welcoming, Burlington at its best.

The Exhibitor Reception in a sold-out hall creates connection and visibility that's hard to replicate. The Hotel Vermont reception on Wednesday is elevated, celebratory, and timed to leave space for the evening commitments many attendees have. And the Closing Keynote Luncheon with Duncan Wardle is designed to send people home energised and thinking differently. Each of those moments serves a purpose, and together they shape the experience people carry with them when they leave.

**Vermont marks its position as the leading domicile at this conference each year. As host, how do you balance celebrating Vermont's strengths with VCIA's role as an advocate and connector for the global captive community?**

**Davis:** Our mission has always been both local and global: protecting and advancing the Vermont domicile while serving a membership that spans the world. What happens here, the regulatory environment, the legislative framework, the overall strength of Vermont as a domicile, has implications for captive owners and professionals everywhere.

When we gather in Burlington each August, we're doing both things at once: celebrating what Vermont has built, and connecting a global community around what comes next.

**Looking beyond August, what do you hope attendees carry back into their work, and how does the conference feed into VCIA's wider goals for the year ahead?**

**Davis:** I hope they leave with at least one idea they hadn't considered before, one connection they'll actually follow up on, and a deeper appreciation for what this association does year-round on behalf of our members.

The conference is the most visible thing we do, but it represents something larger: the advocacy, the education, the relationships we build and maintain so that this industry can continue to grow and thrive. For VCIA, August is both a culmination and a starting point. The conversations we have in Burlington shape what we work on for the rest of the year, and we take that responsibility seriously. ■

“

That convergence, across experience levels, geographies and industries, is what produces the conversations you can't have anywhere else

**Ian Davis**

president

Vermont Captive Insurance Association



Image: Ian Davis, president, Vermont Captive Insurance Association

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# Industry Appointments



## **Crum & Forster appoints Feldman to lead stop loss underwriting**

Crum & Forster's Accident & Health Division appoints Brett Feldman as vice president of C&F Stop Loss Underwriting, within the division's Medical Business Unit.

Feldman shapes the growth strategy for the stop loss business, with oversight of product development, portfolio management and strategic initiatives.

Feldman joins from Captive Resources, where Feldman served as head of medical stop loss (MSL) underwriting and led the build-out of the company's health solutions underwriting function, overseeing technical underwriting, clinical risk management, policy administration and actuarial capabilities.

Earlier experience includes leadership roles at Berkley, where Feldman

latterly served as director of captive underwriting in the accident and health division, alongside positions at Reunion Health Services and Ironshore Insurance.

David Webb, senior vice president of C&F Stop Loss within the Accident & Health Division's Medical Business Unit, says: "Brett brings a rare blend of underwriting discipline, strategic thinking, and team leadership to Crum & Forster.

His extensive experience in the stop loss space will be invaluable as we continue to expand our capabilities and deepen our market presence. We are excited to welcome Brett and look forward to the positive contributions he will bring."

Feldman says: "I am honoured to join the C&F Stop Loss team. Crum & Forster's commitment to disciplined underwriting, thoughtful growth, and

strong client and broker partnerships aligns closely with my own approach.

I look forward to working with the team to expand our capabilities, deliver even greater value to our partners, and continue building on the strong foundation already in place."

Feldman holds a Master of Business Administration from Millsaps College's Else School of Management and a Bachelor of Business Administration from Mississippi State University.

Crum & Forster, rated "A+" (Superior) by AM Best in 2025, is a national commercial property and casualty group. Since 2000, its Accident & Health Division has offered specialty insurance and reinsurance products nationwide, including international accident and health solutions through a captive structure and partnerships with affiliated entities. ■



### **Perkins joins WTW as managing director for integrated and global solutions**

WTW appoints Barry Perkins as managing director, integrated and global solutions, based in London. Perkins takes up the role in June 2026. WTW says the appointment reflects its focus on building its captive and global benefits team.

In the position, Perkins supports client and strategic initiatives, helping organisations address their global benefits and risk management priorities. He brings experience in global employee benefits, including benefits financing, captives, and multinational programmes.

Perkins joins from Mercer Marsh Benefits, where he was a global benefits consultant at MMB Multinational, the global employee benefits and technology business of Mercer Marsh Benefits. In that role he led a team advising clients on financing employee benefit risks through global programmes and captives, and led a global mobility solutions team arranging international private medical and group risk insurance for

internationally mobile employees and expatriates.

At MMB Multinational, Perkins served as partner and financing and global mobility solutions leader from April 2021. He earlier held roles at the firm including placement leader for global benefits and captive and global insurance solutions leader.

Before that, Perkins was regional director for the UK at Allianz Global Benefits, part of Allianz Global Corporate & Specialty, and head of account and tender management at Allianz Global Benefits at Allianz Group. His earlier career includes roles at Towers Watson, HSBC, Munich Re, and Canada Life.

Perkins moves into a firm with an established captive practice. WTW's benefit captive solutions team advises multinational organisations on financing employee benefits and pension risks through captive insurance companies, spanning feasibility and strategy, implementation, and ongoing optimisation. WTW says it convenes an annual forum, the Captive User Group, for organisations using captives for employee benefits. ■



### **Alera Group hires Dougherty as transportation insurance vice president**

Alera Group, the national insurance and financial services firm, appoints David Dougherty as vice president, transportation insurance producer and risk advisor.

Dougherty joins from USI Insurance Services, where he served as vice president in the property and casualty alternative risk practice.

He brings more than a decade of insurance experience across alternative risk solutions, underwriting, and client relationship management.

Before USI, he worked as a captive consultant at Atlas Insurance Management, where he designed captive insurance programmes and conducted feasibility and actuarial studies for prospective clients.

Earlier roles include business development positions at National Interstate Insurance Company.

In the new role, Dougherty focuses on trucking and transportation insurance, with an advisory remit spanning captives, programme design, and cost-control strategies, according to his professional profile. ■



## Strategic Risk Solutions promotes Arcangel to director

Strategic Risk Solutions (SRS) promotes Michael Arcangel to director, based in the Raleigh-Durham-Chapel Hill area.

Arcangel moves up from consultant, a role he has held at SRS since 2023. As director, he runs feasibility studies, leads captive formations and redemptions, and supports captive underwriting and AM Best BCAR modelling.

He works as an independent advisor helping companies assess whether a captive is appropriate for their business.

Before joining SRS, Arcangel spent seven years at the North Carolina

Department of Insurance, where he most recently served as chief captive analyst, holding final financial oversight for more than 1,000 captive risk-bearing entities domiciled in the state. He joined the department in 2016 as a captive insurance financial analyst and progressed through senior and supervising analyst roles before becoming chief captive analyst in 2022. Prior to that he served as an auditor at the North Carolina Department of Commerce.

SRS is an independent insurance management firm with representation in onshore and offshore domiciles, providing financial reporting, regulatory compliance, and underwriting management services to captive insurance companies. ■



## Bulkowski leads captive structuring at Alvarez & Marsal

James Bulkowski serves as a senior director with Alvarez & Marsal Tax in New York, advising global organisations on captive insurance, alternative risk financing, and strategic tax and insurance solutions.

Bulkowski brings more than 25 years of experience, having advised multinational corporations, financial institutions, and Fortune 500 companies on risk management, captive insurance structuring, mergers and acquisitions, and tax strategy. The work has spanned complex transactions, risk transfer solutions and integrated insurance, actuarial and tax advice.

Before joining Alvarez & Marsal, Bulkowski was a senior manager in the global insurance division of EY, where he held several leadership roles, including co-leader of the Americas captive services group and leader of the insurance diligence transaction and corporate insurance consulting groups. The role included a multiyear secondment in the Cayman Islands, helping expand the firm's captive insurance consulting practice across the Caribbean.

Earlier in his career, Bulkowski held senior roles at Aon, latterly as senior vice president, and at Marsh as vice president, developing and managing client portfolios, leading merger and acquisition advisory engagements, and designing insurance programmes across domestic and international markets. ■



#### **PwC Bermuda promotes three to partner**

PwC Bermuda promotes David Cartmill, Crystal Pittendrigh, and Damian Sealy to partner, effective 1 July.

Cartmill leads the firm's private client services practice, bringing more than 20 years of experience across Bermuda, the UK, and Australia in audit, accounting, payroll, and supporting services for local and international clients.

Pittendrigh, promoted to partner in tax services, has more than 18 years of experience in financial services, specialising in the reinsurance industry. She advises on US tax compliance and reporting and the implementation of Bermuda corporate income tax, with a primary focus on Bermuda captives, insurance-linked securities structures, and US consolidated groups. In 2026 she is named to the Captive Review Power 50, which recognises

influential professionals in the captive insurance industry.

Sealy becomes partner and head of actuarial services, leading the practice across Bermuda and the wider Caribbean.

He joined PwC Bermuda in 2019 from the PwC UK firm and advises insurers, reinsurers, and captives on actuarial, risk, and financial matters across audit and advisory engagements.

Arthur Wightman, PwC Bermuda leader, says: "We congratulate this exceptional group of new leaders. Each brings the insight, experience and drive to help clients innovate and navigate today's challenging environment." He adds that the three "have a track record of delivering outstanding results and leading through complex change".

The appointments of Cartmill and Sealy are subject to the approval of the Bermuda Department of Immigration. ■



#### **AIG promotes Hannon to captive management team lead**

AIG promotes Brittany Hannon to client service delivery team lead, captive management.

Hannon steps up to the role in June 2026, having joined AIG in June 2025 as an account manager. The promotion comes after a year with the insurer.

Hannon moves into captive management from a background in audit. Before joining AIG, Hannon spent more than four years at Bauknight Pietras & Stormer, latterly as senior audit manager, having joined as audit manager in 2020. Earlier experience includes more than seven years at Elliott Davis across senior auditor and audit manager roles.

AIG is a global insurance organisation providing insurance solutions to businesses and individuals in approximately 190 countries and jurisdictions through its operations and network partners. ■



# MARSH



### **Marsh appoints Thompson as global head of portfolio solutions**

Marsh appoints Tracie Thompson as global head of portfolio solutions, Marsh Risk, effective immediately.

Based in New York, Thompson reports to John Donnelly, president, global placement, Marsh Risk.

In the role, she leads the continued development of Marsh's regional and global proprietary portfolio solutions, with a focus on ensuring they are scalable, market-ready, and able to meet client requirements.

Thompson brings more than 28 years of global insurance industry experience, with a track record in portfolio optimisation, commercial strategy, data-led decision-making, and delivering client value. She has held senior leadership positions spanning global, regional, and market-facing roles across the US, UK, Europe, and Asia Pacific.

She joins from Cytora, where she served as global leader, strategic accounts, supporting global reinsurers, insurers, brokers, and managing general agents in embedding digital underwriting and portfolio optimisation capabilities. Before Cytora, Thompson held several senior leadership roles at Aon, including EMEA CEO of commercial risk solutions.

Commenting on the appointment, Donnelly says: "Our portfolio solutions support a fast-growing number of clients in managing their insurance and risk needs more efficiently than what they would receive in the open market. Tracie has an outstanding track record of managing portfolios globally and brings a wealth of experience to Marsh."

Thompson adds: "Marsh Risk creates real value for clients by combining its market leading insurance expertise with a distinct portfolio-wide approach. By viewing their risks through this lens, organisations can improve their coverage consistency, reduce their administrative burdens, and achieve more competitive terms and pricing. ■"

A photograph of a city skyline at dusk, featuring several tall buildings with lit windows. A yellow and blue banner is superimposed over the top of the image.

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