

How Marsh Nexus reframes international benefits

Paul Lewis and Donna Weber on how Marsh Nexus lowers the entry point for an international benefits captive

Home Advantage

Lori Gorman and Joseph Rosenberger of the North Carolina Department of Insurance on bringing captives home

Silver Anniversary

Victoria Fimea of the Arizona Department of Insurance and Financial Institutions on 25 years of growth

Consumer Captives

Stuart King of Babel Cover on why captive discipline can work for individual consumers on the high street

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News Focus

Keep pace with the most impactful stories in the captive insurance world. This month's round-up features Louisiana's new captive regulation, the BMA's parametric insurer timetable, Bamboo's captive pull-back ahead of its IPO, and Luzern Risk's US\$45 million Series B.



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The latest senior appointments across the captive insurance industry.



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Real Property Captive prepares January launch for real estate owners

Real Property Captive (RPC) prepares to launch a group captive insurance programme for middle-market commercial real estate owners, with 13 committed members representing roughly US\$6 billion in total insured value.

The pool spans habitational, multifamily, retail, light industrial, office and self-storage properties. RPC says it is one of the first group captives built specifically for middle-market real estate owners.

The programme is designed to take the working layer of property and property-related general liability claims and

place it in a captive structure. Members benefit from the captive's retention and from RPC's scale in buying reinsurance, which the group purchases collectively rather than as individual owners.

It launches with a branded, AM Best-rated fronting carrier providing full lender compliance on member policies.

RPC targets owners with between US\$100 million and US\$3 billion in total insured value that have low demonstrated loss ratios and a commitment to risk mitigation.

The programme aims to give those owners the pricing efficiency institutional owners have had for decades through their own single-parent captives.

Angad Guglani, founder of Real Property Captive, says: "Institutional owners have been running their own captives for decades. They keep the working layer, buy reinsurance above it, and get rewarded for running good buildings. A single owner with a few hundred million in property can't justify that structure alone. A group of them can, and that's what RPC is."

Guglani is founder of Cooper Square Acquisitions, a value-add real estate firm with more than 200 properties in the Philadelphia metropolitan area.

RPC is expected to be domiciled in Bermuda and is targeting a launch on 1 January 2027. It is accepting submissions. ■

Louisiana adopts captive regulation under CHOICES Law

The Louisiana Department of Insurance promulgates Regulation 139, setting out the rules and procedural requirements for captive insurance companies and risk retention groups domiciled in the state. The regulation was published in the Louisiana Register on 20 September and takes effect on publication.

It implements Act 313 of the 2025 Regular Session of the Louisiana Legislature, now known as the Creating Holistic Options in Coverage for Enterprise and Self-Insurance (CHOICES) Law. The department describes the act as establishing a comprehensive framework for the formation, licensing,

regulation and taxation of domestic captives and risk retention groups. Louisiana's captive subpart dates back to legislation enacted in 2008, which Act 313 amended and renamed.

The regulation defines a captive insurance company as a pure captive, association captive, risk retention group or affiliated reinsurance company. Applicants must hold a pre-application meeting with the department before submitting an application for admission, and may not adopt a name until the commissioner has reviewed and approved it.

Captive managers must be authorised by the commissioner before providing management services, and companies

must give 30 days' written notice before changing an approved accountant, actuary or captive manager, or making any material change to operations, governance, financial condition or business plan. A statement of financial condition is due annually by 1 March, with an audited statement by 30 June and an annual actuarial certification of loss and loss expense reserves. Captives may be permitted to expose themselves to loss on a single risk of up to 30 per cent of capital and surplus.

Captives organised elsewhere may redomesticate to Louisiana with the commissioner's approval, and companies that have ceased transacting insurance may apply for a certificate of dormancy. ■



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Tennessee sets hearing on captive rules overhaul

The Tennessee Department of Commerce and Insurance is to hold a rulemaking hearing on 20 October on proposed changes to the rules governing Tennessee captive insurance companies.

The proposals touch every rule in chapter 0780-01-41, from purpose and authority through to a severability provision. For seven of the 20 rules, the only change is an updated statutory authority citation. The filing adds four new rules, replaces two existing rules in their entirety and repeals Appendix A, the Tennessee Captive Insurer Annual Report. None of the changes takes effect unless and until the rules are adopted.

Among the new rules, captives would have to file an annual actuarial opinion on the reasonableness of their loss and loss expense reserves by 30 June, or within 180 days of the end of the fiscal year. For protected cell captives, the opinion would also identify any cell whose carried

reserves the actuary considers inadequate or redundant.

A further new rule defines service providers, covering captive managers, auditors, accountants, attorneys, actuaries and investment advisers.

The commissioner could reject or revoke approval of any service provider without a hearing, and a captive would have at least 30 days to obtain approval of a replacement.

Captives would be examined at least once every three years, extendable to five where comprehensive annual audits are carried out by an approved independent accountant. The OPTins system would be designated as the approved method for receiving premium tax forms and payments.

The commissioner could also conduct an informal visitation without a request from the company, extending to the offices of the captive manager, accountant or owner.

The hearing takes place at 09:00 in the Davy Crockett Tower, Nashville. ■

BMA targets fourth quarter for parametric insurer class

The Bermuda Monetary Authority (BMA) is drafting an amendment to the Insurance Act 1978 to implement its proposed Parametric Special Purpose Insurer (PSPI) class in the fourth quarter of 2026, alongside comprehensive guidance.

The timetable is set out in a letter to stakeholders responding to feedback on the Authority's consultation on the proposed class. The Authority confirms that insurers currently writing parametric risk under other licence classes may continue to do so without any requirement to re-license or re-domicile that business into a PSPI. The class is intended to complement, not disrupt, existing operations.

Existing Special Purpose Insurers seeking to reclassify as PSPIs may apply, and the Authority is considering whether introductory fee waivers would apply to such reclassifications. It also notes interest from Special Purpose Insurers seeking to transact both indemnity and parametric business, which may be permitted case by case.

On the scope of the regime, the Authority says it will prioritise the substance of the risk transfer over the contractual form. All parametric contracts written by a PSPI must demonstrate insurance risk transfer characteristics and be supported by appropriate governance arrangements, transparent triggers and collateralisation arrangements.

On collateral, eligible assets should be of sufficient quality, readily realisable and enforceable, including cash, cash equivalents and letters of credit. Applicants will also be expected to show that the parametric trigger methodology is appropriately designed, that data sources are independent and reliable, and that settlement mechanics are transparent. ■

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LUZERN RISK

Luzern Risk raises US\$45m to build out captive platform

Luzern Risk, a captive manager specialising in alternative risk solutions, raises US\$45 million in a Series B funding round led by Insight Partners.

Trust Ventures participates alongside existing investor Caffeinated Capital, which led the company's seed round in 2023 and its US\$12 million Series A in 2025.

The company says its technology platform is built to compress the time required to launch and administer custom captive programmes at scale. It works alongside brokers, fronting carriers, reinsurers and advisers, and its client base spans mid-market and large publicly traded companies.

The funding supports three priorities: advancing the platform and building out artificial intelligence capabilities, systemising operations to reduce turnaround times on complex work, and giving clients additional options across the alternative risk value chain.

The company says about US\$240 billion in gross premium is written through captives, making up roughly 10 per cent of the global property and casualty market, and that adoption is accelerating beyond the Fortune 500 companies that have long used the structure.

Its longer-term aim is to build infrastructure for the wider ecosystem, with common standards intended to let brokers place risk into captives with less friction, carriers and reinsurers underwrite with better information, and regulators oversee structured reporting.

Gabriel Weiss, chief executive officer and co-founder of Luzern Risk, says: "We set out to make captives more accessible to a broader set of the market, and everything we have learned since has strengthened our conviction that captives will play a far bigger role in risk management than they do today. This investment lets us do what we care about most: deliver better outcomes for our clients, at a much greater scale." ■

Bamboo captive cuts risk retention to zero ahead of IPO

Bamboo Insurance Services has cut the risk retention participation of its captive reinsurer in its largest programme to zero, and its redomestication to Bermuda from Arizona remains incomplete, according to the registration statement it filed with the US Securities and Exchange Commission ahead of an initial public offering.

The company reduced the captive's participation in that programme from 12.5 per cent of premium to 2.5 per cent on 1 April 2025, and from 2.5 per cent to zero on 1 April 2026. It says it plans to maintain nominal risk retention while continuing to use the captive to drive alignment with its capacity providers and support growth in new markets.

The captive, Ide8 Re, assumes risk on a quota share basis in business the company underwrites. It redomiciled to Arizona as a protected cell captive in the fourth quarter of 2024 and is regulated by the Arizona Department of Insurance and Financial Institutions. The filing, made on 28 August, describes the redomestication as in process and not yet complete, and says it will not have a material impact on the captive or the company's operations.

As of 30 June 2026, the captive had statutory surplus of US\$31 million, excess surplus of US\$27 million and maximum loss exposure of US\$2 million to any single catastrophe event. Bamboo operates it at near-breakeven profitability.

Bamboo is a homeowners insurance managing general underwriter operating in California and Texas, and reports in two segments: its managing general underwriter business, and the captive. The company intends to apply to list its Class A common stock on the New York Stock Exchange under the symbol BMB. ■



Tangram launches member-owned captive for fuel distributors

Tangram Insurance Services launches Forge Energy, a member-owned captive insurance programme designed for fuel and propane distributors.

The programme caps members' indemnity loss exposure at US\$350,000 per claim, returns underwriting profit to well-run operators and provides what Tangram describes as transparent premium allocation that the standard market does not offer.

Capacity comes from Coaction, with which the managing general agent has had a partnership since 2014.

Tangram says fuel and propane distributors operate in one of the most complex risk environments in commercial insurance, citing large mixed fleets, constant pollution exposure and a hardened automobile market that pools disciplined operators together with higher-risk peers.

Forge Energy is open to retail and wholesale fuel distributors, heating oil distributors, liquefied petroleum gas

and compressed natural gas distributors, and gasoline and diesel distributors, with limited appetite for carriers of refined fuel products.

It offers a casualty programme covering general liability and commercial automobile, including pollution.

Tangram also supports the programme with cover written outside the captive, including property, excess liability and guaranteed cost workers' compensation.

Krissy Kyjovsky, executive vice president at Tangram, says: "Forge Energy represents a natural evolution of our downstream energy strategy. We've spent years building our expertise in this space, and this captive allows us to better align risk, reward, and long-term performance, giving high-quality operators more control and a sustainable path forward."

Tracy Bernard, chief programme officer of Balavant Insurance Group, Tangram's parent company, says: "Forge Energy reflects the strength of our long-standing partnership with Coaction and our team's expertise in this segment." ■

MAXIS GBN flags captives as route to sustainable GLP-1 cover

MAXIS Global Benefits Network (MAXIS GBN) has published a whitepaper identifying captives and other self-funded arrangements as a route to affordable, clinically governed GLP-1 coverage in multinational employee benefits (EB) programmes.

The paper draws on MAXIS GBN medical claims data covering 52 insurance partners in 36 countries and more than 7.9 million insured lives. The dataset does not cover the US.

A multinational writing an EB programme through a captive becomes the ultimate risk bearer, and can cover claims that may not be possible under the terms of a local insurer. That allows the employer to choose whether to offer GLP-1 coverage in a given market.

A captive can also reinvest underwriting profits into wellbeing initiatives, wraparound care or the additional pharmacy costs associated with GLP-1 coverage. That flexibility should be accompanied by stronger governance, including clear clinical criteria, privacy safeguards, independent outcomes assessment and transparent reporting.

MAXIS GBN claims data shows that 38 per cent of claimants across the global portfolio live with at least one chronic condition, and that these conditions account for 58.4 per cent of total claims paid across the network in 2025. More than one in four chronic disease claimants may be eligible for GLP-1 therapy, while 5 per cent of that population currently receives the medication.

Leena Johns, chief health and wellness officer at MAXIS GBN and author of the whitepaper, says: "GLP-1s can become part of a broader strategy to intervene earlier in chronic disease and improve workforce health. But planned poorly, employers risk dramatically increasing their pharmacy costs." ■



Affordable housing captive publishes research on rising claims

Milford Street Captive Insurance, an association captive formed to insure affordable housing in New York, publishes an analysis of legal claims filed against residential rental properties in New York City showing claims grew sharply between 2021 and 2023 before settling at that higher level.

The analysis was conducted by LegalClaimsAI and the NYU Furman Center, which matched a data set of 56,289 claims filed against New York City properties between 2021 and 2025. Researchers analysed 21,992 of those claims, filed against 18,745 residential rental buildings comprising 916,207 units.

Total claims filed citywide grew 29.6 per cent from 2021 to 2022 and a further 29.2 per cent from 2022 to 2023, before levelling off and declining slightly through 2025. On a per-unit basis, claims

per 100,000 units grew 69.6 per cent between 2021 and 2024, from 128.69 to 218.32, easing to 200.3 in 2025.

Buildings that are at least 90 per cent rent-stabilised recorded the highest peak rate at 289 claims per 100,000 units in 2024, followed by government-subsidised, income-restricted buildings at 256 in 2023. Market-rate buildings peaked at 161 in 2024.

The Bronx and Brooklyn recorded the highest total claim volumes, with the Bronx posting the highest rate per unit, peaking at 253.42 claims per 100,000 units in 2024.

Milford Street was created by a group of affordable housing developers and managers seeking relief from rising insurance costs.

John A Crotty of Milford Street says: "Unchecked litigation is an existential threat to affordable housing. Not surprisingly, where government investment is the highest so is the rate of claims." ■

Huscarl raises US\$5.6m for AI actuary platform

Huscarl raises US\$5.6 million in seed funding to build what it describes as the first autonomous artificial intelligence (AI) actuary for corporations and their captives.

FRST leads the round, with participation from Y Combinator and Silicon Valley investors. The company uses the capital to develop the platform and expand its capabilities in the US market.

The platform automates the ingestion of large volumes of unstructured data, generates bespoke risk models for emerging or unusual risks, and orchestrates actuarial workflows from end to end. Every study is reviewed and signed by a credentialed human actuary.

Huscarl provides one-off actuarial studies, ongoing appointed actuary services for captives, and outsourced underwriting for group captives and risk retention groups. The company says it has been used by a risk retention group and by a single-parent captive for a company with more than US\$2 billion in revenue, and is looking to expand its network of partner captive managers and brokers.

Huscarl says self-insurance has surged in recent years, with US companies retaining risk rather than transferring it and setting up captives, citing cost savings of up to 30 per cent and the ability to manage risks traditional insurers refuse to absorb.

Alexandre Musy, chief executive officer, and Paulien Jeunesse, chief technology officer, created the first cyber parametric insurance product for corporations at Descartes Underwriting.

Musy says: "Huscarl was born out of one strong belief: corporations should manage their own risks like insurance companies." ■



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MFSA sets out data quality expectations for insurers

The Malta Financial Services Authority (MFSA) publishes a Dear CEO letter setting out the findings of supervisory inspections into how insurance and reinsurance undertakings compile their regulatory financial returns.

The letter is addressed to the chief executive, chief financial and compliance officers of every authorised undertaking the authority supervises. The MFSA identified data quality in financial regulatory returns as one of its supervisory priorities in 2025, aligned with the European Insurance and Occupational Pensions Authority's focus on the same topic.

The inspections examined management accounts, national specific templates and quantitative reporting templates, along with end-to-end reporting processes covering data flows, governance arrangements, internal controls, information technology systems, data management frameworks and compliance functions.

The authority notes that most undertakings submit returns on

time. It identified six areas where processes could be strengthened.

Undertakings told the authority that the five-week submission window was often considered overly restrictive and that limited resources left insufficient time to prepare periodic returns. The MFSA says that can lead firms to prioritise resolving blocking errors to meet deadlines, leaving non-blocking errors unresolved.

The authority found high dependence on spreadsheets for significant financial statement line items, which it says heightens the risk of human error. It expects undertakings to reduce that reliance and to implement formal reconciliations where spreadsheets remain in use.

The four-eye principle was not being applied consistently. The MFSA expects each submission to be subject to a clear preparer and reviewer process with documented evidence.

Finance procedure manuals were not always updated to reflect changes in processes, and the internal audit cycle did not always include the preparation, review and submission of returns. ■

BHP captive stops writing new business as Fitch affirms ratings

BHP Marine & General Insurances Pty Ltd, the Australian captive of mining group BHP, ceased writing new policies on 1 July following a review of the group's insurance arrangements, Fitch Ratings says as it affirms the captive's ratings.

The captive remains on cover for its existing guarantee bonds and for business written up to 30 June, including workers' compensation and liability classes. It does not underwrite third-party business, and all of its premiums are sourced from BHP group entities.

Fitch affirms the captive's insurer financial strength rating and long-term issuer default rating at 'A', with a 'stable' outlook. The agency equalises the insurer financial strength rating with BHP's own long-term issuer default rating, also 'A' with a 'stable' outlook, on the basis that it considers the captive a core captive of the group.

That assessment reflects the integration between captive and group, the reliance of its business model on the group, and its strategic importance in providing insurance protection to BHP and its subsidiaries.

Fitch says the captive's objective is to create and protect value by supporting BHP's self-insurance strategy through cost effectiveness, and that it is not run as a profit centre.

On capitalisation, the captive's Fitch Prism Global score was 'Extremely Strong' in the financial year ended June 2025. Coverage of the regulatory prescribed capital amount was 1.87 times at the end of that year, against 1.76 times a year earlier.

The captive holds no direct investments, lending all of its funds to BHP Billiton Finance on an at-call basis. ■



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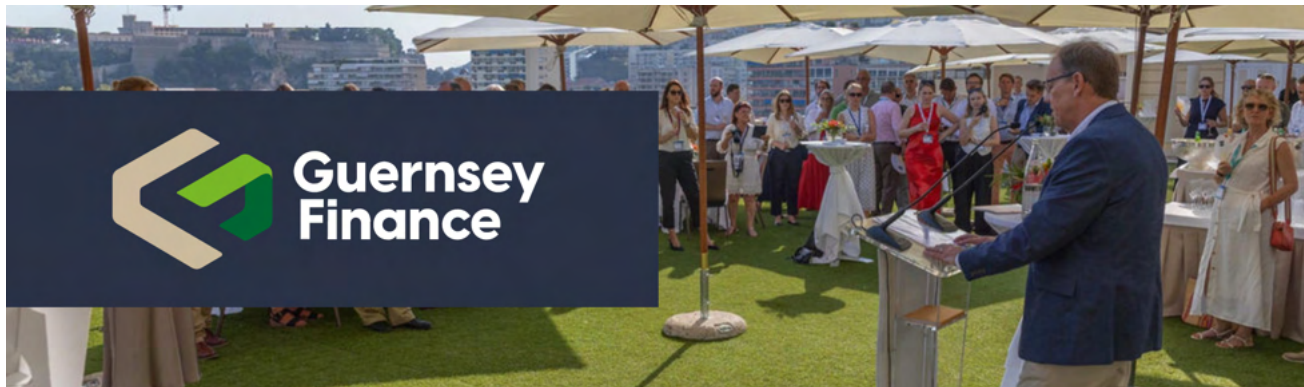
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Guernsey reception marks 10 years at Rendez-Vous

The Guernsey Champagne Reception, hosted by Guernsey Finance in Monte Carlo, marked its 10th anniversary on 8 September, celebrating a decade of industry engagement alongside developments reinforcing the island's position as a hub for reinsurance, insurance-linked securities (ILS) and captives.

The event takes place each year during Les Rendez-Vous de Septembre, where professionals gather to discuss industry trends ahead of the annual reinsurance renewals.

Paul Sykes, chair of Guernsey Finance, opened the reception with a welcome

address reflecting on recent examples of growth, including the establishment of a new Guernsey-based reinsurance entity, Zenkyoren Re.

Owned by one of the world's largest co-operative organisations, the Japanese firm selected Guernsey to manage its reinsurance operations because of the jurisdiction's experience supporting international reinsurance and ILS structures.

Sykes says: "Insurers and reinsurers are looking for stability, expertise, proportionate regulation and jurisdictions that can respond with agility, qualities that have served Guernsey well for decades. With a clear strategy for growth and proven strengths across captives, commercial

reinsurance, ILS and humanitarian finance, Guernsey is well placed to take advantage of the opportunities ahead."

Ian Thompson, chief executive officer of Ascot Group, delivered the keynote address, sharing his experience of establishing the subsidiary Ascot Insurance Guernsey in late 2025.

He cautioned against complacency, warning that a combination of abundant capital and increasing competition was driving a rapid softening of pricing conditions, and stressed the importance of underwriting discipline.

The reception closed with remarks from John Rowson, managing director at Howden. ■

2026 CAPTIVE INSURANCE SYMPOSIUM

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Miller takes Labuan licence for Malaysian launch

Miller launches Miller Malaysia under a Labuan licence, extending the specialist reinsurance broker's presence in Asia.

The initial offering focuses on treaty and facultative reinsurance, with plans to broaden its product capabilities over time.

The launch follows the opening of Miller Korea in January 2025 and the acquisition of Japanese broker Lead Insurance Services in 2022. Jo Garnett and Hui Sin

Low are already secured in the region, with further hires joining in late 2026.

Miller also operates a captives and risk finance consulting practice, led by Steven Rance, which designs, implements and manages captive reinsurance programmes.

The practice covers feasibility studies, strategic reviews, optimisation, captive retro, disposal and closure, and its team has experience of restructuring existing vehicles, acquiring and disposing of captive vehicles, and establishing multi-cell captive vehicles covering the risk requirements of entire industries.

It has also established and managed two government-backed captive vehicles addressing more than £1 billion of

mortgage assets. The broker does not say whether the Malaysian business will serve captive clients from Labuan, which is one of Asia's established captive domiciles.

Ron Whyte, head of Asia at Miller, says: "Malaysia is a significant Asian market and I am incredibly excited to be re-establishing the Miller brand in the region. We continue to be one of the fastest-growing players in Asia, building on milestones such as the launch of Miller Korea and our diversification into Japanese non-marine lines."

Miller operates internationally and at Lloyd's, with more than 1,000 staff across its UK and international operations, and is headquartered in London. ■

Image: Miller



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Verve Risk Services launches financial institutions division

Verve Risk Services launches Verve Financial Institutions, a new division at the London managing general agent (MGA), and appoints Steve Redding as head of financial institutions to lead it.

Redding joins with three colleagues. Beth Convey joins as senior underwriter, Charlotte Flook as underwriter and Aaron Jones as assistant underwriter.

The division writes bankers blanket bond and crime, professional indemnity and errors and omissions, directors and officers indemnity, fiduciary liability and employment practices liability, on

a primary and excess basis. Capacity is provided entirely by Lloyd's of London.

Target industries include banks and mortgage banks and brokers, stockbrokers and stock exchanges, wealth and asset managers, insurance companies, alternative lenders, financial planners and investment advisers, broker dealers, mutual funds, hedge funds, collection agencies, and crime cover for cryptocurrency businesses. The division accepts risks domiciled worldwide, subject to sanctions screening.

Redding has nearly 40 years in the London market, of which 25 are in financial institutions. He spent 11 years as financial institutions manager at Antares Underwriting

Services, and eight years at Württembergische Versicherung.

Scott Simmons of Verve Risk Services says: "Delighted to welcome our new FI team to Verve. An MGA with underwriters at its heart."

Verve Risk Services also underwrites professional and management liability for insurance companies and intermediaries, including captives, captive managers, protected and segregated cell companies, micro captives, risk retention groups and collateralised structures.

That book covers risk locations including Bermuda, the Cayman Islands, Barbados, the British Virgin Islands and the US Virgin Islands. ■

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Sapiens launches AI-native insurance platform

Sapiens launches the Sapiens Autonomous Insurance Platform, a software as a service solution designed to embed artificial intelligence (AI) in insurers' core policy administration systems.

The platform extends the company's core insurance products and provides agentic tools across underwriting, policy, billing, claims and customer engagement.

It is built on three layers: a persona-based experience layer, an intelligence layer where agentic flows carry out the work, and a foundation layer based on the company's ontology of more than 40 years of industry experience.

The foundation layer also underpins dedicated data migration and configuration hubs, which take requirements and legacy files and turn them into run-ready scripts and load-ready extracts that are mapped, proven and reversible.

The migration hub handles profiling, mapping, validating and extracting data, ingesting legacy files as they are without reformatting. The configuration hub takes documents in any format and maps them to the corresponding field in any system, with a confidence score so teams can review and approve what moves forward. Every decision carries an auditable trail.

Continental General, an Austin-based third-party administrator serving clients across life, annuity and long-term care, is evaluating the tools as a means of bringing on books of business faster and more cost-effectively.

Paul Wheeler, chief executive officer designate and board member at Sapiens, says: "SapiensAIP is what turns AI ambition into results insurers can measure. For insurers, this means faster time to production, lower transformation risk and a return on investment in AI working in their core systems, right now." ■

SRS to host Captive Academy at SCCIA conference

Strategic Risk Solutions (SRS) hosts its Captive Academy on 28 September as part of the South Carolina Captive Insurance Association's 25th annual executive educational conference.

The interactive seminar is designed for professionals new to the captive insurance industry, and for those looking to strengthen their understanding of captive solutions.

It provides a practical overview of captive insurance fundamentals, captive formation, governance, regulatory considerations and ongoing management.

The half-day programme explores the captive lifecycle, from initial feasibility and formation through to ongoing operations and strategic oversight.

Participants gain insight into the roles played by captive managers, actuaries, legal counsel, regulators, auditors, tax advisers and investment professionals in supporting captive insurance companies. The session also features real-world perspectives and gives attendees the opportunity to engage directly with industry experts during an interactive question-and-answer discussion.

Laura Rodrigo, managing director of SRS East and head of the captive manager's South Carolina office, leads the academy, alongside other SRS professionals and industry experts representing key captive service disciplines.

Rodrigo says: "We are really excited to host new South Carolina captive owners and a list of prospective captive owners at the Academy this year. It is an honour to be kicking off the half-day session of the 25th annual SCCIA conference." ■

Labuan International Business and Financial Centre (Labuan IBFC)

- An international business and financial centre set up by Malaysia in 1990
- Marketed by Labuan IBFC Inc., the official promotional and marketing agency for Labuan IBFC
- Regulated by Labuan Financial Services Authority, a statutory body under the Ministry of Finance, Malaysia
- Well-balanced legal and regulatory framework
- Adheres to Malaysia's AMLCFT requirements and international standards

Key Segments



Tax Structure

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

Other Benefits

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

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

Building at home:

How North Carolina turned a decade of growth into homegrown captives

A decade on from its Captive Insurance Act, North Carolina is drawing its own corporates home as the redomestication tax holiday ends. Lori Gorman, deputy commissioner at the North Carolina Department of Insurance, and Joseph Rosenberger, chief captive analyst, speak with Nicole Bennett about maturity, momentum and what keeps companies domiciling in their home state

North Carolina spent its first decade building one of the fastest-growing captive programmes in the country. Looking back across that stretch, what stands out most about how the domicile has matured?

After slightly more than a decade, what stands out most is how North Carolina's captive programme has grown from a promising new domicile into a mature, institutional part of the captive marketplace. When the Captive Insurance Act was enacted in 2013, the goal was to create a practical, business-friendly option for companies looking to manage risk in a more tailored way.

More than a decade later, North Carolina is no longer defined only by formation growth; it is defined by the depth of its regulatory experience, the sophistication of the structures it oversees, and the long-term relationships it has built with captive owners, managers and service providers.

This maturation is also reflected in the diversity of the market. North Carolina now regulates more than 1,000 risk-bearing captive entities, and in 2025 the department licensed 21 new captive insurance companies and approved approximately 80 additional cells and series.

The state's captive population includes pure captives, protected cell captives, risk retention groups and special

purpose captives across industries such as financial services, transportation, healthcare, construction and manufacturing.

Importantly, the department's own capabilities have matured alongside the market. North Carolina's dedicated captive team, supported by in-house actuarial and examination expertise, has developed the experience needed to review increasingly complex programmes while maintaining a consistent and practical regulatory approach.

The result is a domicile that has moved beyond early-stage growth and into a period of sustained maturity, where innovation, responsiveness and prudent oversight are working together to benefit the captive industry.

The redomestication premium tax holiday, which ran in one form or another since 2022, has now reached its planned conclusion for taxable years beginning in 2026. How do you see the programme's appeal evolving as it moves beyond that incentive period?

The redomestication premium tax holiday was an effective incentive for those companies that may have formed their captives elsewhere before the passage of North Carolina's captive legislation.

It helped bring additional attention to North Carolina at an important stage in the programme's development, serving as

a 'carrot' for captive owners already evaluating whether their existing domicile continued to meet their needs.

For some companies, the tax holiday helped accelerate a decision that was already being considered because of North Carolina's regulatory approach, cost structure and service model.

As that incentive period reaches its planned conclusion for taxable years beginning in 2026, we believe North Carolina's appeal will continue to rest on the fundamentals that made the incentive successful initially.

Captive owners do not redomesticate based on one factor alone. They look for stability, regulatory access, reasonable costs, responsiveness, and confidence that their domicile can support the captive over the long term.

These are areas where North Carolina remains highly competitive. The department charges no regulatory filing fees, maintains competitive premium tax rates, provides timely review of filings and evaluates each captive based on its own business plan and risk profile.

The redomestication incentive helped introduce more owners to North Carolina, but the next phase of the programme's appeal will be based on the strength of the domicile itself: prudent regulation, efficient service and a stable environment for long-term captive operation.

One of the more striking trends of the past year has been North Carolina-headquartered companies, including some larger publicly traded names, choosing to form their captives in the state. Drawing those homegrown corporates home was part of the original vision for the programme. How does it feel to see that taking shape?

It is very rewarding to see North Carolina-headquartered companies choosing to form their captives here.

From the beginning, one of the goals of the programme was to give North Carolina businesses a strong domestic option for their captive insurance needs. With the continued commitment from state leaders and Commissioner Mike Causey, seeing that vision take shape validates the work that has gone into building the programme over the past decade. For a North Carolina-based company, forming a captive at home can

create a stronger connection between the company's risk management strategy and the broader business environment in which it operates.

It also reflects confidence in the department's regulatory team and in the state's ability to support sophisticated risk financing structures. The fact that this interest now includes larger and more complex organisations is particularly meaningful.

It shows that North Carolina is not only attractive to small and mid-sized companies looking for an accessible entry point into captive insurance, but also to established corporate parents with significant governance, reporting and operational expectations. That is an important sign of the programme's maturity.

When a company headquartered in the state weighs where to domicile its captive, what do you think tips the decision towards building at home rather than in a longer-established jurisdiction?

For North Carolina-headquartered companies, the decision often comes down to a combination of access, confidence and alignment.

A longer-established jurisdiction may have name recognition, but North Carolina offers a strong regulatory framework with direct access to an experienced team that understands the captive industry and the business climate in which these companies operate.

The department's approach is a key differentiator. North Carolina evaluates each captive based on its specific business plan and unique risk profile, rather than applying a one-size-fits-all model.

That flexibility is especially important for companies seeking to use a captive as part of a broader enterprise risk management strategy. Cost and efficiency also matter. North Carolina's no-fee regulatory model, competitive premium tax structure and timely review process reduce friction for captive owners. For companies headquartered here, there is also the practical benefit of working with a regulator in their home state, supported by a growing network of captive managers, actuaries, attorneys, auditors, investment professionals and other service providers. Ultimately, the decision to build at home is not simply about geography.



It is about whether the domicile can support the captive's long-term purpose. Increasingly, North Carolina companies are concluding that their home state can provide the regulatory quality, responsiveness and flexibility they need.

The formations you are seeing now seem to span quite a range, from small and mid-sized newcomers through to larger corporate parents. What do you enjoy about working across that full spectrum?

One of the most enjoyable aspects of our work is that no two captives are exactly alike.

Working with small and mid-sized companies often means helping organisations take their first step into alternative risk financing. Those conversations are rewarding because the captive may give the business a level of control, stability and flexibility that was not available in the traditional market.

At the same time, larger corporate parents bring their own sophistication and strategic objectives.

They may be looking to integrate the captive into a broader enterprise risk management programme, access reinsurance markets, manage higher retentions or address emerging risks across multiple operating entities.

Those filings can be complex, but they also demonstrate the full range of what a well-designed captive can accomplish.

North Carolina's framework is built to serve both ends of that spectrum. Cell structures can offer efficient entry points for smaller and mid-sized organisations, while standalone captives and more complex structures can support larger companies as

their programmes grow. That variety keeps the work interesting and reinforces why a flexible, case-by-case regulatory approach is so important.

Larger, publicly traded parents naturally bring their own governance and reporting expectations. How does the team approach partnering with those companies as they establish a captive for the first time?

When working with larger publicly traded parents, the department focuses on clear communication, early engagement and a thorough understanding of the company's proposed risk financing strategy. We encourage prospective owners and their service providers to engage with the department early in the process.

Pre-application discussions allow us to understand the proposed lines of coverage, capital structure, reinsurance arrangements, governance model and operational plan before the formal filing is submitted. That helps create a more efficient review process and gives the company a clearer understanding of regulatory expectations.

Our approach remains collaborative but prudent. Larger organisations may bring sophisticated internal resources, but the fundamentals are the same: the captive must have an appropriate business plan, adequate capital, qualified service providers and sound governance.

By working through those issues early, we can help first-time captive owners establish a structure that is both practical for the parent company and sustainable from a regulatory perspective.

The department is developing a new filing platform aimed at going live by the end of 2026. What are you most looking forward to that platform delivering for captive owners and managers?

We are most looking forward to creating a more streamlined and user-friendly filing experience for captive owners, managers and service providers. North Carolina has already emphasised digital submissions, efficient review timelines and no regulatory filing fees, but the new platform is an opportunity to improve the experience even further.

For captive managers, the platform should make it easier to track filings, submit materials, manage correspondence and maintain organised records across multiple entities.

Internally, the new platform will help the department manage volume and complexity more efficiently. As the programme has matured, the number and sophistication of filings have continued to increase. A modernised filing system will support better workflow management, more consistent documentation and improved communication between the department and industry participants.

Our goal is for the platform to reinforce what North Carolina already tries to provide, which is efficient regulation, clear communication and practical service without unnecessary administrative burden.

North Carolina often points to its proximity to the Research Triangle Park talent base. As the focus shifts towards deepening relationships with the captives already here, how valuable is having that talent pool on the doorstep?

Having the Research Triangle Park talent base nearby is a significant advantage, especially as the captive industry becomes more sophisticated and more technology driven.

Captives are increasingly being used to address complex risks involving healthcare, cyber, artificial intelligence, telehealth, supply chain disruption and other emerging exposures. Those are areas where North Carolina's broader economy and skilled workforce already have deep expertise. For the department, that talent environment supports both regulatory development and industry engagement. North Carolina has strong universities, a growing financial services sector and a deep



Ultimately, the decision to build at home is not simply about geography. It is about whether the domicile can support the captive's long-term purpose

Lori Gorman

deputy commissioner

North Carolina Department of Insurance



Image: Lori Gorman, deputy commissioner, North Carolina Department of Insurance



North Carolina evaluates each captive based on its specific business plan and unique risk profile, rather than applying a one-size-fits-all model

Joseph Rosenberger
chief captive analyst
North Carolina Department of Insurance



Image: Joseph Rosenberger, chief captive analyst, North Carolina Department of Insurance

professional services ecosystem. That creates opportunities to build awareness of captive insurance careers, strengthen relationships with service providers and connect the captive industry with professionals who understand data, risk, finance, healthcare, technology and compliance.

As the programme matures, long-term success will depend not only on licensing new captives, but also on supporting the captives already here as their needs evolve. A strong local talent pool helps ensure that captive owners have access to the expertise needed to grow, adapt and maintain sound operations over time.

Ten years in, what makes you confident the programme's momentum rests on more than a single incentive or market cycle?

What gives us the most confidence is that North Carolina's momentum now rests on the underlying strength of the programme, including a flexible captive law, a responsive regulatory team, competitive costs, strong industry relationships and a growing recognition that captives are an important tool for long-term risk management.

The continued hardening of certain commercial insurance markets has reinforced the value of captive structures, particularly for companies seeking greater control over pricing, coverage design, retentions and access to reinsurance.

At the same time, emerging risks in areas such as property, healthcare, cyber, artificial intelligence and business interruption continue to create opportunities for captives to provide tailored solutions.

North Carolina is well positioned because it has built a programme that can evolve with those needs.

The department's case-by-case regulatory philosophy allows us to support innovation while maintaining appropriate oversight. The state's business climate, talent base and service provider network add further strength.

Most importantly, North Carolina's recent growth includes both new formations and homegrown companies choosing to domicile here. That tells us the programme is meeting the needs of the broader market while also fulfilling one of its original purposes: giving North Carolina businesses a strong, stable and practical captive domicile at home. ■

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How Marsh Nexus reframes the international benefits question

With international benefits costs under relentless pressure, Paul Lewis, health and benefits, multinational, and Donna Weber, global pooling and cell facilities leader, at Marsh explain what the new cell-based Nexus solution reveals about a market now treating employee benefits as a risk to finance rather than a cost to absorb

Marsh Nexus arrives after a sixth consecutive year of double-digit medical trend rates across most markets. What was the specific gap in how multinationals were retaining and financing international benefits risk that Nexus was built to close, and why was now the moment to bring it to market?

We built the Marsh Nexus Captive Solution to address a practical gap we continue to see with multinationals: many want a long-term, self-insured approach for their non-US employee benefits to drive sustainable savings, improve

budget predictability, and gain more control over pricing, operations, and plan design, but they don't have a straightforward way to use a single-parent captive for non-US benefits.

After several years of persistent double-digit medical trend in many markets, demand for self-insured solutions, in particular global captive financing, continues to accelerate. Nexus was designed to make the international employee benefits (IEB) captive model more accessible, so more employers can implement it efficiently and with appropriate governance.

The use of captives for international employee benefits has more than doubled in five years. Where does Nexus sit within that shift, and what does its design tell us about how multinational employers are reframing benefits as a financeable risk rather than a fixed cost?

The growth in employee benefits captives reflects a broader shift: benefits are increasingly viewed not just as a 'premium expense', but as a risk financing decision. Even with rapid growth, approximately 150 companies have implemented non-US benefits in a captive programme to date. Marsh Nexus is designed to lower barriers to entry, so more employers that want to retain IEB risk can access the core advantages of captive financing: greater transparency, improved control, and more stable long-term outcomes.

Nexus sits within Marsh's Mangrove protected cell facility rather than a single-parent structure. Beyond the obvious speed-to-market and capital efficiency, what drove the decision to build a benefits solution on a cell platform, and how does that shape the fronting, reinsurance, and multi-jurisdictional pooling mechanics behind it?

A protected cell platform helps address those constraints. In addition to speed-to-implement and capital efficiency, our first-of-its-kind portfolio-managed structure is designed specifically for IEB, reducing central costs by aggregating key services at the facility level rather than duplicating them client by client.

From an execution standpoint, Nexus is built with pre-arranged global fronting partnerships, Redion Employee Benefits and Zurich Global Employee Benefits. This structure supports regulatory compliance with local policy issuance and administration through in-country partners, while enabling coordinated global risk financing and reporting.

Utilising the scale of Marsh, we offer our clients a wide range of reinsurance protections to fit their specific risk appetites and limit excess exposure to potential adverse IEB claim experience.

These are some of the factors that lower the barriers to entry that have prevented employers from being able to use captive financing for international employee benefits which Nexus helps address.

The solution is aimed at organisations with non-US benefits spend above US\$3 million a year. What does that threshold reveal about where the economics of a benefits captive now break even, and how has that entry point moved as the market has matured?

Economics have historically been a key constraint in the IEB captive market. For many employers, the traditional break-even point has been driven by the fixed cost, time, and operational changes required to implement and manage an international benefits captive versus projected savings, often implying minimum premium levels in the US\$10 million to US\$15 million-plus range to support a strong business case.

Nexus was built to reduce those fixed frictions. By using a cell captive framework and our portfolio IEB management approach, we can materially reduce central expense and implementation effort, lowering the practical entry point to organisations with non-US benefits spend above approximately US\$3 million. In addition, within a single-parent captive environment, there are network minimums that require employers to place a minimum of US\$2 million to US\$3 million with a single network. Due to the portfolio approach within Nexus, these network minimums will not apply to the individual client cells.

That said, not all non-US benefits are suitable for captive financing, and not all clients are a fit. Marsh takes a disciplined, agnostic approach to feasibility to ensure projections are reliable and aligned to the client's objectives and risk appetite.

Nexus is positioned as an off-the-shelf, portfolio-managed approach. How do you reconcile that standardisation with the bespoke actuarial and underwriting work benefits risk usually demands, and where does the facility draw the line between efficiency and tailoring?

We don't see standardisation and actuarial/underwriting rigour as trade-offs; they operate at different layers. Nexus standardises the operating model: cell formation and management, governance, reporting, settlements, and coordination with local insurers and global fronting networks. That standardisation drives efficiency and consistency.

At the same time, the risk evaluation remains tailored. Because the client is ultimately retaining the risk of each

local benefit policy, each programme requires independent underwriting and pricing analysis to produce sustainable recommendations. In other words, the platform is standardised, but the risk assessment is client- and country-specific, with the same discipline you would apply in a single-parent captive.

Every structure involves trade-offs. In what circumstances is Nexus not the right answer, and at what point would you steer an organisation towards a single-parent captive, a stand-alone cell, or a pooling arrangement instead?

Whether Nexus is the right fit depends on the client's structure, risk appetite, geographic footprint, governance readiness, and whether they already have a captive ready for international employee benefits.

As a general rule, if an organisation has a single-parent captive and has the internal alignment to include international employee benefits, we typically recommend starting with feasibility on that existing structure.

Nexus also works best when the organisation can implement a clear global mandate around participating insurers, aligned to our pre-selected fronting network partners. If a company has a strong preference for an alternative fronting network arrangement, a stand-alone cell may be a better fit to preserve their choice of partner.

And if the organisation is not comfortable retaining downside volatility, participating fully in both profits and potential losses, then a risk transfer approach such as multinational pooling may be more appropriate.

Centralising benefits risk that has historically sat with local insurers raises the usual tensions around local regulation, network pricing, and data. What are the hardest of those to resolve in practice, and how does pooling through a facility like Nexus change the negotiating position with local fronting carriers?

Centralising benefits risk can, at times, create friction with local insurers, particularly when local stakeholders are used to operating independently.

In practice, the most successful captive programmes address this challenge through proactive communication, clear

governance, and alignment on shared objectives: benefit quality, financial sustainability, compliant execution, long-term policy retention, and client satisfaction.

As the IEB captive market has matured, we also see more local carriers recognising the value of supporting captive clients, such as stable premium volumes, lower acquisition costs, and more predictable portfolio performance.

From a local carrier perspective, Nexus functions similarly to a single-parent captive: the local insurer continues to play a critical role in issuing policies, administering claims, and servicing employees.

The difference is that the global programme structure can improve coordination and strengthen the employer's negotiating position through scale, transparency, and consistent oversight.

Marsh's own Health Trends 2026 research found that only half of insurers globally typically cover mental health counselling, even as medical costs climb, pointing to persistent gaps in protection alongside the cost pressure. Does retaining this risk give employers the leverage to widen and improve cover, or does the cost-containment imperative tend to win out once the risk sits on their own balance sheet?

The outcome depends on whether the employer sees better benefits as a strategic investment in productivity, retention, and workforce resilience, or simply as a cost to control. In practice, it can be both, and the difference often comes down to governance.

Retaining risk can give employers more leverage and flexibility to improve coverage, because they are no longer entirely bound by the 'standard product' limitations that come with fully insured arrangements.

If mental health counselling is under-covered in a market, a well-governed risk financing approach can potentially help the employer fund and design benefits aligned to close gaps and support workforce needs.

At the same time, putting risk on the balance sheet naturally increases focus on cost and performance. The strongest strategies don't treat this as 'coverage versus cost'. They

invest in benefits that improve outcomes and reduce downstream claims, while managing utilisation through evidence-based pathways, vendor oversight, and disciplined measurement.

In this respect, Marsh brings strong global clinical capabilities to help captive clients shape their global medical plan strategies around evidence-based global minimum standards.

Through this approach, we support global stakeholders in introducing benefit provisions in a highly cost-effective, value-driven way. That helps employers allocate resources where they can have the greatest impact, for example, in preventive care, mental health, and prenatal care.

While these provisions may represent an upfront investment in the short term, over the longer term they help balance total risk and reduce the costs associated with distorted models that focus too heavily on inpatient care or rely only on local market benchmarks.

By retaining the risk within a captive and designing benefits strategically, employers can create better leverage to widen and improve coverage while still maintaining financial discipline.

For an organisation taking employee benefits into a captive for the first time, the step from fixed premium to retained health risk is a significant one. How should a risk or benefits leader frame that decision internally, and what does Nexus do to make the volatility manageable in the early years?

Moving from a fully insured, fixed-premium model to retaining risk through Marsh Nexus is a significant decision and should be approached deliberately. Because the organisation is taking on risk, stakeholders across benefits, risk, and finance need to be aligned on objectives, risk appetite, and what success looks like.

Though it should be recognised that many organisations already self-insure US medical plans so they have some experience of managing these programmes though not within a captive environment.

One reason non-US employee benefits are growing within captive programmes is that many coverages, particularly medical, tend to be higher-frequency and lower-severity,

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The growth in employee benefits captives reflects a broader shift: benefits are increasingly viewed not just as a ‘premium expense’, but as a risk financing decision

Paul Lewis

health and benefits, multinational
Marsh



Image: Paul Lewis, health and benefits, multinational, Marsh



As a general rule, if an organisation has a single-parent captive and has the internal alignment to include international employee benefits, we typically recommend starting with feasibility on that existing structure

Donna Weber

global pooling and cell facilities leader
Marsh



Image: Donna Weber, global pooling and cell facilities leader, Marsh

which can make results more predictable than many traditional property and casualty risks.

In addition, benefits risks across multiple countries are often less correlated, so building a diversified portfolio can help reduce volatility over time.

Nexus is designed to help manage early-year volatility through disciplined onboarding and diversification, limiting participation to short-tail benefits, excluding long-tail annuity-style exposures that can drive large reserves and cash-flow strain, while also requiring appropriate catastrophe protection. Combined, these levers support a long-term focus on sustainable savings and robust risk management.

Marsh Nexus lowers the barrier to retaining benefits risk, which widens access in a way the market has arguably needed for years. At the same time, making risk retention more routine raises a question of discipline: how do you ensure that ease of entry does not detach the decision from the considered risk-management rationale that should sit behind it? How do you see Marsh's role in holding that line?

This is a critical point. Making access easier is only beneficial if decision-making remains rigorous. Our view is that Nexus should never be 'the product'; it is the structure used to implement a clear risk management and financing rationale for IEB.

We see Marsh's role in maintaining discipline in three ways.

Eligibility and suitability: be explicit about what 'good fit' looks like (readiness, scale, governance, and risk appetite) and be willing to say no when those conditions aren't present.

Governance and execution: help clients build an operating model with clear roles, responsibilities, and strong project management.

Ongoing discipline: treat the programme as a long-term operating partnership, with regular performance reviews, independent and disciplined underwriting, and continuous improvement.

If ease of entry ever detaches from those principles, it stops being risk management and becomes cost shifting. The intent of Nexus is to widen access without lowering standards. ■

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Arizona at 25

A quarter century of measured growth

As Arizona marks 25 years of its captive statute, Victoria Fimea, chief captive analyst at the Arizona Department of Insurance and Financial Institutions, speaks with Nicole Bennett about dormancy, lower cell capital and the measured approach that has carried the domicile into the world's top 10

In 2026 Arizona marks the 25th anniversary of its captive insurance statute. As the domicile reaches its silver anniversary, which decisions across that quarter century do you regard as most formative in shaping Arizona into the domicile it is today?

Victoria Fimea: Certainly increased awareness of Arizona as a captive domicile, and word of mouth.

I have had several of our captive owners tell me that they recommend Arizona as a domicile to others in their industry considering formation of a captive. It does not get any better than that. Arizona has experience and we understand the business of insurance. Arizona has been fortunate to have support for the captive industry from state government leaders in the governor's office and from public policy makers in the State Legislature.

Arizona also has low operating costs for a captive insurer. Again, not only as regulators, but as government leaders and legislators, we understand the importance of operating costs

and supporting the business community. It is a great balance: experience, efficiency and low cost. Those factors all combine to have shaped Arizona, and will continue to influence Arizona, as a captive domicile.

Arizona ended 2024 ranked 10th in the world by number of captives and seventh in the US, with premium volume around US\$13 billion. What do you see as the principal drivers behind the domicile's steady climb up the international rankings?

Fimea: Our straightforward statute and, as regulators, our knowledge about the business of insurance.

Not only are companies forming captives, but all types of organisation are forming captives in Arizona, such as public sector entities and non-profit organisations.

Overall, we see most formations are for pure captives. These can be for companies, public sector entities, non-profit entities, and other entities.

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It is a great balance: experience, efficiency and low cost. Those factors all combine to have shaped Arizona, and will continue to influence Arizona, as a captive domicile

Victoria Fimea

chief captive analyst

Arizona Department of Insurance
and Financial Institutions

We experience how the ebb and flow of the commercial market affects the captive industry. For example, a hard market in certain lines, or in certain lines for particular industries, will drive an increase in forming captives.

Under Arizona's statutes, risk retention groups (RRGs) are captives. In the past 18 months, we have seen a substantial increase in the interest of RRGs for the transportation industry.

The interest resulted in the formation of two new RRGs in 2026 in that industry writing commercial automobile liability. Arizona has also seen captives increasingly writing general liability and professional liability.

In the last several months, there has been a steady increase in the use of captives for employee benefits and medical stop loss. But, as noted, it is an ebb and flow.

Two years ago, the hard commercial market for property coverage drove a common reason for forming captives. With the commercial property market substantially increasing its capacity in the last year, property coverage is no longer the driving force for forming a captive.

Arizona has consistently emphasised measured, deliberate growth over rapid expansion. How does the division think about pairing a welcoming posture towards new formations with the careful, considered approach that has defined the domicile?

Fimea: Captives are a terrific tool to manage risk.

However, forming a captive insurer may not benefit all organisations. Arizona wants to ensure that organisations considering forming a captive have a positive experience and, basically, go about it the right way. First and foremost, it is absolutely essential for an organisation to work with experienced service providers. By that, I mean service providers with captive insurance experience, and not just insurance experience.

Captives are a niche in the insurance space; use service providers who know what they are doing. Make sure a captive will benefit your organisation.

Second, a captive is an insurance company: it is regulated and must be run as an insurance company. Take seriously the corporate governance to run the captive, and ensure the

fiduciaries of the captive, that is, the members of the board and the officers, understand and execute their important roles in the running of the captive. Your experienced service providers will help you, particularly the captive manager. After all, that is what you are paying them to do.

Third, and final, do not underestimate the amount of capital it will take to keep a captive healthy and solvent. Capital becomes particularly critical for a risk retention group. There can be a real misunderstanding of the amount of capital required to maintain an RRG or a group captive.

House Bill 2193 (HB 2193) took effect in September 2025 and introduced a series of technical reforms to the captive statute. Now that the legislation has bedded in, which of those changes are proving most significant for captive owners and managers in practice?

Fimea: The revisions HB 2193 made to Arizona's captive insurance statutes in 2025 to allow dormancy have, by far, been the most significant. Immediately, in 2025, we had two captives apply for and receive dormancy. This number has increased by a few captives in 2026. The ability to place a captive in dormancy provides captive owners with the flexibility needed to deploy and use their captive strategically. That revision has proven beneficial to Arizona-domiciled captives.

The reduction in the minimum capital and surplus requirement for protected cell captives, from US\$500,000 to US\$250,000, lowers a notable barrier to entry. What was the thinking behind that change, and what response has it prompted from prospective cell sponsors?

Fimea: The thinking behind that revision for protected cell captive insurers was a collaborative conclusion reached as regulators and with receipt of comments from the captive industry. Because the core, that is, the protected cell captive insurer (PCCI), rarely bears risk, from a regulatory perspective having a US\$500,000 captive requirement is not necessary.

Concurrent with our thinking, the captive industry provided feedback requesting adjusting the US\$500,000 minimum capital requirement. Perhaps it was kismet, but we as regulators and the captive industry quickly arrived at the same conclusion: lower that minimum capital requirement for the core, the PCCI, to US\$250,000.

The dormancy provisions introduced under HB 2193 allow a captive to scale back operations while retaining its licence, rather than being wound up when market conditions shift. How does dormancy fit into the wider lifecycle of a captive, and what has early interest in the option looked like?

Fimea: The inclusion of dormancy has proven beneficial, and a number of our captives have filed for dormancy.

Companies, public entities, non-profits, and other entities spend a lot of time and money when determining whether to form a captive, and then spend more time and money with the ultimate formation and running of a captive.

Dormancy allows those entities to keep the captive, I describe it as putting the captive to 'sleep', rather than have to dissolve the captive corporate entity if the captive is not currently needed by the captive owner. Overall, dormancy is a terrific option for captive owners.

Arizona benefits from a deep ecosystem of captive managers, brokers, actuaries, auditors and legal advisers, much of it built out around Phoenix and Scottsdale over the past quarter century. How important is that local infrastructure to the domicile's proposition, and how does the division work alongside it?

Fimea: First of all, as regulators we work collaboratively with our local private-sector captive association, the Arizona Captive Insurance Association (AzCIA). The AzCIA is also celebrating its 25th year in 2026.

The AzCIA has quarterly hybrid breakfast meetings which my team and I attend and provide updates on the department and the overall captive scene in Arizona.

The AzCIA also has an annual symposium; in 2026 it is on 22 October. Of course, my team and I attend, and I speak at, the annual symposium.

This collaboration also results in a smooth flow of communication between us as regulators and the captive industry, enabling exchange of ideas as well as feedback. Second, our approach is simple: to be easy. Outreach to the department is simply a telephone call or an email away.

Sometimes a potential captive owner will call directly, but usually it is the captive manager or captive consultant who will reach out. Sometimes the outreach is to ask questions about a potential captive or a captive structure. Sometimes the outreach is to let us know that an application is forthcoming. Arizona also puts in our captive licensing application a request that a pre-application call occur.

This allows the Captive Insurance Division to have a discussion with the captive manager and with representatives of the captive owner. It is a beneficial process, allowing as well the future captive owner to meet the regulator and ask questions of us. Communication is a two-way street; captive owners spend a lot of time and money to create a captive, so they should be able to meet and ask questions of their future regulator.

Then, during the application review process, the captive manager is the 'quarterback'. This is explained to the future captive owner during the pre-application call. Communications are facilitated when there is one point of contact from us as the regulator to the applicant, and that point of contact is the captive manager.

It makes sense and works well. Additionally, in Arizona's statutes, the captive manager is the key service provider, and we have expectations that the captive manager will be responsive and manage the captive competently and in accord with our regulatory expectations.

Arizona's captive sector has grown alongside the state's wider economic diversification, from high-tech manufacturing to expanded international links. How does that broader corporate growth feed through into interest in captive formation, both within the state and beyond it?

Fimea: Broadly, the captive industry will continue to grow. The creation of new industries, particularly in the tech sector, and at times the inability of the commercial insurance market to respond to those industries, will provide opportunities for captives to respond. For Arizona, I see continued, steady growth. I anticipate further growth in my staff in the Captive Insurance Division in the next year. Arizona presents the stability and credibility that a US domicile offers.

The Valley of the Sun, which is the Phoenix and Scottsdale metroplex, continues to enhance its footprint on the national



economy, with Arizona quickly becoming one of the largest chip manufacturers in the US. Following that manufacturing increase are the suppliers and others supporting that sector.

Phoenix is also a major metropolitan area: it is the fifth largest city in the US. Phoenix Sky Harbor International Airport has multiple daily non-stop flights from all over the US and from several countries in the Americas, Asia and Europe.

Arizona has three large public universities, one in the Valley and the other two within a two-hour drive of the Valley, which are nationally and internationally recognised in various disciplines. That tremendous base of knowledge and innovation generates a steady stream of graduates ready to meet the needs of organisations.

When all of these factors are combined with the brick-and-mortar offices of the many types of captive service provider, it is clear that Arizona has the ecosystem to support business growth. The ease of doing business in Arizona, and building on the many US and multinational businesses with their captives in Arizona, all makes for Arizona as the domicile of choice for captives.

Regulators in Arizona have signalled openness to captives writing emerging risks, from cyber to climate-related exposures, provided they sit within statutory boundaries. How does the division approach applications involving less conventional lines of coverage?

Fimea: Because Arizona has a straightforward statute construct for captives, the regulatory guardrails are clear, but also allow flexibility. That flexibility enables Arizona to respond

to the creation of captives for new risks or emerging risks, such as in the tech sector.

This is because Arizona's regulators understand the business of insurance and the business of risk: we are able to look at the creative approaches taken to risk, determine if the approaches are within our guardrails, and respond accordingly.

Similarly, because Arizona is active in the captive community, attending and speaking at conferences, we are able to keep apprised of risk and business developments, anticipating that we may soon receive that call from a captive manager enquiring about forming an Arizona captive for an evolving risk and the bespoke risk solution to be placed in a captive insurer.

And, finally, Arizona wants to ensure the fiduciaries of the captive, the board and the officers, have the level of business acumen necessary for a successful captive; that is why the biographical affidavits submitted by the fiduciaries for a captive are so important.

With 25 years behind it and the HB 2193 reforms now in effect, how do you see Arizona's role evolving as captives become more deeply embedded in enterprise risk strategies, and what will underpin the domicile's next chapter?

Fimea: Arizona will continue to keep informed on developments in the risk management community. We will continue the good work and collaboration between us as regulators and the AzCIA. We will listen and be open to feedback. And we will provide feedback to the captive industry. As entities and risk evolve, we will be aware and implement changes as necessary, whether by statute or by process. We look forward to the next 25 years! ■

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Refocusing on reality: not all market movements are due to fundamentals

With market volatility increasingly driven by the news cycle, Jack Meskunas, financial adviser and managing director, investments at Oppenheimer & Co., explains why captive portfolios should be managed on fundamentals rather than headlines

Some people glance at the news, some people watch TV, and other people, and I will put myself in that category, consume massive quantities of news across all digital formats as well as in the printed press. Whether it be the New York Times, the Wall Street Journal, or my Bloomberg Professional, I am a news 'junkie' and avid market and global macroeconomic follower.

The problem with 'mainstream media' and the news in general is that the stories that make the top of the page are often exaggerations, hyperbole, or simply click-bait stories designed to generate some sort of emotional reaction, particularly agitation and infuriation. While many of the stories may be real (or contain a semblance of truth), the reality is that most of those stories are not important and serve as distractions from the reality surrounding business, investments, and real-world experiences that captive insurance companies go through every day of the year.

Liability is a liability

Captive owners, captive managers, and captive service providers, such as myself, at the end of the day are people that have emotions, thoughts, ideologies, political leanings, and a certain number of preconceived notions. Decisions regarding managing money for insurance companies should be as removed from emotional liability to the greatest extent possible, so that the portfolio could be focused on accomplishing its two primary objectives: maintaining the ability to pay claims, and growing the surplus of the captive.

Whether you are investing money for yourself, or the largest company in the world, it is important to remove emotional, and I would argue political, bias from your investment decisions. Watching the stock market tick by tick with the increased volatility we have seen over the last few years, averaging

almost 1 per cent a day, can cause an investment manager or individual investor to make decisions based on headline news rather than fundamental reasons.

Looking at Chart 1, we can see the Cboe Volatility Index (VIX) during the first year of Trump 2.0. Unsurprisingly, the VIX, which measures volatility, is also called the 'Fear Index', as the index increases when fear in the market increases. There were eight 'surges' in volatility during the first year, with the largest coming from the announcement of 'Liberation Day' tariffs. The surge, just 54 business days into the administration, represented a 230 per cent increase in volatility. The other surges, all news driven, ranged from 21 per cent to 82 per cent. Interestingly, each and every surge represented over a 1,000 per cent annualised increase in volatility.

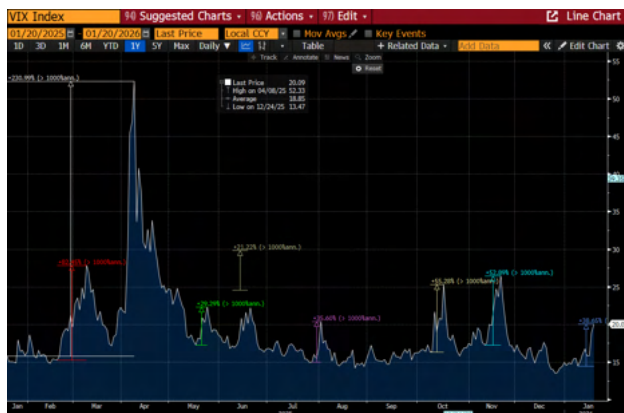


Chart 1: VIX index, 20 January 2025 to 20 January 2026.

Source: Bloomberg LP, used with permission

Overreactions can destroy returns

The effects of these decisions and knee-jerk reactions can be highlighted in a story about the Fidelity Magellan Fund. When Peter Lynch was at the helm, he was one of the best performing managers of the time. It certainly did not hurt that he happened to be in the right place at the right time in terms of budding new technologies.

For a decade the Fidelity Magellan Fund averaged about 29 per cent a year returns, a stunning track record to say the least. However, an analysis by Peter Lynch himself found that returns for the 'average investor' were significantly lower. It showed that during that same decade the average rate of

return for a Magellan Fund investor was 7 per cent a year: less than one-quarter of what the actual average return was for the fund.

Some of the diminished returns had to do with the very high fees charged by the fund and the front-end load of the fund. However, most of the diminished individual-investor returns had to do with the fact that many investors followed what the fund was doing and what stocks it owned. When the market went up and everyone was feeling great, people would put money in. Conversely, as soon as the market had a pullback, people pulled money out, either locking in losses or very small gains. In short, people were trading the news, and not necessarily truly knowing what the fund owned, and why (or if) it was a good investment.

Pullbacks are normal: plan for them

Take a look at Chart 2, below, to see how the average annual market pullback was about 14 per cent a year since 1990, and note that the average annual return during that exact same time period was just over 10 per cent a year.

Year	Maximum Drawdown	Drawdown Start Date	Drawdown End Date	Drawdown Recovery Date	Annual Price Return	Average Fed Funds Rate	Avg 10-Year Treas. Yield	Avg CPI Inflation Rate
2026	(9.10%)	1/27/2026	3/30/2026	4/15/2026		3.64%	4.29%	3.2%
2025	(18.90%)	2/19/2025	4/8/2025	5/27/2025	16.39%	4.21%	4.29%	2.7%
2024	(8.49%)	7/18/2024	8/6/2024	9/19/2024	23.31%	5.15%	4.21%	3.0%
2023	(10.28%)	7/31/2023	10/27/2023	12/1/2023	24.23%	5.02%	3.96%	4.4%
2022	(25.43%)	1/3/2022	10/12/2022	1/19/2024	(19.44%)	1.66%	2.94%	8.0%
2021	(5.21%)	9/2/2021	10/4/2021	10/21/2021	26.89%	0.1%	1.4%	4.7%
2020	(33.39%)	2/18/2020	3/23/2020	8/18/2020	16.28%	0.4%	0.9%	1.2%
2019	(6.84%)	4/30/2019	6/30/2019	8/20/2019	28.88%	2.2%	2.1%	1.6%
2018	(19.78%)	8/20/2018	12/24/2018	4/23/2019	(6.24%)	1.8%	2.6%	2.4%
2017	(2.58%)	3/2/2017	4/13/2017	5/2/2017	19.42%	1.0%	2.3%	2.1%
2016	(10.27%)	1/1/2016	2/11/2016	3/17/2016	9.54%	0.4%	1.5%	1.3%
2015	(12.64%)	7/21/2015	8/25/2015	7/8/2016	(0.73%)	0.1%	2.1%	0.1%
2014	(7.28%)	9/18/2014	10/15/2014	10/31/2014	11.39%	0.1%	2.5%	1.6%
2013	(5.58%)	5/22/2013	6/24/2013	7/11/2013	29.60%	0.1%	2.3%	1.5%
2012	(9.58%)	4/3/2012	6/1/2012	8/16/2012	13.40%	0.1%	1.8%	2.1%
2011	(18.64%)	5/2/2011	1/9/2011	2/17/2012	(0.90%)	0.1%	2.8%	3.2%
2010	(15.63%)	4/26/2010	7/2/2010	1/14/2010	12.78%	0.2%	3.2%	1.6%
2009	(27.19%)	1/7/2009	3/6/2009	5/8/2009	23.45%	0.2%	3.2%	-0.3%
2008	(47.71%)	1/1/2008	11/20/2008	10/10/2013	(38.49%)	1.9%	3.6%	3.8%
2007	(8.37%)	10/10/2007	11/26/2007	3/14/2013	3.53%	4.9%	4.6%	2.9%
2006	(7.46%)	5/8/2006	6/13/2006	9/13/2006	13.62%	5.1%	4.6%	3.2%
2005	(7.01%)	3/8/2005	4/20/2005	7/11/2005	3.00%	3.8%	4.3%	3.4%
2004	(7.43%)	3/8/2004	9/12/2004	1/14/2004	8.99%	1.4%	4.3%	2.7%
2003	(13.79%)	1/15/2003	3/11/2003	5/2/2003	26.39%	1.1%	4.0%	2.9%
2002	(33.01%)	3/20/2002	10/9/2002	10/16/2006	(23.37%)	1.7%	4.0%	1.6%
2001	(29.09%)	1/31/2001	9/21/2001	10/16/2006	(13.04%)	3.9%	5.0%	2.8%
2000	(16.56%)	9/4/2000	12/20/2000	5/18/2007	(10.14%)	6.2%	6.0%	3.4%
1999	(11.80%)	7/19/1999	10/15/1999	1/15/1999	18.52%	5.2%	5.6%	2.2%
1998	(19.19%)	7/20/1998	8/31/1998	11/23/1998	26.87%	5.4%	5.3%	1.6%
1997	(10.80%)	10/7/1997	10/27/1997	12/5/1997	31.01%	5.5%	6.3%	2.3%
1996	(7.80%)	6/5/1996	7/23/1996	9/13/1996	20.26%	5.3%	6.4%	2.9%
1995	(2.35%)	12/13/1995	12/23/1995	1/29/1996	34.11%	5.0%	6.6%	2.5%
1994	(8.94%)	2/21/1994	4/4/1994	2/9/1995	(1.54%)	4.2%	7.1%	2.0%
1993	(4.99%)	3/10/1993	4/20/1993	8/20/1993	7.96%	3.0%	5.9%	3.0%
1992	(6.24%)	1/15/1992	4/8/1992	7/28/1992	4.46%	3.5%	7.0%	3.0%
1991	(5.60%)	4/17/1991	5/15/1991	5/31/1991	26.31%	5.7%	7.5%	4.3%
1990	(18.92%)	7/18/1990	10/11/1990	2/11/1991	(6.56%)	8.1%	8.5%	5.4%
Average (1990-2025):					10.93%	2.89%	4.24%	2.71%
Average (1995-2025):					8.78%	2.24%	3.46%	2.55%

Chart 2: Annual drawdowns in the S&P 500, 1990 to 2026.

Source: FactSet, used with permission

Different strokes for different folks

In the last 10 years, we have had two different presidents with two diametrically opposite agendas. Trump 1.0 was primarily

about ‘drill baby drill’ and attempting to remove what were seen as overburdensome regulations.

Under the Biden administration, we all learned what the word ‘woke’ meant, the need to state our pronouns, and saw the ‘Green New Deal’ pushed into every corner of American businesses.

Government land leases and pipeline construction were cancelled or abandoned and the focus appeared to be more on increasing the size of government and the permanence of the welfare state.

Trump 2.0 has been all about tariffs: putting them on, taking them off, changing them, and using them in a retaliatory fashion. Additionally, his administration has undertaken military actions against Venezuela and Iran the likes of which have not been seen for over 30 years.

While this seems like ‘politics’ (and geopolitics), the announcements, the wars, the tariffs, and the elections have massively changed stock and bond market valuations, which go directly to the heart of captive insurance company portfolios.

Them rates, they are a-changing

Prior to and during Covid, the overnight Fed funds rate was set at 0 to 0.25 per cent. The Federal Reserve (Fed) attempted to cool the price increases by increasing the overnight rate to 5.25 per cent during the Biden administration due to rapid inflation.

The inflation was caused by both a shortage of things to purchase, because manufacturing was shuttered during Covid, and by excessive ‘Covid stimulus checks’. It was a perfect storm of demand exceeding supply, and rebalanced in a market economy by higher prices.

By 2024 the rate was cut 100 basis points, and another 75 basis points in 2025. We are now in a period of low, persistent inflation that is exceeding the Fed’s 2 per cent target rate. The new chairman of the Fed is Kevin Warsh, an old-time interest rate hawk from the financial crisis days. Market strategists and investors anticipate rates rising probably only half to one per cent higher than the current rate over the next 12 to 18 months. You can see the effective Fed funds rates of the last decade in Chart 3.



Chart 3: Effective Fed funds rate, September 2016 to September 2026. Source: Bloomberg LP, used with permission

Volatility and valuation: what is a captive to do?

We have seen volatility in the stock market increase from government announcements and actions, and the effects those price changes have on equity portfolio valuations. Since captives generally have a relatively small allocation to the equity markets, the overall volatility has a lesser impact in the total portfolio for each 1 per cent move in stock prices. However, keep in mind that stock price volatility is typically higher than bond market price volatility.

Bond market price volatility comes from changes in interest rates as they move both down (and lately) up in response to many of the same drivers of equity market volatility. In fact, as of this writing the 10-year US Treasury yield is over 5 per cent, a level not seen since 2007, before the financial crisis.

As captives typically have 70 to 80 per cent (or more) of their investments in fixed income (bonds), I would argue the primary focus of captive owners should be on the bond market and interest rates. In simple terms, as interest rates increase, the price of bonds decreases. This effect is stronger in the US Treasury market, as Treasuries are perceived to be ‘riskless’ securities in terms of default.

The bonds of corporations are rated for creditworthiness, with Aaa/AAA being the highest, and Baa3/BBB- the lowest for ‘investment grade’ bonds. Bonds rated Ba1/BB+ or lower are considered ‘high yield’ or ‘junk’ bonds. Do not let the term junk fool you: the majority of US debt issuers have no credit rating at all. In fact, of almost 75,000 issuers, only 34,966 have a Moody’s credit rating.



Decisions regarding managing money for insurance companies should be as removed from emotional lability to the greatest extent possible, so

The devil, and the performance, is in the details

Most investors have a fundamental understanding of the need for thorough research when investing in equities. There are a lot of moving parts in a corporation and most of those parts can move the price of the shares.

Add to that the volatility from exogenous factors such as government edicts, and it is clear why fundamental research is a necessary part of successful equity investing for captive insurance companies and other serious investors.

The bond market carries other types of risks affecting bond prices and bond portfolio valuations. Because corporate bonds carry default risk and interest rate risk, they do not necessarily move in lockstep with changes in interest rates.

Additionally, corporate bonds can move up in price when they receive a credit rating increase, and down in price if they are downgraded, regardless of short-term movements in rates. Subsequently, having a fixed-income manager that does deep fundamental research, and does not just rely on outside credit ratings agencies, can add significant alpha (returns) in your fixed income portfolio in almost any rate environment, and are every bit as important as stock market equity analysts. ■

This article was written by Jack Meskunas a Financial Advisor with Oppenheimer & Co. Inc. who can be reached at (203)975-2084 or jack.meskunas@opco.com. This article is not and is under no circumstances to be construed as an offer to sell or buy any securities. The information set forth herein has been derived from sources believed to be reliable and does not purport to be a complete analysis of market segments discussed. Opinions expressed herein are subject to change without notice and do not necessarily reflect those of the Firm. Additional information is available upon request. Oppenheimer & Co. Inc., nor any of its employees or affiliates, does not provide legal or tax advice.

that the portfolio could be focused on accomplishing its two primary objectives: maintaining the ability to pay claims, and growing the surplus of the captive

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Utah's open door, and the book behind it

Utah is the only US domicile that lets an association captive write homeowners insurance. Two years on, no association has taken it up. Travis Wegkamp, director of captive insurance at the Utah Insurance Department, speaks with Elliot Hayes about what a first proposal would need to look like, and the growing book of business behind it

Since 1 May 2024, section 31A-37-202 has allowed an association captive to write homeowners insurance with the commissioner's approval, a step no other domicile had taken. What was the thinking behind opening that door?

Travis Wegkamp: At the time there was a lot of discussion. It was a very hard market, and people were having issues getting insurance, or getting affordable rates.

Florida in particular was seeing very high renewals, and Utah and other mountainous regions out here in the West were seeing high renewals as well, due to wildfires and communities up in the mountains.

Utah has several of those, Park City being a famous one. Communities had gone to the governor and the commissioner with complaints, so it was in the back of our mind whether there was something we could do.



Some members of the Utah Captive Insurance Association then approached us about looking into it more closely, to see if captives could provide a solution.

We decided we would be willing to give it a try with association captives, so that those involved would understand they have some skin in the game.

That way there was not really an impetus to cheat the market, or to defraud their captive.

Unfortunately that does happen in the real world: people get into a bad situation and think insurance is the way out of it.

So we dipped our toes in the water with an association captive, where there was hopefully less likelihood of insureds trying to take advantage of the situation, and allowed them to form and insure the personal dwellings of their members.

We had considerable interest at the time, and some very good discussions.

But to date nobody has officially submitted an application to form an association captive for homeowners coverage.

What would a strong homeowners proposal look like? What kind of association, risk profile and structure would make the most compelling first case, and where does the division see the natural fit?

Wegkamp: We initially felt it would fit best for higher net worth communities, and individuals without mortgages. For one thing, we do not know that mortgage lenders and banks would be willing to accept captive insurance to cover those homes.

Some have looked into it, Nevada being one, but on a fronted basis: fronted with a commercial carrier's paper and then reinsured in the captive, so not directly written. We did not require that in the code. If banks are willing to do it, then so are we.

It is not limited to high net worth individuals. We have had discussions with captive managers who were looking at finding communities spread throughout the country, taking a few from each and combining them into their own association, or doing a sponsored programme in an association with cells.

Each pooled group would have just a few houses from all these different areas, so that one catastrophic event would not

wipe out an entire programme, and they could get better risk distribution geographically. I thought that was a good approach.

We are certainly also open to a large homeowners association type community, all in one geographical area. It is not that we would not permit that. That was the initial thought, to provide it for those communities in high risk areas.

For an association weighing that route, what would the proposal and approval process actually involve, and what is the division looking to be satisfied on before it gives its approval?

Wegkamp: It is essentially the same process as a pure captive. We have our online application form to go through. With an association we have to make sure it is set up properly, and the jurisdiction does not have to be Utah, it can be set up anywhere.

That would be for the jurisdiction to decide, but typically there has to be a like-mindedness, or some homogeneity, within the group included in that association, so we would look for that as well.

For the homeowners route to be viable, what would need to fall into place, on capital, on reinsurance, and on the appetite of an association willing to go first?

Wegkamp: Essentially what we do with most of our applications: we would rely heavily on the feasibility study put together by the actuary. There is a minimum capital requirement of US\$500,000 for an association captive.

But based on the number of units involved, the value of each of the homes and the premiums being written, we would rely on the actuary's feasibility study to show that the expected loss scenarios work.

They have to include an expected and an adverse five-year performance, and if that holds up we will almost always accept it, unless there are major red flags we cannot resolve.

We do have the authority in the code to get a contract actuary to look at that if we cannot get those concerns alleviated.

Otherwise, assuming there are no major concerns, chief among them surplus to premium ratios, we will likely accept

a proposal. We like to see the industry norms of three to one, maybe five to one, and we will often stretch that in the captive, especially if there is reinsurance involved for catastrophic losses or layers, or there are limits in those policies.

Utah closed 2025 with more than 600 captives including cells, among the largest books in the US. What is driving formations at the moment, and which sectors are most active?

Wegkamp: We see a good mix here, with nothing in particular dominating, and it goes in waves. Around when I first started we saw a lot of healthcare, then it transitioned to cyber-related captives, and then property and liability more recently.

We have taken a good block of business from municipalities, or what they call joint powers associations (JPAs), out of California: quasi-governmental entities, fire authorities, water authorities and school districts. With over 20 years' experience now, we have a strong staff.

We respond quickly and do our best not to hold up what our captives are trying to do.

We are open to innovative approaches, and I think that has set a good standard for everybody out there to know that Utah is open and willing to do business.

That has paid dividends, and we have seen strong growth since recovering from the PATH Act that took effect in 2017, which more or less wiped out a lot of those smaller 831(b) captives that originally gave us our good start.

A significant share of Utah captive parents are based in California, a state with no captive statute of its own. What does Utah offer those owners, and how does that out-of-state demand shape the domicile?

Wegkamp: Working with those JPAs is a breath of fresh air. Because they are quasi-governmental insurance entities, they deal with a lot of regulation as well, and with the California regulators, and then they come and work with us here in Utah and praise us for being available and so much easier to work with. We have a business-friendly approach here that many of them appreciate.

Proximity is one of the biggest driving factors. If you are trying to convince your board, executives or stockholders

about forming a captive, and nearly all states have the annual in-person meeting requirement, it appears a lot more business appropriate to say we have to go to Utah for a quick meeting, rather than Hawaii or the Cayman Islands.

Business-wise and cost-effectiveness-wise, Utah makes sense. The absence of premium tax at state level is a driving factor as well.

Utah has steadily lowered the cost of entry, including reduced capital requirements for pure captives and cells. What has the response been, and has it changed the profile of who forms in the state?

Wegkamp: To some extent, yes. It has certainly driven our cell formations. Pure captives have stayed at US\$250,000.

We have gone through two rounds of lowering the requirements for sponsored cell programmes. We first started in 2011, and I think it was US\$500,000 with US\$250,000 from the sponsor.

Then we went down to US\$300,000 with US\$150,000 from the sponsor, and more recently to US\$250,000 with US\$50,000 from the sponsor at all times, as we got more cells and became more comfortable with formations.

There is no required minimum from the individual cells; that has always been the case.

That was really the spark that ignited the strong growth we have seen in cell formations over the last two years, much of it from one captive manager in particular who has brought their programmes here.

With that change they decided to transition their programmes to Utah, and we have been very appreciative of that.

The move to examinations at the commissioner's discretion, rather than on a fixed cycle, was a notable shift. How is that working in practice, for the division and for owners?

Wegkamp: It has been received very well by owners, and it has made life easier for us, freeing up capacity to respond quickly to captives. We were not carrying out many examinations to begin with.

Five years ago the vast majority of our captives were smaller 831(b) micro captives with just a few transactions a year, and doing a full-blown examination for those never really made sense.

We had the option to accept the audit in lieu, but that still meant going through the paperwork and issuing the letters.

So we decided to remove that administrative work and call examinations as needed, focusing on the larger programmes, the sponsored programmes, the pools and the associations.

The number of examinations we carry out has not changed much, but it has freed up capacity for more time-sensitive requests: related party loans, investments, dividends and changes in business plan. It has made our work simpler and saved money for everybody.

Utah has a reputation for working with novel ideas where the code does not stand in the way. Beyond homeowners, where is that flexibility being tested at the moment?

Wegkamp: Barely a day goes by without something new, or a little different, coming up. One of the more difficult areas we will look at relates to workers' compensation and self-insured healthcare employers.

That is a tricky one, because captives are property and casualty insurers, not healthcare insurers. One area we cannot step into is directly insuring an employee's healthcare coverage.

However, when the employer takes on that risk and retains a large deductible, or is responsible for the first layer, we are seeing several lately where they want to place that in the captive.

So we work with them on an alternative to a reinsurance arrangement. With workers' compensation they can reinsure their self-insured retention. What we have tried to do is set it up as a reimbursement policy, where no policy transfers that risk to the captive.

It stays on the books of the parent, but the parent has that reimbursement policy between them and their captive to

recoup those costs. It just does not actually transfer the risk. That is my approach in general: unless it is explicitly forbidden by the code, I want to see if we can find a way to make it work. Bring it to the table, let us discuss it and see if there is space for it here in Utah.

Looking ahead, where do you see the next phase of growth for Utah, and what will the division be focused on to support it?

Wegkamp: We are looking at growing the division, with one or two new staff in the next year or two. The smaller captives that cycled out have been replaced by larger programmes writing more substantial business.

Our previous high was back in 2016 with 530 captives, 460 of those standalone but certainly smaller.

At the end of 2025 we had 605 total captives, 383 of those standalone. So we are about 80 short of where we were before, but these captives are writing US\$2 billion to US\$3 billion more a year in premium from fewer standalone captives, so they are definitely more complex.

We want to provide that same level of service we have been providing for the last 20-plus years, of being responsive and approachable.

It is hard to pinpoint where the growth will come from, but I expect it to continue. Captive managers are continually finding new markets and new ways to present captives to business owners.

The growth in cell captives has opened that up to smaller companies, giving them access to the benefits of a captive.

It is gaining more traction with commercial carriers as well, and brokers are seeing that using a captive for their client does not mean losing business. It is just another product for them to sell.

So we are seeing more buy-in from those carriers, and more third-party risk being fronted through them. The path is still bright.

I do not believe we have reached a point where things will cool down. In Utah we have responsive legislators and a very supportive commissioner and governor, so we are placed very well to be a part of that. ■

“

That is my approach in general: unless it is explicitly forbidden by the code, I want to see if we can find a way to make it work. Bring it to the table, let us discuss it and see if there is space for it here in Utah

Travis Wegkamp

director of captive insurance

Utah Insurance Department





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Nicole Bennett catches up with Stuart King, founder of Babel Cover, former co-founder of SRS Europe and former head of Marsh's multinational captive advisory practice, to find out what he has been building since stepping back in 2020, and why he believes captive discipline can work for individual consumers

You spent close to two decades on the institutional side of risk finance, across captive and protected cell structures and alternative risk transfer, before turning to the consumer market. Which single principle from that world did you carry with you?

Captives are, at bottom, a control mechanism. A corporate builds one because it has decided it understands its own risk better than the market prices it, and it wants the economics (the underwriting result, the investment return sitting behind the premium) to stay with the business rather than disappear

into a carrier's balance sheet. I spent years advising on that logic, then in 2017 put the flag down and founded SRS Europe, building its captive management business from the ground up.

I founded Babel Cover in that same period, which was partly the plan rather than a coincidence: SRS Europe let me keep proving the corporate captive model while Babel Cover tested whether that same discipline could work for an individual.

SRS Europe has since grown into a prominent player in the European captive sector, and I stepped back in 2020 to give

Babel Cover my full attention. Watching the corporate model work so well for the companies who could reach it, I couldn't stop noticing who couldn't: the individual policyholder at the other end of the value chain, funding all of that intermediation and capturing none of the benefit.

That's the simple bet Babel Cover is built on: that the discipline behind a captive, not just the acronym, could be rebuilt for a risk owner who happens to be a person rather than a company.

Moving from advising institutions to building a consumer product from the ground up is a considerable leap. How did you make that transition in practice?

Deliberately slowly, which surprises people. We didn't start by pitching a capital structure. We started by proving we could run an insurance product end to end, digitally, without the usual layers of intermediation: a fully digital bicycle insurance pilot with Atlas Insurance in Malta in 2020, then a digital motorcycle insurance rollout with Poe-ma Insurances in French Polynesia in 2024. Both were narrow and controlled on purpose.

You don't get to build genuinely new capital architecture in a regulated market by skipping the step where you prove the plumbing works and the partners trust you. Everything we've built since, the Capital Interface and BMIC Collective, sits on top of that groundwork.

The architecture, today

Babel Cover now speaks the language of a 'Capital Interface' and 'discretionary mutual collectives', a marked departure from how the company described itself only a few years ago. Translated into terms a captive audience will recognise, what have you built?

Strip away the branding and it maps onto captive structures fairly directly. A discretionary mutual collective is the risk-bearing vehicle. Think of it as playing the role a protected cell or a mutual or association captive plays for a corporate, except its members are individual consumers pooling a shared risk rather than one company retaining its own.

The Capital Interface is the piece that sits behind it: a structured way for approved Participants to provide

contingent capital (short duration, capped, fully at risk) into a defined annual capital stack supporting that collective. That's the same function a captive's reinsurance or capital-markets support plays, just opened up and applied at consumer scale. The BMIC, the British Motorcycle Insurance Community, is the first sector where we've put that architecture into practice.

Why was BMIC Collective established as a separate legal entity, a company limited by guarantee, rather than folded into an existing Babel Cover insurance product?

Because the separation is the point, not an afterthought. A captive only does its job if it's properly ring-fenced from its parent's other risks and governed on its own terms, and the same discipline applies here. BMIC Collective is a discretionary mutual: support is reviewed case by case by its own Board, not paid out under a standard contractual policy.

It needed to be its own company, with its own governance and its own capital stack, for that to mean anything.

It's deliberately built as an older, simpler structure than conventional insurance, and motorcyclists were the right group to prove it with: a tight, trust-based community, currently underserved by product built for their actual risk profile, and one where Babel Cover already had working technology and underwriting relationships from the bicycle and motorcycle pilots.

Turning to the Capital Interface itself, who qualifies as a 'Participant', and how does short-duration, capped, fully at-risk capital operate in practice?

A Participant is an approved capital provider, the same category of institution that already backs captive and alternative-risk-transfer structures, committing capital into a defined stack behind a specific collective, for a defined period, capped at a defined amount, genuinely exposed to loss.

No guaranteed return, no evergreen commitment: it's real risk transfer, sized and time-boxed the way a well-run captive's reinsurance placement is, not a savings product wearing an insurance label.

We've built that discipline in with institutional backers who know this territory. P.O. Söderberg & Partners, one of the

Nordics' largest financial services groups, came in as our pre-seed lead investor, and Markd, a venture firm investing exclusively in insurtech, led our seed round and remains a lending and investment partner.

Having capital of that pedigree behind the structure is precisely what lets us tell a captive audience this isn't a fintech gimmick. It's risk finance discipline, applied where it hasn't reached before.

Proving the model

Why begin with motorcyclists, and should the market read that as a lasting focus or as a first proof point?

First proof point, deliberately. Motorcyclists are a strong place to start: an engaged, self-identifying community, materially underserved by mainstream product design, and one we already understood from our earlier digital insurance work. But BMIC was never meant to be the whole story.

It's the first sector application of an architecture that's meant to generalise. The plan is further collectives, in other consumer risk categories, each backed by the same Capital Interface. If you're an investor, the read should be a platform with one proven vertical, not a single-product company.

Where does the captive analogy hold when applied to the individual consumer, and where does it reach its limits?

It holds where it matters most: ownership of risk translating into ownership of economics, capital that's bounded and known in advance rather than open-ended, and governance by a Board that's accountable for decisions rather than a faceless claims process.

It breaks down at the point of scale. No individual motorcyclist can run their own captive, and shouldn't have to.

That's what the collective is for: it aggregates enough individual risk owners that the Capital Interface can support them the way a reinsurer supports a corporate captive, without asking any one person to carry institutional-scale risk alone. If someone who's spent their career in Guernsey or Dublin asked me what Babel Cover is actually for, that's my answer: taking the discipline that's always worked for

companies large enough to own their risk, and building the capital and governance architecture that lets it work for everyone else too. Motorcyclists are where we're proving it.

They won't be where it stops.

Finally, how did you come into the industry, and what would you say to the next generation of risk finance professionals hoping to build a career, or a company, in this field?

I got into this almost by accident. As I embarked on my professional career as a Chartered Certified Accountant, my first job was at the Hertz Group in Dublin, in 2001, right as the group was setting up one of the first pan-European motor captives.

I was responsible for the books and the insurance performance reporting on that structure, so before I understood much else about the industry, I understood how a captive actually works from the inside. That was a stroke of luck I didn't appreciate at the time.

What followed was less luck and more a decision to keep learning: structured reinsurance at Swiss Re, then moving from managing captives to leading the multinational captive advisory practice at Marsh in London, then building out Aon's risk consulting business in Ireland.

By the time I left the safety of a corporate role in 2013 to build my own consultancy, I had close to fifteen years of grounding in how institutional risk capital actually moves, and that grounding is still doing work for me today at Babel Cover.

If I'm honest, the technical skills were only half of it. The other half was the people.

Every one of those roles put me in a room with people who were building something, and a good number of the relationships I made along the way are now early-stage backers of Babel Cover.

My advice to anyone starting out in risk finance today is simple: don't rush past the fundamentals, learn how the capital, the reporting and the regulation actually work before you try to reinvent them, and treat every relationship as if it might matter in fifteen years. In this industry, it usually does. ■

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Six years of growth, and counting: Tennessee sets its sights on 1,000

Premium volume has topped US\$4.6 billion and a sixth consecutive year of growth is on the board. Mark Wiedeman, director of captive insurance at the Tennessee Department of Commerce and Insurance, on where the domicile goes next

At the halfway point of the year, Tennessee's captive insurance premium volume has topped US\$4.6 billion in 2026 for calendar year 2025, a 10 per cent increase from the US\$4.1 billion reported the previous year. As it happens, 2025 was Tennessee's sixth consecutive year of captive insurance growth.

At the end of 2025, five new captives and 50 new cells were licensed in the state. Today, Tennessee has 196 captives and 678 cells, having recorded 8 per cent growth in active cells and

6 per cent overall growth in risk-bearing entities in 2025 compared with 2024.

Those figures point towards a target the team has firmly in view. As Michael Schulz, director of business development at the department, puts it: "A milestone we are all interested in is reaching 1,000 active risk-bearing entities domiciled here in Tennessee." On current numbers, that ambition is well within reach.

Where the opportunities lie

For the remaining months of 2026, we see captive opportunities in cyber liability, medical stop loss, and an increasing interest in parametric options.

Our stable regulatory framework and ability to adapt to changing industry needs provide one of the best backstops among domiciles.

Tennessee has seen an increase in protected cell captive formations, but has also seen an increase in regular pure captives and increasing interest in risk retention groups (RRGs).

Cells and RRGs are types of captive, but mid-market companies and small 'mom and pop' companies across a broad section of industries are forming captives.

We are seeing more formations among mid-market and smaller businesses looking to diversify their risk management portfolio through captives.

Advice for first-time owners

For companies weighing up captive insurance for the first time, Schulz advises focusing on the fundamentals rather than the incentives. "Prioritise the risk management benefits and the ability to have a level of control both from a risk and financial perspective. Do not focus on the short-term tax benefits. Determine the risks that keep you up at night and attempt to cater your programmes around those driving concerns."

He also counsels a degree of realism about where to begin. "Perhaps know your limitations. A captive is great but may not fit a particular programme at a particular time. You do not have to start with a pure captive, start small to get your bearings and grow as you become more comfortable with it."

The team behind the numbers

By combining responsible regulation, a modern captive insurance statute, and a team of customer-focused professionals, Tennessee's Captive Insurance Section continues to distinguish itself among captive domiciles as the perfect place to call home when establishing a captive insurance company.

At the core of that success is the quality of the team. These 16 dedicated, experienced, and trained captive insurance

professionals are all certified by the International Center for Captive Insurance Education (ICCIE).

Several members of the team are also licensed certified public accountants (CPAs), and every new member is enrolled in the Associate in Captive Insurance (ACI) programme administered by the ICCIE.

While other states may or may not create similar legislation to Tennessee's, they cannot compete with Tennessee's central location, the amenities of our cities, which are becoming more cosmopolitan, and our quality of life.

Through our service-oriented approach and a stable regulatory structure, captives are going to find that they can succeed in Tennessee.

As a state, we continue to attend not only captive-related conferences, but other conferences where we can provide education and outreach about captives, and about how Tennessee can fit into that part of a company's risk management programme.

What keeps it rewarding

We enjoy it when a captive owner comes to visit and wants to talk about their programme.

It is interesting and fun when we see a captive owner who is fully invested in using a captive for its intended purpose, and is looking at their risk programme in the holistic sense and not just in the component parts.

When a programme is growing and thriving it is just neat to see it develop and the benefits it brings to the captives and their insureds.

Six consecutive years of growth really shows the strength and higher potential of the captive insurance marketplace. But for us, it is all about expressing gratitude for those who have decided to domicile their captives in Tennessee. We are most proud of the trust we have been given by owners and managers, and the reputation as a domicile of choice for new formations we have been able to develop as a result.

For details, contact the Captive Insurance Section online, by telephone on (855) 809-0069, or by email at captive.insurance@tn.gov. ■

Industry Appointments



Zurich appoints Diaz to lead US middle market and captives

Zurich appoints John Diaz as president of US middle market, programmes, direct markets and captives, effective immediately.

Diaz succeeds Alex Wells, who was recently appointed chief executive officer of Zurich US, subject to customary approvals. Diaz also keeps his role as president of customer and distribution management until a successor is named. The appointment returns him to a business he helped

shape over six years, as head of underwriting and, before that, as chief operating officer.

The insurer says the business grew by double digits under Wells and expanded to include programmes, direct markets and captives.

Diaz joined Zurich in 2008 and held executive roles in national accounts. He was previously at AIG, and is based in New York City.

Wells says: "John is a natural choice to lead US Middle Market. He worked alongside me during years of rapid growth." ■



Marsh names Adamantiadis placement head and Geraghty Europe chief

Marsh appoints Christos Adamantiadis as president and global head of placement and market solutions at Marsh Risk, and Tom Geraghty as chief executive officer for Europe, both effective 1 November.

Adamantiadis leads the division's global placement and market solutions strategy in the newly created role, reporting to Nick Studer, chief executive officer of Marsh Risk. He is currently chief executive officer of Marsh Europe, having joined the firm in 2018.

He succeeds John Donnelly, president of global placement, who retires early next year after a 50-year career.

Geraghty succeeds Adamantiadis in Europe, reporting to Flavio Piccolomini. He is based in Dublin, continues as president of Marsh's people and investments business in Europe, and has spent more than 27 years at the firm. ■

wtw



Owens to lead Willis captive business in Ireland

Willis, a WTW business, appoints Gerard Owens as head of captive and insurance management solutions for Ireland, effective 1 November.

Owens succeeds Trevor Madden, who takes up the equivalent role in Singapore, leading the broker's captive and insurance management solutions business across Asia Pacific from the same date. Owens reports to Elizabeth Carbonaro, managing director of captive and insurance management solutions for Europe and Great Britain.

He brings more than 25 years of experience covering captive management, financial and regulatory reporting, risk management and compliance, and has held senior positions at Willis since 2017.

Peter Carter, global head of captive and insurance management solutions at Willis, says: "Gerard has formed a central part of the management team in Dublin for 17 years and brings with him full knowledge of the business and of our clients such that it will allow a seamless leadership transition." ■

Image: Willis, WTW, Gerard Owens

HUB



HUB International appoints Ross captive specialist

HUB International appoints Lori Ross as captive specialist for Central and Northern California.

Ross supports the growth of the Ascend Group Captive, which provides resources to the vegetation management and tree care industry, and partners with HUB producers to provide captive and alternative risk strategies for clients.

She joins from Beyond Risk, where she worked in strategic partnerships and marketing. Ross spent a decade as marketing director at York Alternative Risk Solutions, supporting captive programmes including its restaurant franchise, renewable energy and growers captives, and held business development roles at Specialty Captive Group.

She has more than 25 years of experience across sales and marketing, captive insurance and client relations. ■

Image: HUB International, Lori Ross

RYAN
SPECIALTY

Ryan Specialty Benefits appoints Przesiek chief executive

Ryan Specialty appoints Dave Przesiek as president and chief executive officer of Ryan Specialty Benefits, its benefits division, effective immediately. He succeeds John Zern, who leaves to pursue other interests.

Przesiek was most recently chief revenue officer at the division. He has worked in health and benefits for more than 30 years and led the launch of the captive programme at AccuRisk Solutions, joining Ryan Specialty when it acquired the firm in 2023.

The division provides specialty employee benefits solutions across level funded plans, transitional stop loss, and single-parent and group captives.

Pat Ryan, executive chairman of Ryan Specialty, says: "Dave has been instrumental to the foundation of our Benefits platform and has proven himself as a strong and inspirational leader." ■

Image: Dave Przesiek, Ryan Specialty



ClearPoint Health appoints Davis to lead health plan strategy

ClearPoint Health appoints Sasha Davis as senior vice president of health plan strategy and design.

Davis oversees carrier partnerships, captive plan architecture and solutions across traditional and alternative funding models at the alternative funded benefits marketplace.

Her remit covers building strategic carrier and ecosystem partnerships, health plan product strategy and the development of customised solutions for employers.

She joins from Lantern, where she was most recently senior director and solutions architect for health plans and partnerships.

Davis was previously a senior solutions architect at Quantum Health, and spent almost eight years at Cigna.

ClearPoint Health provides a marketplace for alternative funded employee benefits including medical stop loss captives. It is a Coalition Health Group company. ■



Boon-Chapman appoints Jobe, promotes Henry

Boon-Chapman appoints Justin Jobe as senior vice president, sales, and promotes Jennifer Henry to senior vice president, global business process outsourcing (BPO) sales.

Jobe joins the Austin-based independent third-party administrator (TPA) from ClearPoint Health, where he was most recently partner, captive and stop loss strategy. He previously held sales leadership roles at Crumdale Partners and 6 Degrees Health.

Henry, who joined Boon-Chapman as vice president of sales in 2024, leads the firm's global BPO sales strategy. She was previously sales director at Benecon Group.

Kari L. Niblack, president of Boon-Chapman, says: "Justin brings a rare combination of deep industry expertise, national relationships, commercial discipline, and an entrepreneurial mindset that will be instrumental to our next chapter." ■



CIC Services appoints Lamb to sales operations and underwriting

CIC Services appoints Tyler Lamb as manager of sales operations and underwriting.

Lamb supports the captive manager's underwriting activities and risk evaluation, and coordinates between its sales and underwriting functions. He joins from NSM Insurance Group, where he was a senior underwriter supporting American Collectors, and previously held roles at AAA The Auto Club Group and GEICO.

He is entering his 18th year in the insurance industry and holds property, casualty, life, health and surplus lines licences.

Bryan Ridgway, principal and chief operating officer at CIC Services, says: "Tyler stood out because he brings experience across so many areas of the insurance business, from underwriting and risk assessment to sales, claims and training." ■

OLIVER WYMAN A MARSH BUSINESS



Oliver Wyman appoints Alter partner in actuarial life practice

Oliver Wyman appoints Benjamin L. Alter as a partner in its actuarial life practice, based in New York.

Alter advises life insurers, reinsurers and their investors on capital, actuarial and strategic finance decisions. His expertise spans offshore reinsurance and captive structuring, asset liability management, capital optimisation, and actuarial and financial due diligence for mergers and acquisitions.

He joins from EY, where he was a managing director. Alter was chief actuary at Mount Logan Capital before that, and spent more than three years at Prudential Financial, serving as chief actuary of Gibraltar Re and Lotus Re in Hamilton, Bermuda.

Alter says: "I have spent my career leading insurers and reinsurers from within, sitting on your side of the table when working with advisers." ■

Image: Oliver Wyman, Benjamin L. Alter

IOWA



Iowa appoints Pearce acting deputy commissioner

The Iowa Department of Insurance and Financial Services appoints Julie Pearce as acting deputy insurance commissioner for market regulation.

Pearce brings more than 19 years of insurance and financial services experience. She has served as a holding company specialist at the Insurance Division since 2024, overseeing strategy and risk management for an internationally active insurance group, with focus areas including cross-border reinsurance, group capital calculation and corporate governance.

Jared Kirby transitions to senior adviser to the commissioner.

Doug Ommen, Iowa insurance commissioner, says: "Julie's deep industry experience, strong financial background, and proven track record in regulatory oversight and innovation make her an exceptional fit for this role." ■

Image: Iowa Department of Insurance and Financial Services

ZURICH



Zurich selects Wells as US chief executive

Zurich selects Alex Wells as chief executive officer of Zurich US, subject to customary approvals. He leads the business effective immediately.

Wells takes the role following the departure of Sierra Signorelli. He was previously president of Zurich US middle market, programmes, captives and direct markets, the largest business within Zurich US, and served on its executive committee.

He has led the middle market business for six years since joining Zurich in 2020, guiding it to double-digit growth while expanding underwriting and risk engineering capabilities.

Wells has more than 25 years of experience and held senior roles at Chubb and ACE. He will be based in Schaumburg, Illinois, pending approval.

Mario Greco, group chief executive officer of Zurich Insurance Group, says: "Alex has deep expertise in large global accounts and midmarket customers, wholesale casualty and specialty verticals, and he has managed different distribution models." ■

Image: Zurich, Alex Wells



Captive Resources names Curry head of health solutions underwriting

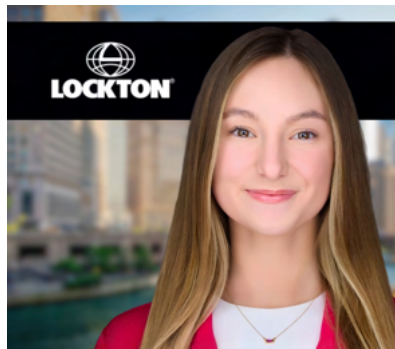
Captive Resources appoints Andy Curry as head of health solutions underwriting.

Curry is responsible for underwriting strategy, technical underwriting and underwriting operations, and serves as a key point of contact for carrier partners. He reports to Steve Gransbury, president of health solutions.

He joins from Blue Cross Blue Shield of Massachusetts, where he was vice president and chief underwriter. His responsibilities there extended beyond medical stop loss to large employer, pharmacy and retention underwriting.

Curry began his career at Sun Life Financial as a stop loss underwriter before joining Tufts Health Plan, and later led a team of stop loss underwriters at Berkley Accident and Health. He has more than 20 years of experience.

Gransbury says: “Andy brings the combination of deep technical stop loss expertise and broad underwriting leadership experience that will be incredibly valuable as we continue to grow Health Solutions.” ■



Erdman joins Lockton alternative risk practice

Caroline Erdman joins Lockton's alternative risk solutions practice as a consultant, moving from Hylant.

Based in Chicago, Erdman supports feasibility studies, captive programme design, governance and strategic risk financing initiatives, working with clients to evaluate and implement alternative risk and risk financing strategies.

She spent more than three years at Hylant, joining in June 2023 as a captive account manager and serving as captive consultant from November 2023 until her move.

Before that, Erdman interned as a financial analyst at the South Carolina Department of Insurance, while studying at the University of South Carolina's Darla Moore School of Business.

Ashleigh Sears, North America alternative risk practice leader at Lockton, says: “Caroline brings experience in captive consulting and risk financing. We're excited to have Caroline on the team and look forward to the expertise she will bring to our clients.” ■



Allianz Commercial appoints Morton to lead captive fronting

Allianz Commercial appoints Stephen Morton as global head of captive fronting and captive solutions, effective 1 March 2027.

Morton succeeds Brian McNamara, who retires at the end of September, leaving five months between the two. The insurer does not say who leads the business in the interim.

He is based in Paris, reporting to Lara Martiner, global head of alternative risk transfer at Allianz Commercial.

Morton joins from AIG, where he was global chief underwriting officer for fronting and multinational business. He previously held senior roles including head of complex multinational solutions, and captive leadership roles in Bermuda, London and Paris. He has more than 30 years of experience.

Martiner says: “Our captive solutions team has gone from strength to strength in recent years, just as the captive market has grown in parallel, now totalling US\$60 billion in premiums across around 6,000 captives globally.” ■

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

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