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November 2026 - Issue 296



Growth by design

After more than four decades in Cayman, Global Captive Management Ltd is taking its boutique model onshore. President **Alanna Trundle** tells Nicole Bennett what sets the firm apart

Group Captives

Matt Moore of Zurich US on what a carrier sees across many group programmes

Gulf Captives

Marcin Antosik of Marsh on Bahrain and how Gulf businesses should choose a domicile

Forum Preview

Michael Wild on what is new at the Cayman Captive Forum for 2026

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Contents

4

6

News Focus

Keep pace with the most impactful stories in the captive insurance world. This month's round-up features the IRS's higher 831(b) premium limit, Aon's completed US$17 billion acquisition of USI, Marsh's captive plans for Bahrain, and the US$338 million in tax revenue from Micronesia's captive industry.



22

Captive Management

After more than four decades in Cayman, Global Captive Management is taking its boutique model onshore. Alanna Trundle, president, tells Nicole Bennett how employee ownership, in-house technology and a growing US presence set the firm apart.

28

Group Captives

Matt Moore, head of group captives at Zurich US, tells Elliot Hayes what a carrier's view across many programmes reveals about member selection, underwriting discipline and the road to maturity.

32

Gulf Captives

As Marsh secures approval to manage captives in Bahrain, Marcin Antosik, regional captive leader for the Middle East, speaks with Elliot Hayes about choosing a Gulf domicile, what boards want to see, and where cyber, employee benefits and takaful fit in.

38

Claims Analysis

Drawing on claims data from 27 countries, Daniela Masters of Redion Employee Benefits explains why sponsors should follow musculoskeletal costs before funding the solution.

42

Market Entry

MSH, part of Diot-Siaci, launches Elucin, a Luxembourg-based entity dedicated to employee benefits captives. Co-founders Zulu Khan and Sven Roelandt explain why HR now belongs in the captive conversation.

50

Forum Preview

With more than 1,500 delegates expected, Michael Wild, chair of the Cayman Captive Forum, tells Nicole Bennett what is new for 2026, from a dedicated investment track to keynotes on resilience and espionage.

56

People Moves

The latest senior appointments across the captive insurance industry.

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Image: Internal Revenue Service

IRS raises 831(b) premium limit to US$3m for 2027

The Internal Revenue Service (IRS) raises the premium limit for the section 831(b) small insurance company election to US$3 million for taxable years beginning in 2027, up US$100,000 from US$2.9 million for 2026.

The figure is set out in Revenue Procedure 2026-35, the IRS's annual inflation adjustment procedure, published on 5 November. The procedure covers adjustments to almost 70 tax provisions, and the accompanying news release does not mention section 831(b).

Section 831(b) allows an insurance company other than a life insurance company to be taxed only on its taxable investment income, provided its net written premiums or direct written premiums, whichever is greater, do not exceed the limit. The election is used by small captives, often referred to as micro captives.

The Protecting Americans from Tax Hikes Act of 2015 raised the limit from US$1.2 million to US$2.2 million from 2017 and indexed it to inflation in increments of US$50,000.

The same legislation added diversification requirements that a company must meet to make the election.

A company whose premiums exceed the limit in a taxable year is not eligible for the election for that year. ■



Image: Isle of Man Financial Services Authority

Isle of Man revisits captive capital proposals after UK regime consultation

The Isle of Man Financial Services Authority (FSA) is reviewing its proposed capital and solvency framework for captive insurers for proportionality and competitiveness, after the UK consulted on a tailored captive regime of its own.

The FSA consulted on the proposed Insurance (Class 12 and 13 Valuation and Solvency) Regulations 2026 between 1 June and 13 July. In a feedback statement published on 12 October, it says the Isle of Man Captive Association (IOMCA) asked it to review the proposals after the UK issued its own consultation, CP11/26.

The FSA says that review has started, in collaboration with IOMCA, and that any changes will be communicated to captive insurers in due course. It plans to bring in the new requirements by the end of 2026, with contingency into the first quarter of 2027. The UK regime is expected in mid-2027.

The June proposals, requested by IOMCA, would move the valuation and solvency requirements for Class 12 (captive) insurers into new regulations and introduce a simplified solvency capital requirement framework, which the FSA said was expected to significantly reduce the regulatory administrative burden of the island's captive framework. ■

HMRC applies capital gains participator test to individual PCC cells

HM Revenue & Customs (HMRC) is changing the capital gains rules for non-resident close companies so that the 25 per cent participator test can apply to an individual cell of a protected cell company (PCC), as well as to the PCC as a whole.

The measure, announced at Budget 2026 and set out in a policy paper published on 28 October, has effect for gains accruing on or after 28 October 2026.

Legislation will be introduced in Finance Bill 2026.

Under sections 3 to 3G of the Taxation of Chargeable Gains Act 1992, gains made by a non-resident close company are attributed to its UK resident individual, trust or company participators that hold an interest of more than 25 per cent in the company. The attributed gains are then subject to capital gains tax or corporation tax.

The amendment allows the 25 per cent test to be applied by reference to the level of interest in an individual cell within a PCC.

HMRC says the measure is likely to affect UK resident individuals, trustees and companies holding assets through a non-UK resident PCC.

It says the measure primarily affects UK residents who are sheltering assets in non-resident PCCs to avoid capital gains tax, and prevents the use of PCCs to avoid tax.

The stated policy objective is to increase trust in the tax system by clarifying the participator rules as they apply to PCCs. HMRC expects no Exchequer impact in any year from 2026-27 to 2031-32.

The policy paper does not refer to insurance or captive insurance. PCCs are widely used in the captive insurance market, and the paper does not address whether or how the change applies to UK owners of cells in non-UK protected cell captives. ■

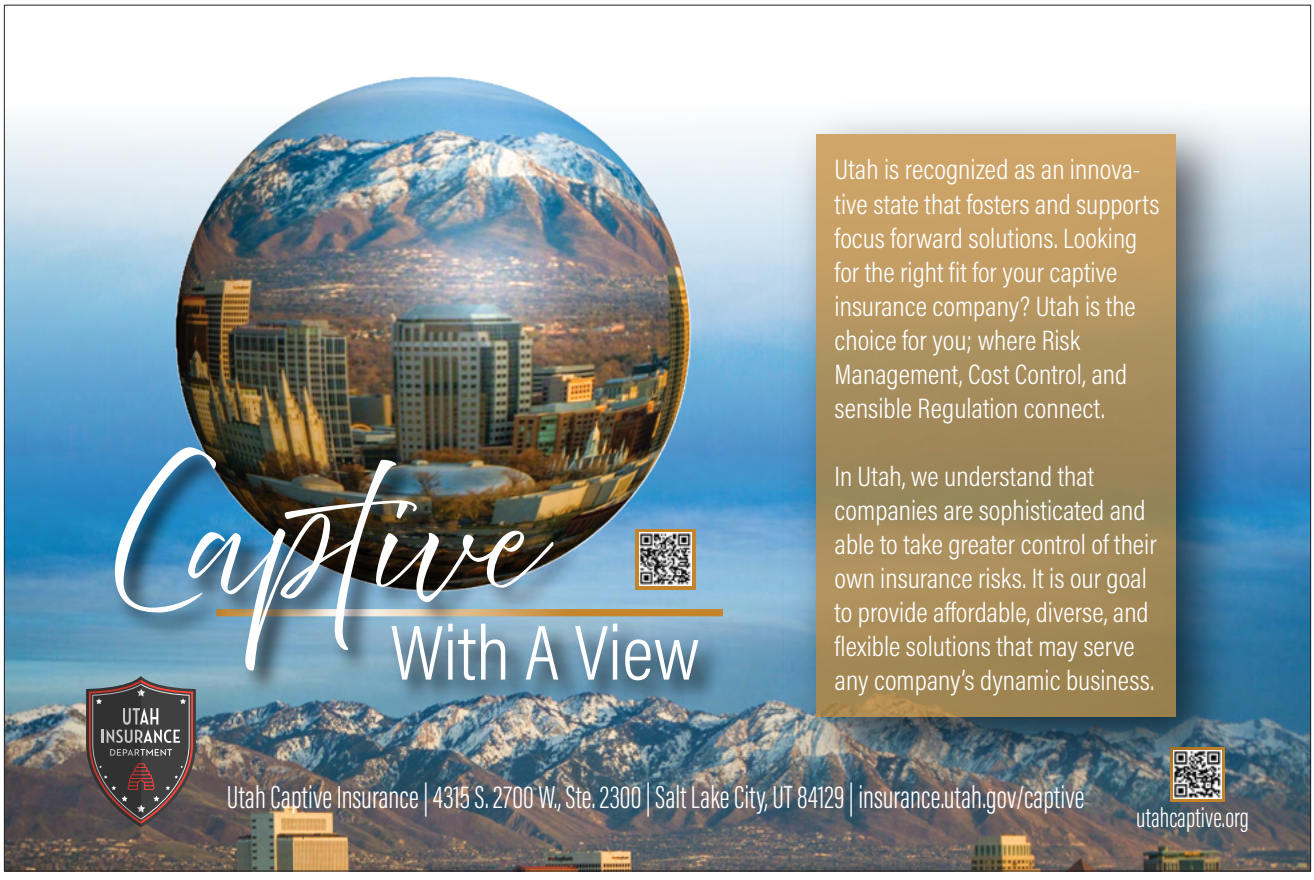



Image: International Financial Services Centres Authority

IFSCA group recommends special purpose insurer regime for GIFT City

A working group appointed by the International Financial Services Centres Authority has recommended that India create a separate prudential regime for special purpose insurers (SPIs) at GIFT City, exempting them from minimum paid-up capital and solvency requirements in exchange for full collateralisation.

The report, 'Developing a Framework for Issuance of Insurance-Linked Securities (ILS) from GIFT-IFSC', is dated 19 October 2026 and was published on the authority's reports and publications page on 16 November.

The group, chaired by T L Alamelu, a former principal adviser to the authority, recommends a dedicated statutory carve-out under the Insurance Act 1938, or an equivalent legislative mechanism, permitting SPIs subject to a mandatory requirement of full collateralisation, restricted business activities, bankruptcy remoteness, robust governance and appropriate regulatory oversight.

The rationale is that collateral functions as the primary prudential safeguard rather than shareholder equity. An SPI, the report states, assumes risk under a single or limited number of contracts, funds all contractual obligations before assuming risk, and holds collateral equal to its maximum contractual exposure in ring-fenced accounts.

The exemption would displace the minimum paid-up equity capital prescribed by the Act.

Carve-outs are also sought from section 64VA on solvency margins and from the provisions on accounts, actuarial valuation and audit, on the basis that SPIs follow a pass-through accounting model.

On listing, the report finds no change is needed, as catastrophe bonds already fall within the definition of debt securities and may be listed on the two exchanges in the centre.

Catastrophe bonds are proposed as the initial and principal product, with reinsurance sidecars, collateralised reinsurance and other alternative risk transfer vehicles to follow.

Bermuda, Singapore, Hong Kong, the UK and the US are examined as comparators. ■



Image: BlackRock

Majority of insurers plan greater use of onshore captive reinsurance

More than half of insurers (53 per cent) plan to increase their use of captive onshore reinsurance over the next 12 months, according to BlackRock's 15th annual 'Global Insurance Report', making it the capital-management tool insurers most expect to expand.

By comparison, 26 per cent plan to increase their use of third-party offshore reinsurance, 23 per cent captive offshore reinsurance and 19 per cent third-party onshore reinsurance. A third (33 per cent) expect to maintain their use of captive onshore reinsurance, while 11 per cent expect to decrease it.

Optimising balance sheet structure or improving capital efficiency is the most cited objective behind insurers' expected use of capital-management tools, at 66 per cent, followed by managing regulatory, rating agency or solvency constraints (59 per cent) and reducing earnings volatility (50 per cent).

The survey covers 463 insurers across 31 markets, representing investable assets of more than US$24 trillion. ■

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Image: Christopher Hui, Hong Kong's Secretary for Financial Services and the Treasury

Hong Kong to attract more captives, says Hui at IAIS conference

Hong Kong will continue to strengthen its role as a regional risk management hub by attracting more captive insurers, according to Christopher Hui, Hong Kong's Secretary for Financial Services and the Treasury.

Hui made the comments in opening remarks at the International Association of Insurance Supervisors (IAIS) Annual Conference 2026 on 12 November, which Hong Kong is hosting for the first time. The conference theme is "Towards better outcomes: Insurance in the age of interconnected risks".

Hui says: "We will continue to strengthen Hong Kong's role as a regional risk-management hub by attracting more captive insurers, expanding our insurance-linked securities market and nurturing industry talent. In doing so, we aim to support enterprises across Asia and Mainland companies expanding overseas, helping them manage risks and pursue new opportunities with confidence."

For enterprises expanding into new markets, Hui says, risk management should be part of business planning from the outset, as their exposures may extend across assets, operations and supply chains in several jurisdictions.

Hui adds: "Captive insurance can complement commercial cover and other arrangements, giving enterprises another tool with which to manage these risks."

On insurance-linked securities, Hui says the government has extended the Pilot Insurance-linked Securities Grant Scheme to 2028 to encourage market development and wider participation. Hui also points to Hong Kong's risk-based capital regime, implemented in July 2024, which aligns capital requirements more closely with insurers' risk profiles.

Hong Kong had nine captive insurers, three of them authorised in 2026, according to the Chief Executive's Policy Address in September. ■

Aon completes US$17bn acquisition of USI

Aon completes its acquisition of USI for a total purchase price of US$17 billion.

Aon describes USI as the 10th-largest US insurance broker, with approximately US$3 billion in annual revenue, more than 10,500 staff and nearly 200 US offices.

Headquartered in Valhalla, New York, it provides property and casualty, employee benefits, personal risk, programme business, wholesale and retirement solutions, principally to middle-market clients.

With immediate effect USI goes to market as USI, an Aon company. Mike Sicard, previously chairman and chief executive officer of USI, now serves as president of Aon and global chief executive officer of the middle market across Aon, NFP and USI.

Aon says the acquisition builds on its purchase of NFP in 2024, expands the firm's direct access to the excess and surplus lines segment, and extends its risk capital and human capital capabilities.

Greg Case, chief executive officer of Aon, says: "Today marks an important step forward for our clients, colleagues and shareholders as we welcome USI to the Aon family and formally establish the premier US middle-market platform."

Sicard says: "With Aon's distinctive capabilities and integrated, one-firm platform, we are entering an exciting new chapter for our colleagues and clients."

Aon has identified US$395 million of expected net adjusted EBITDA synergies from the acquisition. It will give an outlook for 2027 inclusive of the impact of USI when it reports fourth quarter earnings in early 2027. ■

Image: Marsh

Marsh secures approval for captive management services in Bahrain

Marsh receives approval to provide captive insurance management services in Bahrain, which the firm says makes it the first international broker to offer such services in the Kingdom.

The announcement was made at the fourth edition of Gateway Gulf, a forum hosted by the Bahrain Economic Development Board (Bahrain EDB) on 1-2 November at the Four Seasons Hotel Bahrain Bay.

Marsh's captive services in Bahrain, together with all its captive services in the region, will be led by Marcin Antosik, regional captive leader, Middle East, at Marsh.

Marsh has established operations in Bahrain, Qatar, Saudi Arabia and the United Arab Emirates. The firm says it was the first international broker to be awarded captive insurance licences in Dubai, in 2008, and in Abu Dhabi, in 2018.

Noor Al-Haji, chief executive officer of Marsh Bahrain and Kuwait, says: "Bahrain's position as a well-regulated financial centre, combined with the region's continued economic diversification, makes this an important milestone for Marsh and for the wider captive insurance market in the Gulf.

As businesses across the GCC pursue growth in an environment shaped by stronger non-oil investment, evolving regulation and increasingly complex risks, captive insurance is becoming a more strategic tool for financial resilience."

Antosik adds: "Marsh's captive solutions continue to grow across the Gulf region, as clients seek more sophisticated risk-financing options that offer greater control, flexibility and certainty in an increasingly complex risk environment." ■





Image: Cook Islands Investment Corporation

Cook Islands government captive plans wider cover and parametric options

The Cook Islands Investment Corporation (CIIC) plans to expand the scope of its captive, the Cook Islands Captive Insurance Company (CICIC), to support broader coverage across its group and beyond, according to its Statement of Corporate Intent (SCI) for 2026-2030.

CIIC manages the Cook Islands Government's land, buildings, facilities and public housing, and oversees the country's state-owned enterprises, which run services including ports, airports, power and water.

CICIC is a wholly owned subsidiary of CIIC, incorporated in the Cook Islands on 16 June 2025. It received its captive insurance licence from the Financial Supervisory Commission on 20 August 2025.

CICIC engaged all entities across the CIIC group to underwrite their material damage and business interruption policies, effective 1 October 2025, its first active underwriting year. CIIC says the captive went to market and assembled a reinsurance syndicate to cover the group on an all-perils basis, achieving an aggregate discount of more than 20 per cent on prior-year premiums.

It has also secured underwriting-funded support for risk engineering and engaged a chief risk officer.

Initiatives in the pipeline include exploring parametric cover for climate and natural catastrophe events, which the SCI says is particularly relevant given the Cook Islands' geographic exposure; adding general liability as a policy line; and exploring dedicated legislation for CICIC as a government-owned captive.

The long-term vision is for CICIC to become the primary insurance capacity provider for CIIC and its subsidiaries, and ultimately to attract other captive structures to the domicile.

Willis (New Zealand) is CICIC's global insurance broker and company manager. ■

NAIC reaccredits Hawaii, New Mexico and South Carolina departments

The National Association of Insurance Commissioners (NAIC) Financial Regulation Standards and Accreditation (F) Committee votes to reaccredit the insurance regulatory departments of Hawaii, New Mexico and South Carolina, during the association's 2026 Fall National Meeting.

Accredited insurance departments undergo a comprehensive, independent review at least once every five years, with interim annual reviews in between.

The NAIC says accreditation demonstrates that a department meets standards of solvency regulation and allows non-domestic states to rely on the accredited domestic regulator for a baseline level of effective financial regulatory oversight.

For captive owners in two of the three states, the significant point is what accreditation does not cover. The insurance division of the Hawaii Department of Commerce and Consumer Affairs and the South Carolina Department of Insurance regulate two of the largest captive populations in the US, Hawaii reporting 276 captives as at 30 June 2026 and South Carolina 235 active captives as at February 2026. The accreditation standards reach almost none of that business.

The NAIC's accreditation programme, in its revised edition of January 2026, states that the Part A standards on laws and regulations do not apply to a state's domestic insurers licensed or organised under its captive or special purpose vehicle statutes.

The Part B standards on regulatory practices and procedures are broader, but although that scope includes risk retention groups organised as captive insurers, it does not include any other type of captive insurer. ■



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Image: Federated States of Micronesia, Micronesia Registration Advisors

Micronesia's captive industry has generated about US$338m in tax revenue

The captive insurance industry in the Federated States of Micronesia (FSM) has generated approximately US$338 million in corporate income tax revenue since the programme was established, according to Steven K. Baker, president of Micronesia Registration Advisors (MRA).

Baker reported the figure at a breakfast meeting between FSM President Wesley Simina, members of the presidential delegation, and members of the FSM Captive Insurance Council and the FSM Insurance Board. Baker also gave an update on the captive insurance sector, its ongoing activities and future priorities.

Later the same day, Simina delivered the opening remarks at the 2026 FSM Captive Insurance Seminar in Tokyo, during an official visit to Japan. Representatives of the 24th FSM Congress also attended.

Addressing members of Japan's business and insurance communities, Simina noted that more than 20 Japanese-owned captive insurance companies are licensed or approved for licensing in the FSM, and thanked them for their continued confidence in the country.

Simina emphasised the FSM's commitment to building a reliable and competitive captive insurance domicile supported by sound regulation and long-term business partnerships, and reaffirmed the government's commitment to strengthening the FSM Insurance Board. The seminar comes as Japan considers a domestic captive regime of its own.

On 1 October, the Financial Services Agency's working group on the insurance system held its first meeting on a separate licence category for reinsurance captives, with a bill targeted at the next ordinary Diet session.

A submission to that meeting from Foresight Risk Management counted 26 Japanese-affiliated captives formed in Micronesia, level with Bermuda and behind Hawaii and Labuan. ■



Image: Thomas Lillelund, Allianz Commercial

Allianz Commercial to establish direct underwriting syndicate at Lloyd's

Allianz Commercial plans to establish Allianz Commercial 1893, a direct underwriting syndicate at Lloyd's, with trading expected to begin from 1 January 2027 subject to final regulatory approval. In-principle approval from Lloyd's is already in place.

The syndicate is to give Allianz Commercial greater access to specialty, facilities and selected managing general agent business at Lloyd's. Polo Managing Agency is to act as managing agent. No capacity figure is disclosed.

Thomas Lillelund, chief executive officer of Allianz Commercial, says: "The new syndicate will establish a long-term direct underwriting presence for Allianz Commercial in one of the world's leading specialty markets. It will expand our access to specialist business and strengthen our ability to serve clients and brokers facing increasingly complex and international risks."

Allianz Commercial fronts captive programmes for corporate insurance buyers, and has appointed Stephen Morton as global head of captive fronting and captive solutions with effect from 1 March 2027.

Lloyd's operates a separate route for captive syndicates, under which a syndicate may write first-party and related third-party risks only. Allianz Commercial 1893 is a direct underwriting syndicate and not a captive syndicate. ■



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Image: Marsh

Global commercial insurance rates fall 5% in third quarter, Marsh finds

Global commercial insurance rates fall by an average of 5 per cent in the third quarter of 2026, according to the latest 'Global Insurance Market Index' from Marsh, following a 6 per cent decline in the second quarter.

The third quarter marks the ninth consecutive quarter of rate decreases.

Marsh attributes the declines to ample capacity and sustained insurer competition across all major product lines, with strong insurer profitability, surplus capital, lower reinsurance costs and higher investment returns intensifying competition.

Alongside lower rates, Marsh says clients renewing during the quarter were able to achieve enhanced coverage terms, higher limits, lower deductibles and more long-term agreements. Some clients used savings to increase limits, broaden coverage, reduce retentions and restructure insurance programmes.

Property rates decline by 10 per cent globally. Five regions record double-digit property decreases, led by India, the Middle East and Africa (IMEA) at 15 per cent, the Pacific at 14 per cent, Latin America and the Caribbean at 13 per cent, the UK at 11 per cent and the US at 10 per cent.

Casualty rates increase by 1 per cent globally. The US is the only region where casualty rates rise, by 6 per cent, with US-exposed risks facing heightened underwriting scrutiny, higher attachments and smaller line sizes.

Financial and professional lines rates decrease by 3 per cent, while cyber rates fall by 4 per cent.

John Donnelly, president, global placement at Marsh Risk, says: "The current environment continues to present opportunities for insureds to enhance their programme structures and examine alternative strategies to manage risk." ■

Ørsted captive lifts profit to DKK176m as AM Best affirms ratings

AM Best affirms the financial strength rating of 'A-' (Excellent) and the long-term issuer credit rating of 'a-' (Excellent) of Ørsted Insurance (ORIAS), the Danish captive insurer of Ørsted, the sustainable energy group. The outlooks on both ratings are 'stable'.

ORIAS reported a net profit of 176 million Danish kroner (US$28 million) in 2025, against DKK158 million (US$22 million) in 2024.

The very strong balance sheet assessment rests on risk-adjusted capitalisation at the strongest level, as measured by Best's Capital Adequacy Ratio, and on a very conservative and liquid investment portfolio. AM Best gives the captive's high dependence on reinsurance as an offsetting factor, partially mitigated by a longstanding relationship with a highly rated reinsurance panel.

The adequate operating performance assessment reflects what AM Best calls a track record of good but volatile underwriting results, demonstrated by a 10-year weighted average combined ratio of 65 per cent for 2016-2025.

ORIAS is a monoline captive writing commercial property and construction cover for Ørsted. AM Best describes the underwriting portfolio as concentrated by line of business but well diversified geographically, and says the neutral business profile assessment also reflects the captive's strategic importance to its parent. ■

Image: AM Best, Ørsted Insurance



Image: Self-Insurance Institute of America

US Department of Labor finalises pharmacy benefit fee disclosure rule

The US Department of Labor finalises a rule requiring pharmacy benefit managers, and their affiliated brokers and consultants, to disclose their fees and compensation to the fiduciaries of large employers' self-insured group health plans.

The rule, issued by the Department's Employee Benefits Security Administration on 29 October, requires first-time disclosure of rebates and other payments from drug manufacturers, compensation earned when a plan's price for a drug exceeds the amount reimbursed to the pharmacy, and payments recouped from pharmacies for drugs dispensed to plan participants.

Plan fiduciaries will be able to audit the accuracy of the disclosures, and the rule gives them additional relief if a pharmacy benefit manager fails to meet its obligations.

The Department says self-insured group health plans that use pharmacy benefit managers cover approximately 90 million Americans, and projects that the rule will lower prescription drug costs for plans and participants by as much as US$22 billion over 10 years.

Daniel Aronowitz, assistant secretary for the Employee Benefits Security Administration, says: "The rule gives employers the tools they've been denied for far too long."

The Self-Insurance Institute of America (SIIA) says the rule is not limited to pharmacy benefit managers. According to SIIA, it also applies to third-party administrators that provide pharmacy benefit management services, including through a subcontractor, and to consultants, brokers and other providers, such as operators of multiple employer welfare arrangements and level-funded plans. ■

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Image: Fitch Ratings

Fitch affirms 'BBB+' rating of Vale's Singapore captive Monticello

Fitch Ratings affirms the insurer financial strength rating of Monticello Insurance (MIPL), the Singapore captive of mining group Vale, at 'BBB+'. The outlook is 'stable'.

Fitch considers MIPL a core captive of Vale, so its rating is linked to and equal to Vale's issuer default rating of 'BBB+'. The agency says the alignment reflects that the captive's mission and goals are tied to Vale's risk management and risk financing strategy. MIPL derives all its business from its parent and is not a profit centre in its own right.

Fitch says Vale has provided financial support to MIPL when needed, and appears to support its continued solvency and viability through revolving loan agreements and lines of credit to fronting insurers, as well as timely capital injections.

Capitalisation remains strong and leverage low. Liabilities were around 5.6 per cent of equity at year-end 2025, while equity represented about 94.7 per cent of total assets.

MIPL's retention ratio remained broadly stable at the end of 2025 and above the 70 per cent average seen before 2022.

Fitch expects the ratio to decline over the next few years, as the captive intends to reduce its retention of property risks.

Return on average equity was 10.8 per cent in 2025, in line with the three-year average.

Profit was US$42.5 million, down 16.4 per cent on 2024, mainly because insurance revenue fell by about 24 per cent.

Loans to the parent dominate the investment portfolio. Loans to Vale International made up 89 per cent of liquid assets at the end of 2025, up from 86 per cent in 2024. The loans are renewed each quarter, can be up to US$800 million and carry a fixed rate of 3.75 per cent. ■

Bermuda registers four new insurers in October

The Bermuda Monetary Authority (BMA) registers four new insurers in October, including one long-term captive: two Class E insurers, one Class C insurer and one Class A insurer.

The Class E registrations are Mariner Re, effective 1 October, and YF Life Insurance Bermuda, effective 19 October. AIA Global Insurance Company is registered as a Class C insurer, effective 2 October.

Project Pearl ISAC is registered as a Class A insurer, effective 21 October.

Class A is Bermuda's long-term captive class, for insurers that write only the long-term business of their owners and affiliates. The BMA does not give details of the captive's owner or business.

In the commercial classes, Class 1 is for single-parent captives and Class 2 for multi-owner captives, with Classes 3, 3A, 3B and 4 covering insurers with increasing levels of unrelated business and capital. There were no new registrations in the commercial classes in October.

Year to date, the BMA has registered 46 insurers and nine intermediaries, 55 in total. Insurer registrations include 13 restricted special purpose insurers, 11 Class E insurers, five collateralised insurers and four Class C insurers. In the captive classes, there have been two Class 1 and three Class 2 registrations, including AFC Captive Insurance Company in August.

In October, the BMA's Insurance Assessment and Licensing Committee reviewed seven applications, six new and one carried forward. Six were approved and one was deferred. ■

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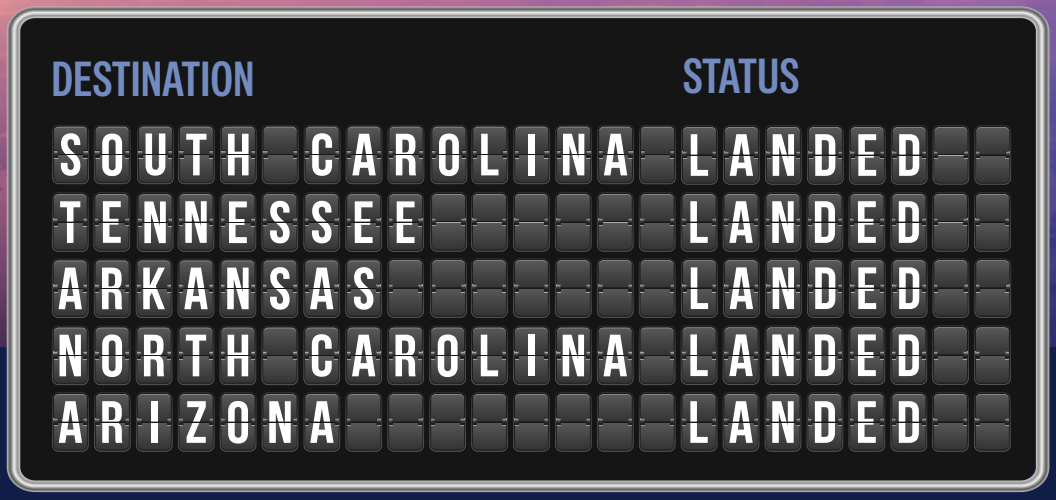

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Image: Marsh Re

Secondary perils now drive most North American catastrophe losses

Secondary perils, including severe convective storms, wildfire, winter storms and flood, now account for the majority of North American insured catastrophe losses, yet reinsurance programmes, models and pricing frameworks remain calibrated for rare, catastrophic events, according to a report from Marsh Re, the reinsurance and capital business of Marsh.

The report, 'The frequency problem: Secondary perils hit earnings and can compromise capital', finds that this disconnect has created a fundamental strategic challenge for insurers, and that closing the gap between how insurers buy reinsurance and how losses are occurring is becoming a competitive differentiator.

Marsh Re says US-insured severe convective storm losses have exceeded US$30 billion a year every year since 2020, with four of those years above US$40 billion.

A season of 15 midsize hail events can do more damage to an insurer's income statement than the one-in-100-year hurricane that still anchors many capital models.

Since the 2023 market reset pushed reinsurance retentions higher, reinsurers' share of catastrophe losses has fallen, leaving more of these frequent events on insurers' net results.

Catastrophe models for secondary perils continue to improve, but Marsh Re says validation remains uneven. Its testing shows model loss estimates can shift materially from one release to the next.

The report sets out three steps for insurers: blending vendor model output with claims experience and validating results before using them in decision-making; strengthening exposure-level mitigation data; and redesigning reinsurance for aggregation, using annual aggregate covers, second-event layers and low-attaching structures.

Kim Roberts, North American peril advisory leader at Marsh Re and author of the report, says: "The insurers that outperform over the next cycle will be the ones that bring the same discipline to hail, wildfire, and winter storm that they apply to capital planning." ■

AM Best assigns ratings to Turks and Caicos captive Balboa Re

AM Best assigns a financial strength rating of 'B++' (Good) and a long-term issuer credit rating of 'bbb+' (Good) to Balboa Reinsurance (Balboa Re), a Turks and Caicos captive. The outlook assigned to the ratings is 'stable'.

The ratings reflect Balboa Re's balance sheet strength, which AM Best assesses as strong, as well as its adequate operating performance, limited business profile and appropriate enterprise risk management.

AM Best says the ratings also reflect a strong level of risk-adjusted capitalisation, as measured by Best's Capital Adequacy Ratio, supported by an appropriate reinsurance programme and conservative investment policies.

The agency adds that Balboa Re's affiliation with Seguros e Inversiones (SISA), and the guarantee SISA provides, highlight the importance of the company to the group. Offsetting these factors is the captive nature of the company, which limits its business profile.

Balboa Re was founded in 2001 and, under Turks and Caicos regulations, has authorisation to operate as a full captive insurance company.

It will primarily provide reinsurance cover for insurance programmes associated with the portfolios of Banistmo, the largest banking entity of the group, now part of BSC Financial Group in Central America and Panama.

AM Best says the Banistmo business has proven profitable with demonstrated premium sufficiency, and that Balboa Re will benefit from it through stability and consistency of profit generation. ■

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> If we truly believe in tailoring solutions, then clients shouldn't be limited to a domicile simply because that's where we are located

Alanna Trundle
president
Global Captive Management Ltd

Growth by design

After more than four decades in Cayman, Global Captive Management Ltd is taking its boutique model onshore. Nicole Bennett speaks with Alanna Trundle, president, about how employee ownership, in-house technology and a growing US presence set the firm apart in a consolidating market

You have led Global Captive Management (GCM) since the start of 2024. What has changed most about the firm in that time, and where have you chosen to put your own attention?

Alanna Trundle: A lot has changed over the last two to three years, but I would say the growth we've experienced is really the culmination of about seven years of transformation.

Since becoming president, we've grown from managing 62 captives to more than 70. Our team has grown from 22 employees to an expected 30 employees by the end of this year, and revenue has increased by approximately 30 per cent.

Those are significant milestones, but they didn't happen overnight. When GCM was acquired by Holmes Murphy in 2019, we had an opportunity to take a step back and rethink who we were as an organisation. For several years, we focused heavily on our people and culture. We revamped our performance review process, introduced mentoring and development programmes, launched initiatives like our Women Optimizing Women committee, and created a more structured and intentional approach to community engagement.

Once we felt we had built a strong foundation internally, we turned our attention outward. We focused on clarifying the GCM story, strengthening our marketing and business development efforts, and developing new solutions for clients, including launching Outcomes SPC, our sponsored captive structure.

So while the growth has happened over the past few years, I see it as the result of years of intentional investment in our people, our culture, our capabilities, and ultimately our clients.

GCM operated predominantly from Grand Cayman for more than four decades before securing regulatory approval in Tennessee, South Carolina, Arkansas, Arizona, and North Carolina. What drew you to those states in particular, and what does an onshore capability let you offer that you could not before?

Trundle: The biggest driver behind our move into the US was our clients.

As we increased our business development efforts and expanded our network, we developed relationships with clients who wanted to work with GCM but preferred to domicile their captives in US jurisdictions. In one case, a client was committed to an Arkansas domicile but wanted GCM as their manager. Similarly, we had a longstanding client that had previously been domiciled in Cayman but had moved to Tennessee and wanted to continue working with us.

That demand encouraged us to seek licensing in those states. As we went through the process, we spent considerable time getting to know regulators and understanding their expectations. We found a number of domiciles that were committed to captive insurance, had engaged regulators, and shared our view that strong regulation and collaboration are critical to the long-term success of the industry.

For us, the move was a natural extension of our philosophy. We've always believed that captive solutions should be designed around the client's needs. If we truly believe in tailoring solutions, then clients shouldn't be limited to a domicile simply because that's where we are located.

Today, we have two captives domiciled in the US, and we expect that number to continue growing. Our goal is to provide clients with choice and flexibility while delivering the same level of service and expertise that has defined GCM for more than four decades.

Running Cayman and US structures alongside each other is a different proposition from operating in one place. What does that look like day to day, both for your team and for a client with entities in both?

Trundle: The biggest differentiator is regulation.

Not only are we navigating the differences between offshore and onshore domiciles, but each US state also has its own regulatory framework and expectations. That has required us to invest heavily in developing our team's knowledge and expertise across multiple jurisdictions.

We're fortunate to be part of the Holmes Murphy family and to work closely with Innovative Captive Strategies (ICS), which has licensing and experience across numerous captive domiciles. Their expertise has been invaluable as we've built our presence in the US.

For clients, the benefit is access to a management team that understands both environments. They receive a consistent service experience and can draw on insights from both onshore and offshore markets. Our more than four decades of Cayman experience is highly transferable, particularly in some of the newer captive domiciles where legislation is still evolving. We're able to work constructively with regulators and professional partners while helping clients navigate different regulatory environments.

Ultimately, clients don't want to manage multiple service experiences. They want a trusted partner who understands their business and can support them regardless of domicile, and that's what we aim to provide. That consistency comes from our people. As we've expanded into new jurisdictions, we've invested heavily in developing our team and our capabilities across multiple jurisdictions so clients continue to receive the same high-touch service regardless of where their captive is domiciled.

Independence is a word used widely across captive management and understood in very different ways. What does it mean in practice for a manager, and at what point in the relationship does a client feel the difference?

Trundle: For us, independence has evolved over time.

Historically, GCM was independently owned for nearly 40 years. That meant we operated independently of brokers and other professional service providers and were completely agnostic when recommending solutions. We could choose the right broker, actuary, auditor, or partner based entirely on what was best for the client. When we became part of Holmes Murphy in 2019, our definition of independence changed, but the way we do business did not. We continue to maintain relationships with a broad range of professional partners because we know different clients have different needs and

different providers bring different strengths. Clients feel the difference when recommendations are being made. Our focus remains on identifying the best solution for that specific client rather than steering them towards a predetermined answer.

The second aspect of independence comes from our ownership structure. Holmes Murphy is employee-owned. Unlike publicly traded organisations, we are not driven by quarterly earnings targets or external shareholder expectations.

Employee ownership creates a different mindset. We are deeply invested in our clients' success because their success contributes directly to ours. It also gives us the flexibility to make decisions quickly and adapt when opportunities arise.

Captive management has consolidated to the point where a small number of global names account for a very large share of the business. What does that concentration open up for a firm operating the way GCM does?

Trundle: Consolidation has made it harder for firms to differentiate themselves, but in many ways it has helped GCM stand out. Captive insurance is a competitive industry, and clients increasingly value alternatives to the large global providers. We offer a boutique service model where every solution is tailored to the client, and our goal is for every client to feel like they're our only client.

That level of service only happens because of the people behind it. We've invested significantly in creating an environment where our team can grow, develop, and build long-term careers, and our clients benefit directly from that continuity and expertise. We firmly believe that great client experiences start with great employee experiences.

As the industry consolidates, there is actually greater demand for firms that offer a different experience. Clients want expertise and scale, but they also want accessibility, flexibility, and personal relationships.

What makes our position unique is our ownership structure. Because we're employee-owned, we're far less likely to become part of another wave of consolidation. Any decision of that nature would involve our employee owners. That provides consistency and stability for both our employees and our clients. We can continue focusing on long-term relationships and delivering exceptional service with less concern about becoming the next acquisition target.

Softer rates are often assumed to weaken the case for group programmes, although long-established groups tend to tell a rather different story. What are you seeing across the programmes you manage?

Trundle: We're continuing to see strong growth in this area.

We've been averaging approximately two new groups each year, and we're also seeing membership growth across the programmes we currently manage.

Many organisations initially explore group captives because they're experiencing market volatility and believe they can achieve more stable pricing. But what keeps them in a captive is usually something very different. Once they're in the structure, they begin to realise it's not simply about lower rates. It's about stability, control, transparency, and long-term performance. They gain greater visibility into claims data and become much more engaged in risk management and loss prevention because their own performance directly impacts captive results.

One of the most valuable benefits is the collaboration. Group captives bring together like-minded business owners who are invested in creating safer, stronger organisations. The sharing of ideas and best practices becomes incredibly powerful and often ends up being one of the primary reasons members remain committed to the programme.

Cayman closed the first half of this year with around US$61 billion in premium across 721 Class B, C and D companies, and 20 new international insurer licences issued. What is driving that, and which parts of it do you expect to keep compounding over the next five years?

Trundle: What is particularly interesting about Cayman's growth is that it isn't being driven by a single segment of the market. A lot of attention is understandably focused on reinsurance, which continues to grow significantly. However, we're also seeing continued expansion in group captives and traditional related-risk captives. The growth is broad-based rather than concentrated. Over the past year, GCM has established more than five new licensees across group captive, single-parent, and Class B(iii) structures.

I believe one of the primary drivers is increased awareness and understanding of captives. Historically, captives were viewed as niche or alternative solutions that only certain organisations understood or had access to.

Today, there is far more education available, and as that understanding increases, captives become accessible to a much wider range of organisations. Looking ahead, I expect that trend to continue. Reinsurance will remain an important growth area, but I also see continued opportunities across the more traditional structures. As awareness grows, captives will increasingly become part of mainstream risk management discussions rather than being viewed as alternative solutions.

Formation activity tends to arrive in waves, shaped by whichever line is under the most pressure at the time. Where do you expect the next one to come from, by sector and by structure?

Trundle: Auto is certainly one area generating significant interest. Rising costs and ongoing market pressure continue to drive organisations to explore alternative solutions.

We're also seeing increased interest from managing general agents (MGAs) and managing general underwriters (MGUs) looking to utilise segregated portfolio company (SPC) structures. As their understanding of captives grows, they're identifying opportunities to use these structures to support their clients and business models more effectively.

A third area is technology and artificial intelligence.

Organisations across all industries are using technology to transform how they operate. As business models evolve, risk profiles evolve as well. That means companies need to think strategically about whether their insurance programmes are still providing the right coverage. I believe there will be increasing opportunities for captives to help organisations address new and emerging risks created by technological change and business transformation.

It is always more interesting to hear about something concrete than a roadmap. Which process inside GCM has changed most this year, and what did it look like before?

Trundle: Without question, hiring a software developer has been the most significant operational change this year.

We know we're experts in captive insurance, but we're not software developers. At the same time, we could clearly see opportunities to improve how we work through technology and automation.

Historically, many of our processes relied heavily on manual effort. By bringing development capabilities in-house, we've been able to start identifying opportunities to automate routine and administrative tasks.

One example is the automation of cash book and investment reporting processes. Work that previously required a significant amount of manual administration is now being centralised and automated, with expected savings of more than six hours per client annually.

The goal isn't simply efficiency. Technology should automate the mundane, not replace people. Our objective is to free our team from repetitive administrative work so they can focus on activities that create value for clients, such as analysis, advisory services, problem-solving, and building stronger relationships. Having someone dedicated to that effort has been transformative and has become a key part of our future strategy.

GCM makes its decisions in one place, which tends to shorten the distance between spotting something useful and putting it to work. How does that shape the way you approach new systems, and what is on the list for 2027?

Trundle: One of the greatest benefits of joining Holmes Murphy in 2019 has been gaining the best of both worlds.

We've retained the entrepreneurial spirit and agility that have always defined GCM, while gaining access to the resources of a much larger organisation.

We continue to make decisions locally, which means we can remain flexible, responsive, and quick to act when opportunities arise. At the same time, we benefit from broader expertise across marketing, legal, technology, and business operations.

Our people remain central to that strategy. As we invest in technology and expand geographically, we're equally focused on ensuring our team has the tools, training, and opportunities they need to continue delivering exceptional service. That

> Because we're employee-owned, we're far less likely to become part of another wave of consolidation

combination has been particularly valuable as we pursue technology initiatives. We can identify an opportunity, make a decision locally and move quickly, while still drawing on the technology expertise and resources available through Holmes Murphy.

Looking ahead to 2027, technology will remain a major area of investment. We are reviewing our systems and processes with a focus on efficiency, automation, data analytics, reporting, and client insights.

One initiative already underway is a review of the technology we use to support captive governance and board meetings. We see an opportunity to streamline the way meeting materials are prepared, shared, and managed, making the process more efficient for our team while creating a better experience for our directors and clients.

We also plan to continue expanding our US presence. The response to our move onshore has been incredibly encouraging, and we see significant demand for the personalised service and expertise that GCM can offer in those markets.

As more of the routine reporting and compliance work moves towards automation, what becomes the most valuable thing a manager brings to a captive, and what would you like GCM to be known for five years from now?

Trundle: As automation takes over more routine reporting and compliance activities, the most valuable thing a captive manager will bring is expertise, judgement, and insight.

Technology can make us more efficient, but it can't replace decades of experience helping clients solve complex risk challenges. Next year, GCM will celebrate 45 years in the captive industry, and that depth of experience remains one of our greatest strengths.

We also benefit from managing a diverse range of captive structures, including group captives, pure captives, SPCs, reinsurers, and US-domiciled captives. That diversity strengthens the advice we provide because we're able to draw on a broad range of experiences and identify the most appropriate solution for each client's unique circumstances.

At the same time, we're committed to continuing to evolve. We're embracing technology, automation, and data analytics because we believe they allow us to spend less time on administration and more time helping clients make informed decisions.

Five years from now, I would like GCM to be known as a firm that combines nearly five decades of captive expertise with a willingness to challenge how things have always been done. A firm known for exceptional people, tailored solutions, and a commitment to helping clients navigate an increasingly complex risk environment. We want to be recognised as a trusted partner that embraces innovation, invests in its people, and delivers the personal service that has defined GCM for more than four decades. ■

Group captives at scale

Group captives are usually judged one programme at a time, but a carrier sees patterns across many. Elliot Hayes speaks with Matt Moore, head of group captives at Zurich US, about what that wider view reveals on member selection, underwriting discipline and the road to maturity

A group captive tends to be judged on its loss experience, its distributions to members, and how well it holds together when the commercial market softens. Yet the model is no longer a niche choice.

Formation activity is reaching industries and member sizes that would not have looked at a group captive a decade ago, and more brokers are searching for efficient ways to bring it to their clients. As the market widens, the experience of those who see many programmes side by side, rather than one at a time, becomes increasingly valuable. Few vantage points are wider than that of a carrier sitting behind a large book of them, and Matt Moore, head of group captives at Zurich US, has that view.

What only becomes visible when you look across a large book of group captive programmes?

Matt Moore: There are trends that become more visible when you analyse variables across an entire portfolio. Fortunately, Zurich has one of the largest portfolios for group captives, so we can utilise that data for better decision-making.

That macro lens allows you to see broader claims trends, jurisdictional outcomes, and best practices that improve outcomes. It also allows you to see the growing popularity of group captives among multiple industries.

What do the strongest programmes have in common, and how does that show when the commercial market softens and members are tempted to leave?

Moore: The strongest programmes have a dedication to a superior risk management culture, and they hold the members accountable for their performance.

The sharing of best practices for continuous improvement is crucial to the ethos of the group captive. A group captive does not lose its value if a market softens, because there is still an insurance mechanism to receive distributions.

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> The core values that the captive was built upon should not change just due to an increase in size and scale

Matt Moore
head of group captives
Zurich US

Image: Matt Moore, head of group captives, Zurich US

> Loss history is just one piece of the underwriting puzzle

Captive customers should be aligned for a long-term commitment that utilises the benefits through multiple market cycles.

Member selection is widely cited as decisive. Beyond loss history, what does genuinely disciplined selection screen for?

Moore: Loss history is just one piece of the underwriting puzzle. An insurance carrier is also underwriting the risk management philosophy and commitment of the company's leadership. Also, what is the growth plan for that potential member? When done correctly, group captives become the desired location for companies with superior risk management, willingness to take on more risk, and a desire to bet on themselves.

How does underwriting discipline compound over time, and at what point does it start to show in the results?

Moore: Underwriting discipline becomes evident through consistent member distributions as the captive matures, and a consistent pricing structure.

Group captives are often insulated from, but not immune to, the trends in the marketplace. Pricing consistency is a benefit of disciplined underwriting, but it can't ignore the inflationary trends. A true sign of underwriting discipline is consistency in appetite, approach, and smoothing out the volatility.

How should a programme weigh the benefits of growing its membership against the need to add the right members?

Moore: Growth in membership is always a delicate balance for any group captive. The membership is able to create diversification benefits as it grows to create better stability and predictability. However, an executive committee needs to balance the desire to grow with adding the right members for continuous improvement. Each group captive has its own personality and culture. If you are able to grow in a way that preserves those core values, it is beneficial for everyone. Growing too fast, or outside of core businesses, can create volatility without the needed due diligence.

What marks the point at which a programme has genuinely matured, and what changes in how it is run once it gets there?

Moore: Programme maturity is not an exact science, but it is often thought that US$30 million to US$40 million in premium creates stabilisation in pricing and predictability in losses. The way the captive is run should not change at that point, but it allows flexibility for the executive committee to become more selective on future members, raise retentions, and raise minimum premiums. The core values that the captive was built upon should not change just due to an increase in size and scale.

As surplus builds and distributions continue, how should a mature programme approach decisions on risk appetite and retentions?

Moore: Those are the difficult decisions that need to be made in any growing group captive, but it is also the rewarding part of owning and running your own insurance company. Whenever there are continuous distributions to members, there is an appetite to take on more risk. When you layer on

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the inflationary aspects of things like medical costs, it often makes sense to raise retentions. This is where the insight of a captive consultant is extremely valuable to guide everyone through that process.

When mature programmes look to extend, whether into new lines, adjacent industries or deeper retentions, who should drive that decision and what should guide it?

Moore: The beauty of a group captive is that every member has a voice through their vote. The captive consultant is there to share their expertise, but the executive committee is making recommendations for the future of the captive.

The governance of the board of directors is supplemented by the experiences of all of its service providers to make the best decision for the future. There is nothing wrong with expansion as long as they are sticking to the core values that brought them to profitable maturity.

Group captives are reaching industries, member sizes, and brokers that would not have considered them a decade ago. What do newcomers to the model most need to understand before bringing it to clients?

Moore: Group captives continue to gain in popularity, which is leading to more brokers evaluating the most efficient way to bring that product to their clients. It is just as important to understand and evaluate the length of the captive education and sales cycle, as well as the regulatory and compliance complexities for group captives. It is amazing to see the continued rise of an insurance product that aligns all parties.

Cayman is one of the leading domiciles for group captives. How much does the choice of domicile shape a group programme as it scales, and what matters most in the providers around it?

Moore: Zurich is domicile neutral, but it is important to focus on service providers that have expertise in the group captive space. That is true for a carrier, domicile, third-party administrator (TPA), captive consultant, or captive manager. You want to make sure each party that is involved has the resources necessary to join on the growth journey and add value along the way. This is the expertise that will provide the proper guidance and allow the group captive industry to continue to grow. ■

“ It is amazing to see the continued rise of an insurance product that aligns all parties

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Closer to the risk

Marsh has secured approval to provide captive management services in Bahrain, which it says makes it the first international broker to offer them in the Kingdom. Marcin Antosik, regional captive leader for the Middle East, speaks with Elliot Hayes about how Gulf businesses should choose a domicile, what boards want to see, and where cyber, employee benefits and takaful fit in

Why Bahrain, and why now? The Kingdom has had a captive framework for some time, so what has changed, and what difference does an international captive manager on the ground make?

Marcin Antosik: The case for Bahrain is becoming stronger because client needs are evolving. Businesses are operating across more markets, their risk maps are becoming more complex and boards are looking for greater flexibility in how they finance and manage risk. Captives are increasingly viewed not simply as an insurance solution, but as part of a broader risk-management and capital strategy.

Bahrain, like other captive domiciles in the Middle East, recognises that the market is changing. The most successful domiciles will be those that continue to listen to businesses, refine their frameworks and make it easier for companies to address their specific risk-financing needs.

Location also matters. Clients today have more choice and do not necessarily need to establish a captive far from their headquarters, assets, investments or operating markets. A well-developed regional domicile can offer proximity, regulatory engagement and a better understanding of local risk exposures.

Image: Trabantos via Canva Pro

That is why Marsh is pleased to partner with Bahrain and invest in the region. Having an international captive manager on the ground brings more than administrative support.

It provides clients with access to global captive expertise, local market understanding, disciplined governance and the ability to connect regional risks with international reinsurance and insurance markets.

The opportunity is to make Bahrain not only a destination for Bahraini companies, but also a competitive regional and global captive location. In practical terms, being closer to the risk often means being closer to the right solution.

Where do things stand on licensing, and when will the Bahrain service be up and running?

Antosik: Marsh already has the approval from the regulator to operate and is ready to support clients with captive establishment and management services in Bahrain.

Marsh received approval at the end of October to provide captive management services in Bahrain. We intend to offer Bahrain as one of the regional options available to our clients, alongside other established captive domiciles.

There is already initial interest from clients exploring the opportunity, although discussions are at different stages.

Our objective is to build on that interest and help more companies assess whether Bahrain is the right location for their captive strategy. We see strong potential in the market and will continue working with clients and the relevant authorities to support the development of Bahrain's captive proposition.

The objective is not simply to increase the number of captives. It is to build a high-quality, sustainable ecosystem with strong governance, appropriate regulatory oversight and the capabilities needed to support sophisticated regional and international clients.

Bahrain has an opportunity to build on its existing framework and further strengthen its position as a captive domicile. For clients, the important message is that they do not need to wait for a future launch: the capability to establish and manage captives in Bahrain is available today, with further market developments in the Middle East continuing in parallel.

How should a Gulf Cooperation Council (GCC) business choose between Bahrain, the Dubai International Financial Centre (DIFC), and Abu Dhabi Global Market (ADGM)?

Antosik: The regulations and operating environments in Bahrain, the DIFC and ADGM are broadly comparable, but there are important differences in areas such as regulatory requirements, structure, governance, capitalisation and the client's wider business footprint. That means there is no universal answer and no single 'best' domicile for every organisation.

The decision should be tailored to the client. We look at the nature of the risks, the location of the parent company and operating entities, the intended business plan, the board's objectives, the preferred regulatory environment and the long-term strategy for the captive.

The existence of one domicile does not undermine the rationale for another. In fact, a broader choice of regional domiciles strengthens the Middle East captive market as a whole. It enables clients to keep their captive closer to their operations and gives regulators an incentive to continue improving the overall proposition.

We see Bahrain, the DIFC and ADGM as complementary rather than competing in a way that limits the market. Each can serve different client needs.

Our role is to help clients assess those differences objectively and select the domicile that best supports their long-term strategy, not simply the one that is most familiar or most convenient at the outset.

Many Gulf companies have historically placed captives in established domiciles such as Bermuda and Guernsey. What makes a regional domicile the right choice, and what do Gulf regulators need to get right to keep captives closer to home?

Antosik: Established domiciles such as Bermuda and Guernsey have built strong reputations, deep expertise and mature supporting ecosystems. They will continue to be important options for many companies. However, a regional domicile can offer significant advantages, including proximity to the parent company, operating assets, regulators, boards and key decision-makers.

Being closer to the business can make governance and oversight more practical and can help ensure that the captive reflects the company's regional risk profile. It can also support the development of local expertise and keep more of the economic value within the region.

For Gulf domiciles to compete effectively, regulators need to provide clarity, proportionality, consistency and an efficient licensing process. The framework should be robust enough to protect policyholders and the wider financial system, while remaining flexible enough to accommodate different types and sizes of captives.

Regulators also need to maintain an open dialogue with the market and continue refining the rules as client needs evolve. A successful domicile is not defined only by the number of captives it attracts, but by the quality, sustainability and long-term value of the structures it supports.

What kinds of GCC businesses are considering a captive for the first time?

Antosik: I do not think there is a particular sector in the GCC that has not, at some point, considered establishing a captive. Interest is increasingly broad-based, with the strongest activity currently coming from oil and gas, transportation and logistics, energy, mining, power and water, property and financial institutions.

These businesses often have substantial asset bases, complex supply chains, geographically dispersed operations and risk profiles that may not be fully addressed by conventional insurance alone.

Are government-related entities and family-owned groups coming forward?

Antosik: Government-related entities have already been utilising captives in the region, and that interest continues to grow. These organisations are increasingly recognising captives as strategic tools for managing complex risks and supporting long-term resilience.

Interest from family-owned groups remains more limited at this stage. However, we expect this to develop as Marsh expands its presence in the region and as more family-owned businesses become familiar with the potential benefits of captive insurance.

The regional regulatory environment can support a broad range of organisations. Middle East domiciles offer protected cell company (PCC) structures, which can provide a more accessible entry point for companies that may not initially require a standalone captive. This means there is a potential solution for different types and sizes of businesses, even though the majority of existing captives are currently owned by larger companies.

What do boards most often need convincing on?

Antosik: The board conversation has also changed significantly. Boards are generally much more familiar with captives than they were in the past, and they increasingly recognise them as strategic risk-management vehicles rather than short-term responses to hard-market pricing or capacity constraints.

What boards want to see is a credible long-term plan. They want to understand the captive's purpose, capitalisation, governance, risk appetite, claims strategy, use of reinsurance and expected contribution to the organisation's broader risk and capital objectives.

In other words, boards are not usually asking, "Can a captive solve this year's insurance problem?" They are asking, "How will this captive improve our resilience and decision-making over the next decade?" That is a much more strategic conversation.

A captive can certainly provide support during a hard market, but its strongest value comes from being designed for multiple market cycles. The best captives are not tactical vehicles; they are long-term platforms for managing risk with greater insight, consistency and control.

The announcement highlights healthcare and employee benefit cost pressures. Are employee benefits becoming a realistic line of business for Gulf captives?

Antosik: Employee benefits are becoming an increasingly realistic line of business for Gulf captives. We are seeing more Marsh-managed captives examine whether employee benefit risks could be included within their structures.

The decision depends on factors such as the size and geographic spread of the workforce, claims data, benefit

design, local regulation and the captive's overall risk appetite. It is not a decision that should be made simply because costs are increasing; the data and governance need to support it.

That said, the direction of travel is clear. As Gulf-based companies become more sophisticated in their approach to total cost of risk, employee benefits are increasingly being considered alongside traditional lines such as property, casualty and marine risks.

We expect to see more Gulf captives take on selected employee benefit risks over the coming years, particularly where employers have sufficient scale, credible data and a long-term commitment to managing the portfolio.

For many organisations, this is not about transferring risk for its own sake; it is about gaining greater visibility and control over one of their largest and most strategically important cost areas.

The announcement also cites cyber exposure and supply chain disruption. Which of these emerging risks lend themselves to a captive, and where should owners be cautious about retaining risk?

Antosik: Both risks may potentially form part of a captive programme, but the approach should be selective and tailored to each organisation. Captives can provide greater control and flexibility in risk financing, particularly where an organisation has a clear understanding of its exposures, effective controls, appropriate capital and a risk appetite that supports retention.

Cyber risk requires particular care because of its potential to be systemic. A single event may affect multiple subsidiaries, suppliers, customers and, in some cases, organisations beyond the group. Captive owners should therefore assess carefully how exposures could accumulate across the organisation and its wider dependencies.

Defined layers of cyber risk may be considered where they can be appropriately assessed and managed, with commercial insurance and reinsurance continuing to play an important role, particularly for severe or highly correlated events. Cyber is also becoming a more established area of captive activity. Across Marsh-managed captives globally, cyber premiums written have increased by 22 per cent over the past two years and now total approximately US$600 million, according to Marsh's 2026 'Captive Landscape Report'.

Supply chain risk may also be considered where the exposure is clearly defined, for example, contingent business interruption or disruption involving key suppliers.

However, organisations should distinguish between risks that can be identified, quantified and managed, and wider disruption arising from geopolitical, regulatory or economic developments, which may be more difficult to model or insure and may therefore be less suitable for retention within a captive.

The guiding principle should be to retain risks that the business understands, can assess and is financially prepared to support, while considering risk transfer for exposures that are highly volatile, potentially catastrophic or difficult to quantify. At the same time, captives can be useful for emerging or less well-understood exposures, helping organisations build the data, experience and insight needed to refine their risk-financing objectives over time.

For some organisations, this may include a defined part of their cyber or supply chain exposure. In those circumstances, using a captive may form part of a more structured risk-financing approach, alongside operational controls, commercial insurance and reinsurance.

A captive typically complements, rather than replaces, the commercial insurance and reinsurance markets as part of a broader risk-management and resilience strategy.

Is there client interest in takaful or Sharia-compliant captive structures?

Antosik: We have seen limited but genuine interest in takaful and Sharia-compliant captive structures. It is not yet a mainstream demand across the market, but it is an important consideration for certain clients.

Interest tends to be influenced by the company's ownership, the nature of its stakeholders, its home market and the requirements of its board or financing partners. For some organisations, Sharia compliance is central to the structure. For others, the priority is broader flexibility in risk financing and access to international reinsurance markets.

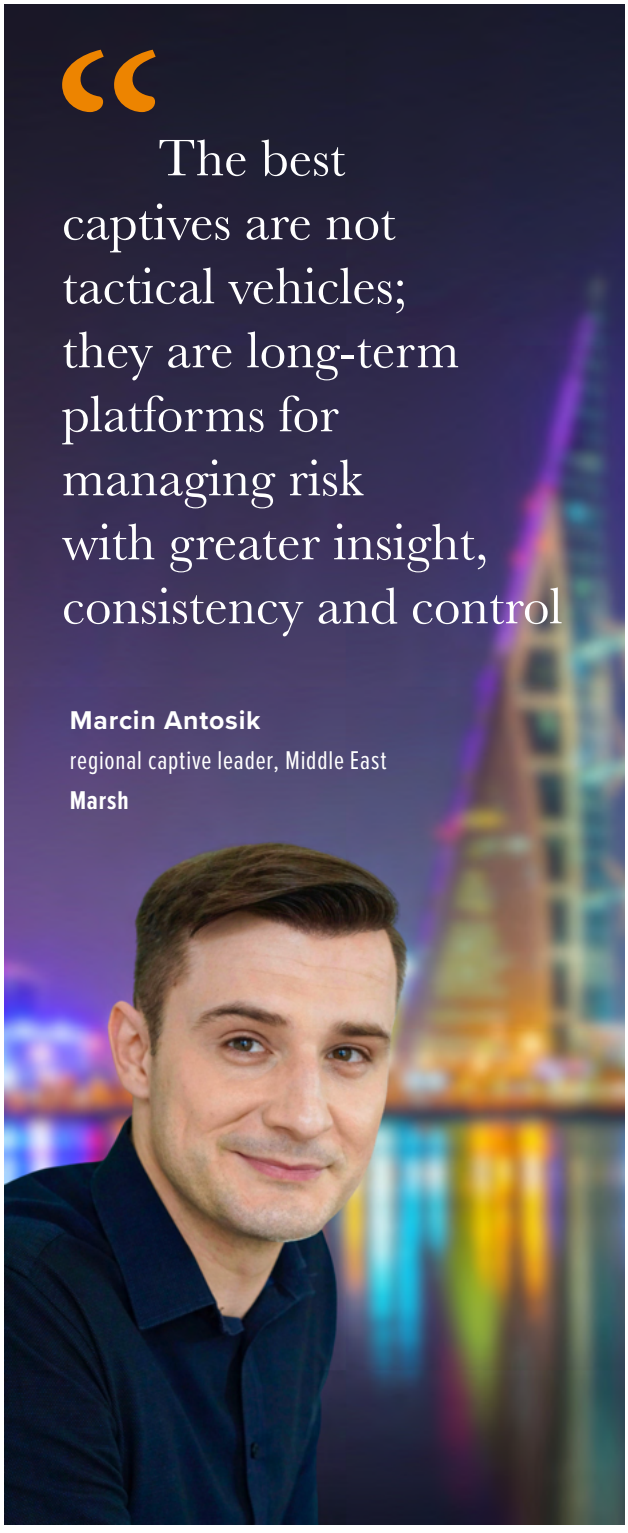

Image: Marcin Antosik, regional captive leader, Middle East, Marsh

The key point is that clients are looking for solutions that are commercially practical as well as aligned with their principles and governance requirements. As the regional captive market develops, we expect the discussion around takaful and Sharia-compliant structures to become more sophisticated.

The market does not need one model to suit every client, but a range of credible structures that can respond to different ownership models, risk profiles and strategic objectives.

What does the wider ecosystem need for the Gulf captive market to mature, in terms of local talent, actuarial and audit expertise, fronting arrangements and reinsurance capacity?

Antosik: The foundations of the Gulf captive ecosystem are already in place. The market does not need to be built from scratch; it needs to continue evolving in line with growing client demand and increasingly sophisticated risk profiles.

The region already has strong insurance expertise, professional services firms, regulators, brokers and access to international reinsurance markets. The next step is to deepen and connect these capabilities specifically around captive insurance.

This includes continuing to develop local talent with captive expertise, alongside actuarial, audit, legal, tax and risk-management capabilities.

Efficient fronting arrangements will also remain important where captives need to issue locally admitted policies, while reliable access to international reinsurance capacity will help captives manage volatility and catastrophic exposures.

Ongoing education and knowledge-sharing among boards, regulators and businesses will also be important. As the market develops, clients will increasingly assess captives as long-term strategic risk-management platforms rather than simply alternative insurance structures.

The key is collaboration. With the right coordination between regulators, regional institutions, professional advisers, fronting partners, reinsurers and experienced international captive managers, the Gulf can continue strengthening an ecosystem that is already well established and well positioned for the next stage of growth. ■

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The everyday condition nobody talks about until it hurts

Musculoskeletal claims look stable on frequency across employee benefits captives, but between 2021 and 2025 they took a growing share of costs, with back and spinal conditions rising fastest. Drawing on claims data from 27 countries, Daniela Masters of Redion Employee Benefits explains why sponsors should follow the cost before funding the solution

Back pain rarely begins as a dramatic health event.

It starts with stiffness, an aching shoulder or persistent lower-back pain. For many employees, it becomes something they manage rather than an event that suddenly stops them working.

That everyday nature can make musculoskeletal (MSK) conditions easy to underestimate. For employee benefits captives, however, the financial picture deserves closer attention.

Redion Employee Benefits analysed medical claims from 2021 to 2025 across a matched cohort of 27 countries.

The data highlights an important shift. MSK's relative claimant share remained broadly stable, while its share of captive claims costs increased.

That distinction is central to the story.

For captive sponsors, the question is not simply how many employees claim. It is whether the cost associated with those

Image: SasinParaksa from Getty Images via Canva Pro

claimants is changing, where that change is happening and what can be done about it.

Stable frequency can hide increasing costs

At a global level, the claims picture initially looks relatively stable. MSK represented around 7 per cent of diagnostic claimants between 2021 and 2025. That proportion remained broadly consistent.

The underlying claimant count doubled during the same period. However, covered lives in the available sample also increased by around 50 per cent. The available data therefore does not establish a reliable global incidence rate.

A rising claimant count does not automatically mean individual employees became more likely to claim. Portfolio growth, benefit access, utilisation, reporting and coding can all affect recorded activity.

Frequency alone therefore does not tell captive sponsors everything they need to know.

The more revealing signal comes from cost.

MSK represented 8.1 per cent of total captive paid claims in 2021. By 2025, that had increased to 8.7 per cent. Median cost per diagnostic claimant also increased by 8.2 per cent across the analysed markets. Increases occurred in 15 of the 27 markets.

In other words, MSK became a larger financial exposure while its relative claimant share remained broadly stable.

That changes the funding conversation. The issue is not simply more MSK activity. It is the financial weight MSK carries within the portfolio.

Back and spinal conditions sharpen the picture

The overall MSK figures only tell part of the story. Back and spinal conditions show a sharper increase in costs.

Other dorsopathies, which include lower-back and other spinal conditions, represented 2.8 per cent of captive paid claims in 2021. By 2025, their share had increased to 3.5 per cent. Yet their diagnostic claimant share remained stable at 2.7 per cent.

Median cost per diagnostic claimant increased by 26.3 per cent. Other dorsopathies also ranked fifth across diagnostic subchapters by share of total captive paid claims in 2025.

This reinforces the wider pattern. The financial pressure is coming from increasing severity rather than a growing share of diagnostic claimants.

For captive sponsors, this points towards a different set of questions. They need to understand what sits behind the higher cost and how the pattern varies across their markets.

That is more actionable than simply knowing that back pain is common.

There is no single global MSK problem

This leads to the next question: where is the financial pressure increasing?

Experience differs significantly between markets.

Mexico recorded the largest increase in MSK's share of captive paid claims between 2021 and 2025, rising by 16.7 percentage points. Peru increased by 5.9 points and the Philippines by 5.7 points. By 2025, MSK accounted for 13 per cent of paid claims in Peru and 9 per cent in the Philippines.

Cost patterns also varied.

Turkey recorded the strongest increase in MSK cost per claimant, rising more than sevenfold. However, high and fluctuating inflation in Turkey makes the increase harder to interpret.

Costs also rose materially in the Philippines, Indonesia, Singapore and Egypt. They declined in China, Bahrain, Greece, India and Thailand. This variation matters because a global MSK strategy still needs a local diagnosis.

Treatment pathways provide a useful example.

In China, primary care was prominent within recorded MSK benefits, while Chinese medicine was also notable. UK data showed a more specialist-led pathway, with specialised imaging among the leading categories. Surgery was also more visible than in China.

> This variation matters because a global MSK strategy still needs a local diagnosis

National healthcare systems also shape how employees access treatment and what appears in insured claims data.

The lesson is not that one pathway is better. Similar headline claims costs can reflect different healthcare journeys.

Captive sponsors therefore need to understand the local context before deciding what action to fund.

Benchmarking helps identify where to investigate

A wider employee benefits portfolio provides valuable context.

MSK's share of paid claims in the non-captive portfolio increased from 8.0 per cent in 2021 to 9.1 per cent in 2025. The captive portfolio moved from 8.1 per cent to 8.7 per cent.

For other dorsopathies, median cost per diagnostic claimant rose by 20.6 per cent in the non-captive portfolio. The comparable captive increase was 26.3 per cent.

These differences do not show that one population is performing better than the other.

Captive and non-captive populations can have different country mixes, workforce profiles, benefit levels and access to healthcare providers. The comparison is therefore most useful as a benchmark, rather than a performance ranking.

For captive sponsors, that benchmark helps identify where to investigate further.

Similar cost trends can point to wider market pressures. A different captive experience can prompt closer examination of the captive's own claims and benefit structure.

This is where a multinational perspective becomes particularly valuable. It provides context for deciding which changes deserve closer attention.

Follow the cost before funding the solution

Once sponsors identify where deterioration sits, the intervention becomes easier to frame. A market experiencing greater claimant activity with stable costs presents a different pattern from one with stable claimant activity and rapidly increasing costs.

This distinction stops prevention programmes becoming generic wellbeing initiatives.

For MSK, relevant interventions include ergonomic workplace design and movement programmes. Early access to physiotherapy and proactive case management are also identified. The objective is to prevent conditions from becoming chronic. These interventions also require a longer-term view.

Claims patterns can start changing within one to two years. More meaningful and sustainable improvements in the loss ratio typically emerge over three to five years.

This has a direct implication for captive funding.

For employee benefits captives, the financial impact of prevention should be viewed over several underwriting cycles. The goal is not only to manage today's claims, but also to reduce volatility and improve the predictability of costs over time. Prevention therefore needs the same long-term perspective as the captive itself.

Turning claims insight into a funding strategy

For captive sponsors, the practical takeaway is straightforward: follow the cost before funding the solution.

Start by separating frequency from severity.

Then identify which countries, diagnoses and services are associated with worsening claims experience. Compare the captive's position with relevant benchmarks and examine where the patterns differ.

Next, use that evidence to target investment.

Captive sponsors can pilot interventions in priority markets, establish a baseline and compare outcomes before expanding programmes more widely. Where reliable membership data is available, covered-life exposure can strengthen that analysis.

Medical claims can also be considered alongside absence and disability information. Medical claims alone do not show whether an MSK condition later results in workplace absence or disability.

This is where the financial and human sides of MSK come together.

For employees, earlier support can help address conditions before they become chronic.

For captive sponsors, the same approach creates an opportunity to manage a growing area of financial exposure through informed, targeted action.

The aim is not simply to reduce the number of claims. The data shows why that would be too simplistic.
Instead, sponsors need to understand where costs are increasing, which conditions are driving them and how local healthcare pathways affect the claims experience.

Back pain can feel like an everyday condition. Across a multinational employee population, however, individual healthcare journeys combine into a material funding issue.

The data provides the starting point. It shows where financial pressure is building. Local analysis adds the context. Targeted intervention provides a way to respond.

For organisations looking to understand what these trends mean for their own claims experience, Redion Employee Benefits' medical and disability dashboards can provide greater visibility into MSK claims data, helping to put emerging patterns into context and identify areas that may warrant closer attention. ■

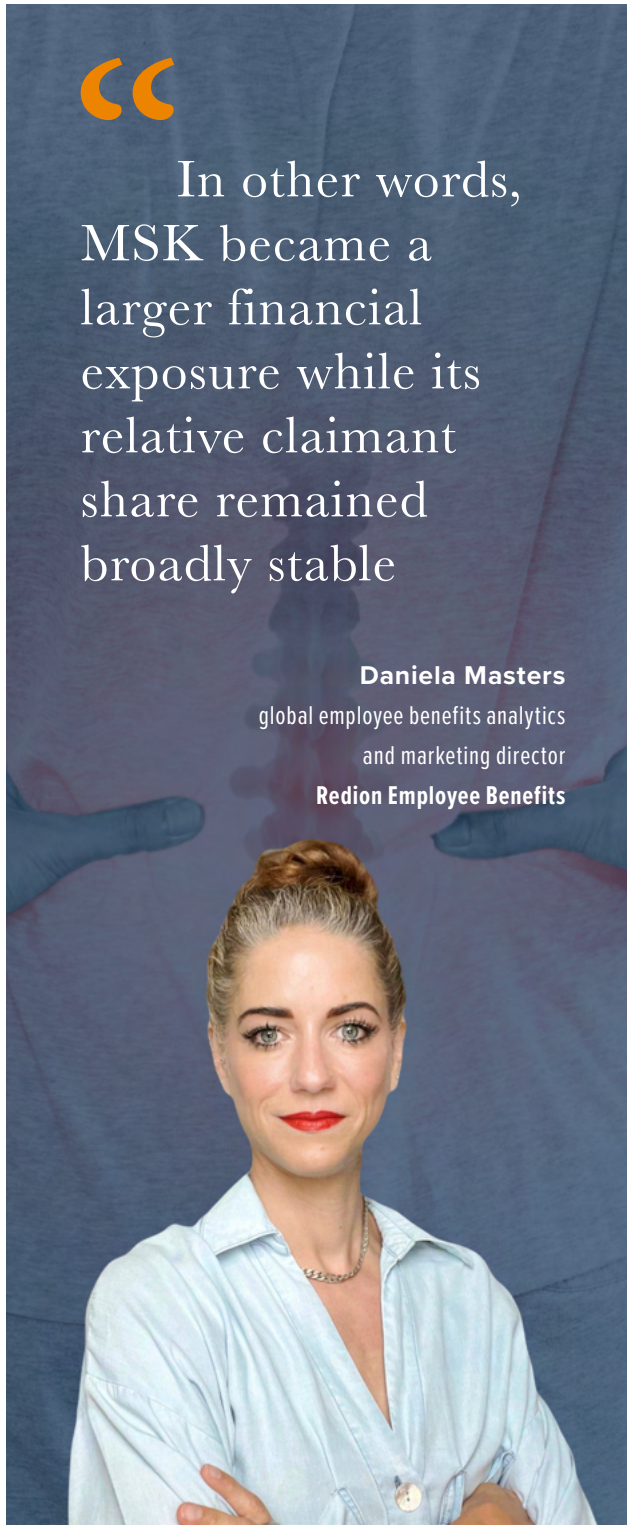

Image: Daniela Masters, global employee benefits analytics and marketing director, Redion Employee Benefits



Image: (L to R) Frédéric Grand, Sven Roelandt, Zulu Khan, Pierre Donnersberg

Where HR meets the captive

Captives are no longer just for finance and risk teams, says MSH, as the Diot-Siaci subsidiary launches Elucin, a Luxembourg-based entity dedicated to employee benefits captives. Former Aon specialists Sven Roelandt and Zulu Khan will lead it, serving captives inside and outside Europe, with Khan heading expansion into North America

Expertise in employee benefits captives has traditionally sat inside the large global brokers as one practice among many. What made a standalone entity dedicated exclusively to this area the right model, why launch it now, and how will Elucin work alongside MSH and the wider Diot-Siaci group?

Zulu Khan: Employee benefits (EB) captives are a niche within a niche: they need people who understand employee benefits in dozens of local markets and captive reinsurance at the same time. Inside a large broker, where it is one practice among many, that combination rarely gets the focus or investment it needs. Responsibility for a programme also tends to be spread across many internal stakeholders. Yet advising a client on how to run its own insurance company has to be driven from the centre, with one clear lead from feasibility through to ongoing management. Working only on EB captives means every hire, every tool and every hour goes to one question: how to make a captive programme work for the group, its HR teams and its employees.

The timing comes from our clients and the market. Since COVID, HR, Risk Management and Finance have worked together more closely than ever, and group HR teams and executive committees want a clearer view of the benefits they offer worldwide and better ways to manage them. Against

Image: Elucin

a backdrop of geopolitical risk and rising expectations on corporate social responsibility, that has moved EB captives higher on the agenda. Our own 'EB Networks Survey' shows around 20 new captive programmes a year between 2023 and 2025, around 20 per cent growth a year in captive premium for employee benefits, and captives overtaking pooling as the largest solution by premium volume in 2024.

Independence matters too. Once the captive holds the risk, it needs pricing advice and data that are free from the bias of providers who do not [hold the risk]. And because this is all we do, we can treat the captive as what it really is: a business facilitator that opens up options in benefit design and in how benefits are financed. That means it belongs at the beginning of the benefits conversation, not bolted on at the end.

For Diot-Siaci, Elucin fills a clear gap. The group is already a major player in employee benefits, which account for around half of its expected revenue of close to €1.5 billion this year, and it supports many clients with property and casualty captives. What it did not yet have was the dedicated expertise to respond fully to growing demand to bring employee benefits into those captives.

Elucin is a Luxembourg-based entity, financially backed by Diot-Siaci, and sits within the group's Global Specialties segment alongside businesses such as MSH. Like the other Global Specialties, it has its own P&L, a clear focus and the freedom to operate internationally, while working closely with the group's geography-based entities. Frédéric Grand, who leads the group's EB global practice and is chief executive officer of MSH International, oversees Elucin's operations as president, working closely with the two co-founders, Sven Roelandt and myself. He also coordinates the joint client approach with MSH and the wider Diot-Siaci EB community. Clients get the security and staying power of a major group, with the short decision lines and accountability of a specialist firm.

When a multinational brings employee benefits into a captive, the underlying risks sit in dozens of countries and are written locally. How much does the captive's domicile matter in that context, what should drive the choice, and how does a domicile such as Luxembourg compare with the alternatives?

Khan: For employees, the domicile changes very little. The benefits are insured locally by the network partner in each country, under local law, and the captive sits behind them as reinsurer, so an employee in Brazil or Germany receives the same benefits wherever the captive is based. For the group, it matters a great deal, because it shapes how efficiently and securely the risk is held.

Several things should drive the choice. The first is whether the group already has a captive: adding employee benefits to an existing vehicle is usually the most efficient route, because it uses existing governance and capital and brings diversification. The second is acceptance by the fronting insurers and their regulators, since some countries restrict or condition cessions to foreign reinsurers, and US benefits under the Employee Retirement Income Security Act (ERISA) need Department of Labor approval. Then come the capital regime and how it treats life and health risk, tax and transfer pricing, the substance the group can maintain locally, and access to experienced captive managers, actuaries and auditors.

Luxembourg combines a mature reinsurance captive market, an experienced regulator in the Commissariat aux Assurances, Solvency II applied with proportionality, and an equalisation reserve regime that lets reinsurance captives build reserves against volatility. Ireland and Malta offer similar EU credentials, and Bermuda, Guernsey or the US domiciles can work well for groups whose captive is already there, provided the fronting network accepts the cession. In practice there is no single best domicile, only the one that fits the group's existing structure and objectives.

That said, Luxembourg is the domicile of choice for many European multinationals, which made it a natural base for Elucin, though we support captives across all major domiciles.

Captives were long the preserve of finance and risk management, but employee benefits bring HR into the room, with different priorities and an entire workforce as stakeholders. How does a captive's governance need to change when HR becomes a co-owner of the strategy?

Sven Roelandt: It changes in three ways: who decides, what is measured, and how the captive speaks to employees.

Who decides. In a property and casualty captive, the risk manager and the board can take most decisions. With employee benefits, plan design is an HR decision with a

direct effect on the underwriting result, and an underwriting decision, such as an exclusion or a rate increase, lands on employees. The programmes that work best set up a steering committee alongside the captive board, where Risk, Finance, HR and Reward agree a written benefits policy: minimum standards across countries, who can approve design changes, waive exclusions or accept local proposals, and within which financial limits.

What is measured. Underwriting result alone is not enough. A captive that makes a profit because claims are declined or benefits go unused has failed HR's objectives. Alongside loss ratios and capital, the board should see indicators of the employee experience: claims turnaround, complaints, uptake of prevention programmes and feedback from local HR, and increasingly the results of health, wellbeing and prevention strategies.

How it communicates. Local HR teams are often the last to hear that their benefits are reinsured into a captive, and the first to be asked why something changed.

Finance, Risk, HR and the local entities all need to understand what is happening and why, so explaining what the captive means for each entity, and what it does not change, is part of good governance. Around all of this sit the employees themselves, which is why duty of care, the war for talent and employer branding shape decisions alongside cost.

Multinational pooling has served employers well for decades. At what point does reinsuring benefits into a captive deliver something pooling cannot, and is the choice between the two as binary as it is often presented?

Roelandt: Pooling has served employers well and still does, particularly for groups with many small and mid-sized countries. It combines results across local contracts, pays a dividend when experience is good, and leaves much of the administration with the network. What it does not give is ownership. The group has limited influence over local pricing and plan design, the data stays in the network's format, and a bad year can be carried forward against future dividends.

A captive changes that. Where pooling is built around the dividend, a captive is built around premium stability. The underwriting margin stays within the group, benefit design follows the group's priorities rather than local insurance norms, from waiving exclusions to setting minimum standards across countries, and the group gets one consolidated view of its employee benefits risk. Premiums support cash flow and budgets become more predictable.

The tipping point is less a single premium figure than a combination: enough premium across enough countries to produce a stable result, a willingness in Finance and HR to take decisions together, and ideally an existing captive to build on.

And no, the choice is not binary. The EB cell captive concept, which we developed in our previous roles, solved a very practical problem: companies did not want to move their local policies away from their current insurers just to set up a captive. With a cell structure, they keep those local policies, retain access to all major EB pooling networks, and still reinsure the risk into the captive, gaining captive economics and control without setting up their own vehicle. That brings the barrier to entry down to as little as US$2 million of reinsured premium. The right answer is often a blend that evolves as the programme matures.

Employee benefits underwriting practice differs in almost every country, and the data is often fragmented across local insurers. How does a captive build a pricing view robust enough to take the risk with confidence, and how should it test the rates proposed locally when it is the captive that ultimately holds the risk?

Khan: It starts with the data. A captive cannot price what it cannot see, and in employee benefits the data sits with dozens of local insurers in different formats, currencies and definitions. The first job is to validate and consolidate it into one view of premiums, claims, headcount and benefit design per country and per line, reconciled so that the numbers from the local markets tie up with what the captive sees. Every pricing decision is built on that foundation.

The pricing view is then built line by line. Life and disability are driven by demographics, salaries and benefit levels, and can be priced from mortality and morbidity bases adjusted for the group's own experience, weighted by how credible that experience is. Medical is driven by utilisation, local cost trend and plan design, and needs local claims data and local trend assumptions.

Testing local rates is where a captive programme differs most from a fully insured one. The local insurer still proposes the rate but no longer holds most of the risk, so a rate that looks prudent to the fronting insurer can be expensive for the group.

The captive needs an independent, arm's-length review of each local proposal against its own experience, local market benchmarks and peer data, so that its decision-makers can set the right premium. Arm's length also matters for regulators and tax authorities, who need to see that the premium paid to the captive is fair.

At Elucin, we prepare that independent analysis and give a recommendation for each country and line of risk, for the multinational and its captive to approve. Just as important is keeping those recommendations simple. Too often they are complex, and the client then has to explain them internally to Finance, HR and local management. That is where programmes get stuck, so we design our recommendations to be easy to communicate.

Employee benefits risks tend to have little correlation with the property and casualty risks most captives already carry. How material is that diversification benefit in capital terms under Solvency II, and do captive boards appreciate it fully?

Khan: It is material, and often underestimated. Under the Solvency II standard formula, the capital charges for non-life, life and health underwriting risk are combined through a correlation matrix, and non-life is assumed to have zero correlation with both life and health. Adding employee benefits to a property and casualty captive therefore raises the total capital requirement by far less than the standalone charge for the new risk.

A simple illustration: if a captive's existing non-life underwriting charge is 100 and the standalone charge for a new employee benefits book is 40, the combined charge is not 140 but around 108, the square root of 100^2 plus 40^2. The employee benefits business adds roughly 8 of capital, a fifth of its standalone requirement, before other risk modules and any reinsurance protection are considered.

The profile of the business helps as well. Employee benefits premium is high in frequency and largely predictable, so it brings stable volume relative to its volatility.

> “Where pooling is built around the dividend, a captive is built around premium stability

Sven Roelandt
chief commercial officer, leading commercial strategy, EB network management and business development
Elucin



Image: Sven Roelandt

Elucin at a glance

Elucin is a Luxembourg-based entity dedicated exclusively to employee benefits captives. Financially backed by Diot-Siaci, it sits within the group's Global Specialties segment alongside MSH International. It serves multinationals and their captives, including captives domiciled outside Europe, with programmes coordinated centrally and deployed locally through the client's existing networks and brokers.

Frédéric Grand, employee benefits global practice lead at Diot-Siaci and chief executive officer of MSH International, oversees Elucin as president. Co-founders Sven Roelandt and Zulu Khan report directly to him.

Roelandt has more than 20 years' experience in employee benefits, with Zurich Insurance, Insurope, Generali Employee Benefits and Aon. Over seven and a half years at Aon, he created and led the firm's global employee benefits captive business.

Khan oversees Elucin's underwriting and operations and leads its expansion into North America. He spent almost five years at Aon, latterly as global benefits captive consulting leader for North America in New York, after roles with AXA, Generali and Bermuda's Granite Management.

Boards appreciate this increasingly, but not always. Employee benefits can feel like a new and unfamiliar risk, so the first discussion tends to focus on what could go wrong.

Showing the board the solvency capital requirement before and after, with the diversification benefit made explicit, usually changes the conversation. Most captives also put protection in place, such as individual excess of loss or aggregate stop loss cover, to mitigate the remaining volatility, including accumulation events such as a pandemic or a single event affecting many employees in one location.

Medical risk behaves very differently from life and disability, and medical costs are rising faster than general inflation in many markets. How should a captive approach medical exposures, and where do claims management and prevention make the most difference?

Khan: Medical is the most dynamic risk in an employee benefits captive. Life and disability are low-frequency, high-severity risks; medical is high-frequency, short-tail and driven by behaviour, local provider costs and plan design. Medical trend runs well above general inflation, at around 10 per cent a year globally, so a captive that treats medical like life will be surprised quickly.

We would approach it with three disciplines. First, price medical every year on the captive's own claims experience and credible local trend, rather than simply accepting local renewals.

Second, make the link between plan design and cost explicit, so that HR and the captive take decisions on co-payments, networks and limits knowingly. Third, protect against large individual claims, so that one high-cost case does not distort a country's result.

Claims management and prevention make the biggest difference once the captive knows what drives its claims. We benchmark claims against local market data to identify those drivers, which usually come down to a handful of conditions such as musculoskeletal problems, mental health, cancer and chronic disease. Prevention can then be targeted rather than generic. Because the underwriting margin stays within the group, the captive can help fund it and benefits directly when it works, turning prevention from a cost into an investment that serves employees, HR and Finance alike.



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> The local insurer still proposes the rate but no longer holds most of the risk, so a rate that looks prudent to the fronting insurer can be expensive for the group

Zulu Khan
chief underwriting and operations officer, also leading business development for the Americas
Elucin



Image: Zulu Khan, Elucin

Feasibility studies set the expectations for an employee benefits captive. In your experience, what separates the programmes that go on to deliver on those expectations, and what should an organisation put in place from day one to be among them?

Roelandt: The feasibility study sets the ecosystem for an employee benefits captive programme. In our experience it drives around 80 per cent of everything that happens afterwards. When it is done properly, the roll-out closely follows it and results generally stay aligned with expectations, provided it is followed by an operating model that is ready on day one. Too often, implementation and ongoing management are each treated as a new project that starts from scratch. They should be built from the feasibility study, not reinvented at every phase.

Realistic data. Projections are built on reconciled premium and claims data per country and line, not on network summaries.

The right vehicle. A single-parent captive, a cell captive or another structure is chosen to fit the group's size, existing captive and risk appetite.

Shared objectives. Finance, Risk, HR, Reward, Tax and Procurement agree what success means, both financially and for employees, before the first cession.

Governance in place. A benefits policy, clear decision rights and a steering committee exist from the start, not after the first difficult renewal.

Local readiness. Each local consultant has a defined scope: what it should deliver so that it adds value to the global programme and supports local HR, including timely and complete data. We work with any local broker that meets the client's global and local needs.

The right protection. Stop loss or excess of loss cover is sized to the captive's capital and risk appetite.

From day one, an organisation should have one consolidated data environment and reporting cycle, fronting agreements with clear service levels and data requirements, and an annual review that compares results with the feasibility assumptions and adjusts course. A captive programme is a long-term project, and the best ones are run that way, with every party knowing the captive's needs from the start. ■


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All roads lead to Grand Cayman

With more than 1,500 delegates expected on Grand Cayman this December, Michael Wild, chair of the Cayman Captive Forum, tells Nicole Bennett what is new for 2026, from a dedicated investment track to keynotes on resilience and espionage

For readers who have not attended before, what is the Cayman Captive Forum, and who is it designed for?

Michael Wild: For 33 years, the Cayman Captive Forum has brought together captive owners, prospective owners and industry service providers for three days of education, networking and meaningful industry connections. The Forum is designed for everyone from those exploring captive insurance for the first time to seasoned professionals looking to stay informed on industry developments and connect with peers. This year's event kicks off on Tuesday, 1 December, with our popular golf and pickleball tournaments, followed by an afternoon of introductory sessions, including Captive 101. The next two days feature panel discussions, keynote presentations and networking opportunities, covering the issues shaping

Image: The Ritz-Carlton, Grand Cayman



today's captive insurance market. We then close the Forum with one of its most anticipated traditions, our beach party on the world-renowned Seven Mile Beach, providing the perfect setting to unwind and reconnect with industry colleagues.

The Forum is regularly described as the largest captive insurance gathering in the world, with more than 1,500 delegates expected this year. What does that scale offer someone weighing up whether to attend?

Wild: We fully expect 2026 to be another sold-out year, with all networking passes already gone, reflecting the continued interest in the Forum.

The scale of the event allows us to attract quality keynote speakers and deliver a diverse educational programme, with panel discussions enriched by the perspectives and experiences of attendees from across the industry.

Beyond the educational content, the Forum offers exceptional networking opportunities. Many captive owners also choose to schedule their board meetings around the event, creating a particularly high concentration of captive decision-makers in one place.

For anyone considering attending, this presents a valuable opportunity to engage directly with captive owners, industry leaders and service providers, exchange ideas, and build relationships that extend well beyond the Forum.

This year's programme adds a third track on the main conference day, dedicated to how captives invest their assets. What prompted that expansion, and what does it mean for delegates?

Wild: While the Forum has featured three tracks in previous years, we scaled back to two a few years ago.

We're always looking for ways to evolve the programme and introduce something different, and this year felt like the right opportunity to bring back a third track.

Investment-related topics consistently generate strong interest during our call for speakers, so introducing a dedicated track was a natural progression. It allows us to bring together

> Many captive owners also choose to schedule their board meetings around the event, creating a particularly high concentration of captive decision-makers in one place

perspectives from a range of firms, covering different investment opportunities, strategies and broader market developments.

A captive's investment portfolio is an important asset, and how those assets are managed plays a significant role in its overall financial performance. By dedicating more time to this subject, we're giving delegates access to a wider range of insights and practical considerations that can help inform their investment decisions.

For someone new to captives, what support is there, from introductory sessions on captive basics and tax to the breakfast for first-time attendees?

Wild: We want first-time attendees to feel welcome and get the most out of their Forum experience, so we've built several opportunities into the programme specifically with newcomers in mind.

Our Tuesday afternoon captive tutorials cover essential topics, including Captive 101, Tax 101, Governance, Accounting, a Service Provider discussion and a Regulatory Update. These sessions provide a valuable introduction for those new to the industry, while also offering experienced professionals an opportunity to refresh their knowledge. They're open to all attendees and regularly attract local industry professionals and students interested in learning more about captive insurance.

On Wednesday morning, we host a dedicated breakfast for first-time attendees, offering practical guidance on navigating the Forum and making the most of its educational and networking opportunities. Members of the Forum committee are also on hand to answer questions. It's an initiative that continues to receive positive feedback.

The two keynote speakers are Chris Norton, who defied the odds after a serious spinal cord injury, and Eric O'Neill, a former Federal Bureau of Investigation (FBI) counterintelligence operative. What was the committee looking for, and what should delegates take from their talks?

Wild: Each year, our goal is to bring in keynote speakers with compelling stories and unique perspectives that will not only engage our audience but also leave them with inspiration and practical lessons they can apply in their professional and personal lives. This year, we believe Chris Norton and Eric O'Neill will deliver just that.

Chris Norton's story is one of extraordinary resilience and determination. After suffering a life-changing spinal cord injury while playing college football, he defied the odds and went on to inspire others through his remarkable journey, which is documented in *7 Yards: The Chris Norton Story*. His message is about overcoming adversity, embracing change and finding the strength to move forward, lessons that resonate well beyond the workplace.

Eric O'Neill brings a completely different but equally compelling perspective. As a former FBI counterintelligence operative and cybersecurity expert, he is best known for his undercover role in the investigation that led to the arrest of Robert Hanssen, one of the most damaging spies in US history. His story was later portrayed in the Hollywood thriller *Breach*.

We've featured cybersecurity speakers at previous Forums, and these sessions consistently generate considerable interest and discussion. With cyber threats continuing to evolve, particularly with the rise of artificial intelligence (AI), Eric's insights into espionage, cybersecurity and emerging risks will offer delegates valuable lessons on protecting their organisations.

We're excited to welcome both speakers and believe their contrasting experiences will make for two memorable and thought-provoking sessions.

Healthcare captives are a major focus of the agenda. Why does the Forum give them so much attention, and what can delegates from other sectors still gain from those sessions?

Wild: Healthcare captives have been a key part of Cayman's captive insurance industry from inception, and today Cayman remains the world's largest healthcare captive domicile.

More than 30 per cent of our more than 720 licensed insurance entities are healthcare captives, representing a diverse range of not-for-profit and for-profit entities, including major hospital and educational institutions, regional healthcare providers, long-term care facilities, physician groups and more.

Given this strong foundation, healthcare naturally remains a key focus of the Forum. On Wednesday and Thursday, we'll feature a dedicated healthcare-focused track, as well as a separate track that more broadly touches on non-healthcare-related topics.

Recognising that many of the challenges and opportunities facing healthcare captives are equally relevant across other sectors, our planning committee makes a concerted effort to deliver a diverse programme covering topics such as cybersecurity, AI implementation, emerging risks and innovative captive applications, ensuring valuable insights and practical takeaways for delegates across all industries.

AI features across several sessions this year, as well as in the cybersecurity keynote. What can delegates look forward to learning about how it is shaping the captive industry?

Wild: AI and cybersecurity are prominent topics at many conferences, and this year's Forum is no exception. Owen Lewis of KPMG Ireland will present 'The Hot Topic: AI Transformation', exploring how organisations are moving beyond experimenting with AI to integrating it into their everyday operations.

AI will also be featured across several healthcare and general track sessions, where captive owners and their advisers will share practical examples of its application in areas such as claims handling, data analytics, underwriting and reporting.

Equally important are the governance and risk considerations that accompany AI adoption, including data privacy, cybersecurity, oversight of third-party vendors and the board's role in establishing appropriate policies and controls.

Captives are well positioned to help their parent organisations understand, finance and manage these emerging exposures, so our hope is that delegates will leave with practical insights they can apply within their own organisations, along with a clearer understanding of the risks and considerations involved in implementing AI-driven initiatives.

Many sessions bring captive owners together with their advisers on the same panel. What does that mix add to the discussions for delegates?

Wild: We usually make an effort to include a Cayman captive owner on each panel wherever possible, as we believe it's important for delegates to hear directly from their industry peers. Their first-hand experiences bring an added level of credibility and practical relevance to the discussions.

Advisers and service providers contribute technical expertise and a broader perspective gained from working across a range of captive programmes, while captive owners offer valuable insights into the day-to-day realities of managing a captive, including the decisions, challenges and outcomes they've experienced.

Bringing these perspectives together allows us to move beyond theory and explore how different strategies and approaches work in practice. It also creates opportunities for delegates to engage directly with panellists, ask questions and continue those conversations during the Forum's networking events.

Outside the sessions, delegates can join receptions, golf, a pickleball tournament and an exhibitor hall. How much of the value of attending comes from the conversations that happen there?

Wild: Networking is a significant part of what makes the Cayman Captive Forum so valuable.

While the educational sessions provide important insights, some of the most meaningful conversations often happen outside the conference rooms.

Our networking events create a relaxed environment where delegates can connect with industry peers, exchange

experiences and learn from one another in ways that aren't always possible through formal presentations.

The exhibitor hall also provides an opportunity to explore the range of products and services available to support captive programmes and engage directly with industry service providers.

Beyond the Forum's official events, many service providers host complementary gatherings, offering even more opportunities to connect and build relationships.

Ultimately, it's this combination of education and networking that makes the Forum such a worthwhile experience, allowing delegates to gain new perspectives, strengthen existing connections and establish relationships that continue long after the event.

Delegates will hear from the Cayman Islands Government, the industry body Cayman Finance, and the regulator. What does that tell newcomers about the jurisdiction's relationship with its captive industry?

Wild: The captive insurance industry is an important pillar of Cayman's financial services sector, with more than 720 international insurance licensees as of the third quarter of 2026.

The jurisdiction as a whole recognises the significant value the captive industry brings to the local economy, with benefits extending well beyond financial services.

Conferences, board meetings and other industry activities held throughout the year contribute to the wider economy, supporting hotels, restaurants and other tourism-related businesses.

Having representatives from the Cayman Islands Government, Cayman Finance and the Cayman Islands Monetary Authority participate in the Forum reflects the strong relationship between the public and private sectors, and their shared commitment to supporting a well-regulated, competitive and sustainable captive insurance industry.

For newcomers, it's an opportunity to see first-hand how these stakeholders engage and work together to support the jurisdiction's continued success as a leading captive insurance domicile. ■



Image: The Ritz-Carlton, Grand Cayman; Michael Wild, chair, Cayman Captive Forum

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Industry Appointments



Image: Zeb Holt, DecisionHR

Artex global chief executive Holt departs to lead DecisionHR

Zeb Holt leaves the global chief executive role at Artex Risk Solutions, the captive and alternative risk management arm of Arthur J. Gallagher, after less than two years in the post, to become chief executive of DecisionHR, a professional employer organisation (PEO) based in Florida.

The move was disclosed in DecisionHR's announcement of 9 November. Artex and Gallagher have not issued a statement on the departure or named a successor, and the announcement does not give a start date.

Holt was named chief executive designate of Artex on 1 July 2024, under a succession plan for co-founder Peter Mullen, and took over on 1 January 2025. Mullen became chairman.

At Artex, Holt led a team across North America, Europe and Asia providing insurance management and related services. He previously held leadership roles at Gallagher, including regional executive vice president for Florida. ■



Image: Steven Bauman; Leung Cho Pan via Canva Pro

Bauman leaves AXA XL global programs and captives role

Steven Bauman has left AXA XL, where he was global programs and captives director, Americas. The role ended in October. AXA XL has not announced the departure or named a successor.

Bauman joined XL Catlin, now AXA XL, in May 2017 as head of global programs and captive practice in North America, and became global programs and captives director, Americas, in October 2020, with responsibility for the marketing, development and governance of global captive programmes.

He was previously head of captive services at Zurich in New York from 2007 to 2017, and senior vice president in Aon's captive services group from 2005 to 2007.

Bauman began in captives in 1987 as a captive consultant at American Risk Management, part of the Fred Reiss Organization, giving him nearly four decades in the sector on both the broker and insurer sides. ■



Image: Kisha Tyrrell, WTW

WTW promotes Tyrrell to head Bermuda captive business

WTW promotes Kisha Tyrrell to head of its captive and insurance management solutions business in Bermuda.

Tyrrell was previously head of underwriting and claims, Bermuda, a role held since January 2025. In the new role she focuses on strengthening client relationships and further building WTW's position in Bermuda's captive insurance market.

WTW says Tyrrell has more than 18 years of experience spanning captives, underwriting strategy, risk management and governance, including working with captive boards and chairing underwriting committees.

Before joining WTW, she spent 16 years at HSBC Insurance (Bermuda), latterly as head of underwriting from 2018 to 2024.

Peter Carter, global head of captive and insurance management solutions at WTW, says: "We're delighted by Kisha's promotion to lead our Bermuda captives team." ■

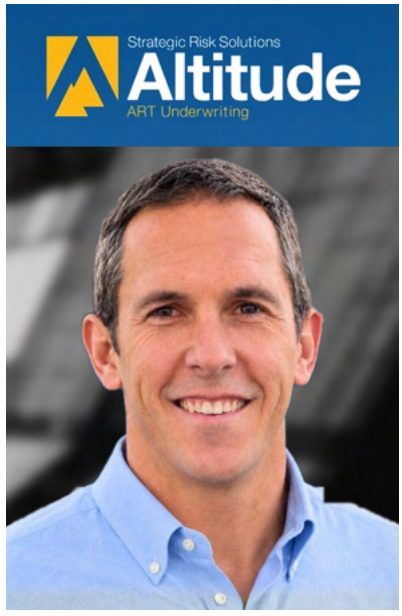

Image: SRS Altitude, Joe Sullivan

SRS Altitude hires Sullivan to lead North American ART

SRS Altitude, the managing general underwriter specialising in alternative risk transfer (ART) solutions within Strategic Risk Solutions (SRS), appoints Joe Sullivan as head of ART for North America.

Sullivan joined the firm on 2 November to support the continued growth of its North American ART business and is based in New Jersey. He will work with broker partners, corporate clients and captive owners to develop risk transfer and risk financing solutions.

He was previously deputy regional head of ART, Americas, at Allianz Commercial, developing ART solutions across property, casualty and specialty lines.

Loredana Mazzoleni Neglén, chief executive officer of SRS Altitude, says: "Demand for ART and captive solutions in North America is accelerating, and we are moving decisively to meet it." ■



Image: Aon, James Wong

Wong returns to Aon to lead Asia Pacific risk capital advisory

Aon appoints James Wong as head of risk capital advisory for Asia Pacific. Wong is based in Singapore and took up the role in November.

The appointment returns Wong to Aon after nine years away, and brings back to the firm a career largely built on captives.

He joins from Oneglobal Broking in Singapore, where he was head of client services from April 2025, leading a team of broking and captive professionals.

Before that he spent nearly eight years at WTW in Singapore as director, strategic risk consulting, where he served as interim head of the captive team and as chief executive for a portfolio of Singapore-domiciled captives.

Wong's first period at Aon ran for more than 11 years to March 2017, beginning with the firm's Bermuda-based captive operations and latterly as associate head of global accounts in Hong Kong. ■



Image: Marsh, Shawn Willis

Marsh creates Pacific captive strategy leader role for Willis

Marsh appoints Shawn Willis as captive strategy leader, Pacific, a newly created role.

Marsh says the role is focused entirely on helping clients evaluate, optimise and build long-term captive strategies aligned to their risk and business objectives, whether they are considering if a captive is right for their business or seeking to get more from one they already run.

According to Marsh, Willis brings deep experience advising large and complex clients on risk financing and alternative risk transfer, and will bring the firm's global resources and capabilities to those discussions.

Willis has worked in Marsh's alternative risk and captive insurance practice since February 2006, as a managing principal and, from October 2015, as practice leader in Sydney.

He was an account director at the broker Willis from 1995 to 2006, having previously worked at Marsh from 1990 to 1995. ■



Image: Lori Goltermann

Goltermann to join Swiss Re Corporate Solutions as chief commercial officer

Swiss Re Corporate Solutions appoints Lori Goltermann as chief commercial officer, effective 11 January 2027.

In the newly created role, Goltermann will lead the global commercial agenda of Swiss Re Corporate Solutions, the commercial insurance business of Swiss Re, strengthening how its commercial insurance capabilities are brought to market for clients, governments and broker partners.

Goltermann joins from Aon after 33 years, latterly as vice chair since April 2026. Goltermann was chief executive of North America and global regions from January 2024 to April 2026, chief client officer and chief executive of global enterprise clients from August 2021 to March 2024, and chief executive of US commercial risk and health solutions from March 2016 to August 2021.

Goltermann joined Aon in October 1993 and has also led its client service team and its private equity mergers and acquisitions practice. ■



Image: Jeremy England Lee

Lockton Re names England Lee chairman of Bermuda office

Lockton Re, the reinsurance business of Lockton, appoints Jeremy England Lee to the newly created role of chairman, Lockton Re Bermuda.

England Lee joined Lockton Re's non-marine retrocession and property specialty division in June 2021, supporting the build-out of the division, which operates as a unified global team principally across London, Bermuda and the US.

Subject to approvals, England Lee is expected to relocate to Bermuda in early 2027. Lockton Re describes the role as the first step in its investment plans for Bermuda, and plans further announcements on the office over the coming months.

England Lee began a career of nearly five decades in 1978 at Lloyd's D.E. Harman Syndicate, then moved to CT Bowring, holding positions in facultative, North American treaty and retrocession, before joining Benfield as a director in 1996 and later Aon. ■



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Image: Minas Kalachian, SCOR

SCOR hires Kalachian as head of alternative solutions for North America

SCOR appoints Minas Kalachian as senior vice president, head of alternative solutions, North America. Kalachian joined in October and is based in the New York City metropolitan area.

Announcing the appointment, Eric LeMercier, chief underwriting officer, alternative solutions, at SCOR Global P&C, says Kalachian will lead SCOR's strategic engagement across the North American property and casualty market, supporting business development through client and broker origination and the continued development of SCOR's alternative solutions offering in the region.

Kalachian moves from Canada Life Reinsurance, where Kalachian worked in US property and casualty capital solutions from September 2025.

From 2010 to 2022, Kalachian was a managing director at Allianz Risk Transfer in New York, including in its capital solutions business. Earlier, Kalachian spent 10 years at XL, including in XL Financial Solutions in Bermuda and London. ■



Image: USQRisk, Ross Paltridge

Paltridge joins USQRisk as deputy chief underwriting officer

USQRisk, a managing general underwriter within Ryan Alternative Risk, a division of Ryan Specialty, appoints Ross Paltridge as deputy chief underwriting officer, international and London markets.

Ryan Specialty says Paltridge brings more than 20 years of insurance and reinsurance experience, including 16 years as a structured reinsurance underwriter at Hannover Re, SCOR and Swiss Re in Dublin, Paris and London.

Paltridge joins from Swiss Re, where he was lead structurer in the property and casualty structured solutions team, leading cross-functional deal teams on the origination, structuring, execution and ongoing management of large and complex structured property and casualty reinsurance transactions.

Parag Bavishi, co-chief executive officer and chief underwriting officer of USQRisk, says: "Ross brings deep technical expertise in structuring bespoke reinsurance solutions for capital management, earnings volatility and captive clients." ■



Image: Kim Dietrich-Suggs

Dietrich-Suggs joins Larson Gross as captive insurance director

Kim Dietrich-Suggs joins accounting firm Larson Gross as captive insurance director, working remotely.

Dietrich-Suggs says the role brings together 20 years of experience in captive insurance management and 14 years in public accounting, and that the remit includes helping grow the firm's captive insurance practice, covering accounting, tax and audit for captives.

Dietrich-Suggs adds: "I'm especially excited to join a team that recognises the opportunities for growth in the captive insurance industry and is committed to expanding its services in this space."

Dietrich-Suggs moves from Elevate Risk Solutions, having served as senior captive insurance manager there from September 2025, and was previously director, risk management, at Ryan from 2014 to 2025 and risk pool manager at Artex Risk Solutions from 2006 to 2014. ■

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O'Hara joins Captive Resources as program manager

Barbara O'Hara joins Captive Resources as a program manager, working remotely in the Greater Chicago area.

O'Hara moves from Sequel Insurance Services, formerly Owen-Dunn Insurance Services, in Sacramento, California, after 23 years with the agency. O'Hara joined Owen-Dunn as a captive account manager in July 2003 and was most recently senior account manager, captive specialist, at Sequel.

O'Hara says the move follows more than 30 years in the insurance industry, including 23 years specialising in captives on the agency side, with earlier roles as an underwriting assistant, underwriter and regulatory compliance analyst.

Captive Resources creates, develops and oversees member-owned group captive insurance companies for mid-market businesses, and advises more than 55 casualty and medical stop loss group captives. ■

Image: Barbara O'Hara, Captive Resources



Pinnacle Financial Partners hires Turner as captive insurance banking specialist

Marvin Turner joins Pinnacle Financial Partners as senior vice president and captive insurance banking specialist, working remotely from the Detroit area.

In the role, Turner will act as a trust and wealth adviser to the bank's captive and reinsurance clients.

Turner moves from Fifth Third Bank, where Turner was vice president and senior relationship manager, institutional trust, from March 2026. Turner held the same role at Comerica Bank from September 2018, managing institutional trust and custody services tailored for captive insurance clients.

Before moving into captive banking, Turner spent 17 years at TIAA, from 1998 to 2015, as a relationship manager for institutional clients in higher education and the non-profit sector.

Pinnacle Financial Partners, founded in Nashville in 2000, provides banking, investment, trust, mortgage and insurance products and services. ■

Image: Marvin Turner, Pinnacle Financial Partners



Specialty Captive Group hires Cappon as captive adviser

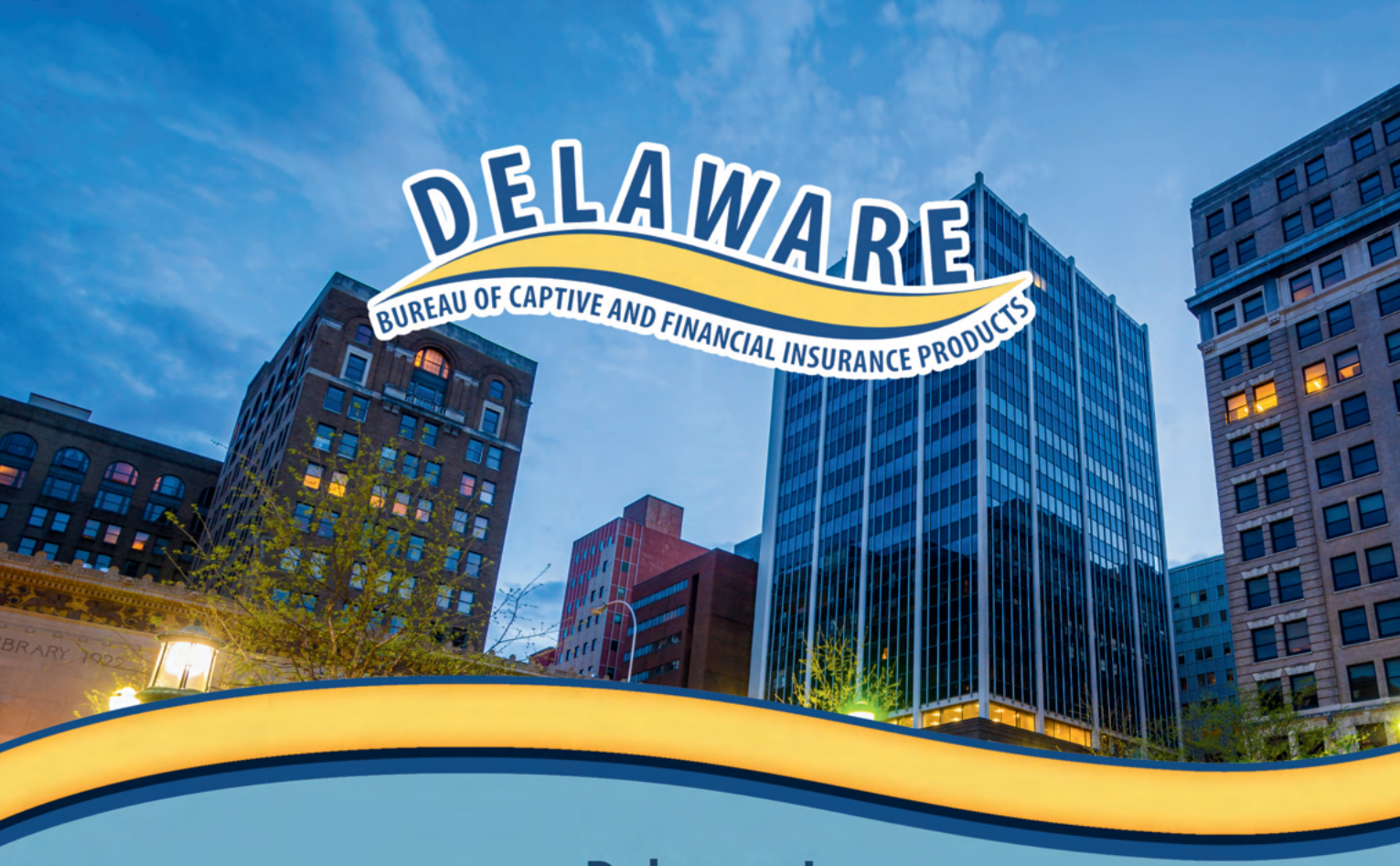
Specialty Captive Group (SCG), a division of Specialty Program Group, appoints Carter Cappon as a captive adviser.

In the role, Cappon will advise SCG's single-parent captive clients on new ways to use their captives, drawing on an understanding of each client's business objectives, key industry trends, and data and financial analysis to help clients optimise their captive programmes.

Cappon joins from Hylant, where Cappon worked as a captive consultant in the Grand Rapids area from May 2022 to September 2026, and will work for SCG remotely from Grand Rapids.

Specialty Captive Group provides captive management and consulting, alternative risk financing and programme administration. Its services include feasibility and actuarial studies, strategic reviews, general management, financial reporting, regulatory compliance, fronting, reinsurance and collateral negotiation. ■

Image: Specialty Captive Group, Carter Cappon



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