captive insurance times
The primary source of global captive insurance news and analysis
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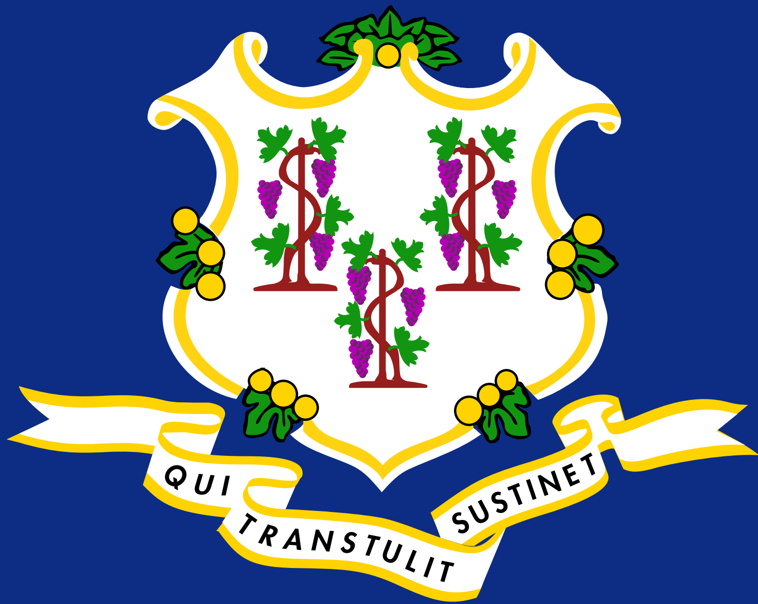


Connecticut to establish new captive to compensate for pyrrhotite damage

The Connecticut Senate has passed a new bipartisan state budget, which includes the establishment of a new captive insurance company to cover homeowners whose concrete foundations have deteriorated due to the presence of pyrrhotite.

Both Democrats and Republicans agreed to approve the $41.3 billion budget, which passed early on 26 October.

There will be five incorporators of the captive, chosen by the governor, the speaker, the minority leader of the House of Representatives, the president pro tempore and the Republican president pro tempore of the Senate.

It will also have to enter into agreements with the Connecticut Housing Finance Authority and any participating lender to develop and implement additional loan programmes or financial products to assist affected owners with repairs.

The new captive will run for a term of five years, until 30 June 2022, or until its existence is terminated by law.

Upon termination, all rights and properties of the captive will pass to the State of Connecticut.

In addition, Insurance Commissioner Katharine Wade has revealed that the Connecticut Insurance Department has launched a new online resource, CT Captive Solutions, to help business owners manage risks, control insurance costs and find out whether a captive is the right solution for them.

Wade explained: “Captive insurers are not just for large corporations but can play a very important role for small and mid-size employers.”

She added: “The department has the regulatory expertise and consultative approach to help potential captive owners find a solution that may be appropriate for them.”

“The bottom line is we want Connecticut businesses to succeed and grow and the right captive structure could provide just what they need to do so.”

Sun Life and Pareto launch stop-loss group captive

Sun Life and Pareto Captive Services have team up to establish a new stop-loss group captive solution, Legend Re.

The new captive has been set up to reduce claims volatility for small and medium-sized self-funded employers, or fully insured employers transitioning to self-funding.

Legend Re will be available for 1 January 2018 policy-effective dates.

According to Sun Life research, four out of 10 fully-insured employers would consider switching to self-funding and, of those, 70 percent would consider using a captive solution when switching.

It also revealed that eight out of 10 brokers expect at least one of their clients to utilise a captive in the future.

Brad Nieland, vice president of stop-loss for Sun Life Financial US, commented: “Captives allow employers to pool together to share a portion of their self-funded risk, reducing claims volatility and making them a viable option for small and medium employers looking to self-fund their medical benefits.”

“The partnership will draw on Pareto Captive’s expertise in the client education, formation and ongoing management of group stop-loss captives, and the strength of Sun Life’s stop-loss product and services.”

Andrew Cavenagh, managing director of Pareto Captive, added: “Working with Sun Life as our stop-loss fronting carrier partner on this new programme brings added value to both organisations’ services.”

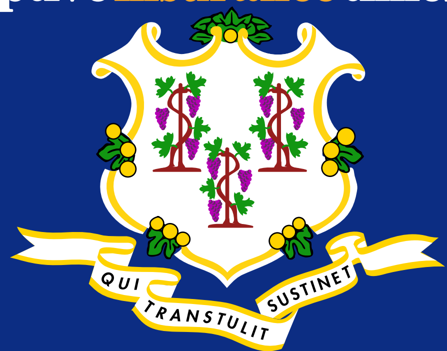
“Captives make self-funding more accessible for small and medium employers, so it is important to offer a strong stop-loss option that will give those employers the risk protection they need once they’ve chosen to self-fund.”

Roundstone and HUB team up on captive programme

Roundstone Management and HUB International have partnered up to create self-funded medical captive programmes.

The partnership with HUB will allow Roundstone to continue its strategy of helping employers control their healthcare spend, by providing transparency, control and cost containment.

Inside captive insurance times



Roundstone focuses on the development, underwriting and servicing of alternative risk products including captives and specialty insurance programmes, while HUB provides property and casualty, life and heath, employee benefits, and investment and risk management products and services.

Clint Anderson, president of specialty insurance at HUB, said: “HUB’s deep bench of experienced advisors and proven cost containment strategies, coupled with Roundstone’s track record of successful captive programmes is a game changer for our clients.”

Mike Schroeder, president of Roundstone, added: “Business owners throughout the US are desperately looking for an answer to a second or third line item expense that is doubling as fast as every four to five years.”

“It is difficult for an employer to identify the cause of increasing health insurance costs without claims information, but it’s impossible to fix when control over the drivers of the cost is removed from an employer.”

Axial Benefits completes captive deal

Axial Benefits Group has completed a medical stop-loss transaction with QBE North America to enhance its healthcare purchasing coalition operations.

The programme creates a direct relationship between Axial Benefits Group’s healthcare purchasing coalitions and QBE. The deal will lower costs, increase stability, reduce turnaround time on claims and improve process efficiencies that facilitate employer productivity.

Captive management company Strategic Risk Solutions will provide financial reporting, regulatory compliance and programme management services for the coalition premium funds.

Mick Rodgers, principal and managing partner of Axial Benefits Group, commented: “This is an exciting step forward for the healthcare purchasing coalitions Axial Benefits Group manages.”

“The direct relationship with QBE affords us a tremendous opportunity to eliminate administrative steps, gain meaningful efficiencies and ultimately provide our clients with an opportunity for even greater returns.”

Steve Gransbury, president of accident and health at QBE, added: “Our primary goal was to fully optimise an already high-performing programme by bringing employers, advisers and carriers closer together.”

“We used a collaborative process with feedback from leading advisers and their clients to construct a programme that shares responsibility, risk and success.”

In 2016, Axial Benefit’s healthcare purchasing coalition returned $3.2 million in surplus assets to coalition members.

According to Axial Benefit, this form of dividend sharing is made possible through a premium pool that the coalition members create by banding together.

Cayman captive growth continues

The Cayman Islands captive insurance industry has set a ‘brisk pace’ to new formations so far this year, with 23 new licenses issued.

In Q3, Cayman welcomed seven new class B formations, which included two third-party insurers.

In total this year, there have been 20 class B licenses issued, 11 of which represent third-party insurers, and three class C licenses.

Last year, Cayman licensed a total of 39 captives.

In September, a panel discussion, organised by the Insurance Managers Association of Cayman (IMAC), suggested that the industry on the island has continued to develop and innovate throughout its 40-year captive history.

Commenting on the domicile’s growth, Linda Haddleton, chair of IMAC, said: “The picture so far in 2017 continues to look positive and is expected to improve further as we move into the Q4 which is traditionally the busiest season for new formations, as a result Cayman looks on track to repeat the success of 2016. This is rewarding news for the jurisdiction and demonstrates the continued confidence in the Cayman Islands as a jurisdiction.”

Haddleton added: “It is particularly pleasing to note the number of captives formed to write third-party business as the diversity of Cayman licensees continues to develop and shows the undoubted strength of innovation in the Cayman Islands market and the ability to create alternative risk financing solutions.”

“There is no doubt that trade and commerce becomes more global every day, bringing many challenges but also opportunities. The more broad your experience, the more innovative you tend to become.”

“Exposure to wide-ranging financial structures allows for lateral thinking when it comes to innovative structuring and development of appropriate regulations.”

First Vermont captive invests in affordable housing tax credits

CPA Mutual Insurance Company of America Risk Retention Group is the first captive insurance company to take advantage of Vermont’s Affordable Housing Tax Credit programme.

The captive purchased £133,334 of credits from the Champlain Housing Trust (CHT) and will use the proceeds to create permanently affordable homes in Essex, Vermont.

Vermont’s captive legislation expansion was passed by the legislature in July, allowing captive insurance companies to participate in the Affordable Housing Tax Credit programme.

CPA Mutual’s captive management company, Strategic Risk Solutions, worked with the Vermont Captive Insurance

Aggregated losses from catastrophes to reach $100bn

The insurance-linked securities (ILS) market is ready to deal with the increasing rate of natural disasters, despite the fact that aggregate losses from catastrophes in Q3 2017 are likely to reach $100 billion, according to Willis Towers Watson Securities.

In its quarterly ILS market update, the firm explained that ILS investors are responding to the uptick of natural disasters by making payments to ceding companies, while continuing to raise more money and preparing to make investments.

With the aggregate cost from Q3 2017 is likely to reach $100 billion, Willis Towers Watson Securities explained this magnitude "serves to remind the industry of the potential scale of losses it could face" and provides "an effective test of its capitalisation, ability to recapitalise and the resilience of the investor base".

Bill Dubinsky, head of ILS at Willis Towers Watson Securities, commented: "Even though this is not 'that year', the recent loss activity will provide some clues as to what might happen when it does occur, and we can say that so far ILS investors and traditional reinsurers have performed well, supporting insurers to serve their policyholders."

"In particular, I would point to the Mexican government's FONDEN bond where the class A notes may see a total loss of principal, delivering $150 million of disaster relief where it is vitally needed."

John Seo, co-founder and managing director at Fermat Capital, added: "For better or worse, after a significant loss event many current and potential ILS investors are conditioned to put additional or first-time capital into ILS."

"As a result, investor interest in ILS is higher now than ever before. No doubt, this is due, in part, to an expectation that some reinsurers and insurers will firm up premiums for some programmes in 2018 and that this might have a spillover effect on the ILS market and I expect ILS to continue to play a role in moderating post-event rate increases."

Association and the Vermont Department of Financial Regulation to bring the initiative to the legislature.

The purchase of the tax credits will provide a reduction in state tax liability spread out over the next five years, while providing a lump sum upfront for CHT to subsidise four condominiums for sale in its signature shared equity programme.

William Thompson, president of CPA Mutual, commented: "This was an easy decision for us. To play a role in increasing the availability of affordable housing in Chittenden County is critical right now, and investing in the tax credits makes good business sense, too."

The four condominiums at Fort Ethan Allen, Vermont, will be available for purchase by households earning less than the area median income, which for a family of four is $82,400.

The revenue from the sale of the credits will subsidise the purchase of the homes. In exchange for this down payment assistance, buyers agree to share any market appreciation if they decide to sell at a future date.

EU-US Covered Agreement a 'good step'

The signing of the EU-US Covered Agreement is a "good step" for EU and US reinsurers, but full implementation could take up to five years, according to A.M. Best.

In its latest briefing, A.M. Best suggested that the signing of the agreement provides regulatory clarity and reduces the regulatory burden for EU and US reinsurers operating in each other's markets.

The signature marks the final step in more than 20 years of discussions and a year of formal negotiations between the EU, the US Department of the Treasury and the Office of the US Trade Representative.

A.M. Best suggested that, although the signing of the covered agreement may have implications for individual rated entities, "it is not expected that these will be sufficiently material to lead to rating actions".

It stated: "The impact of the agreement on [reinsurers and insurers] operating in the two markets will depend on individual business models with favourable implications for some and adverse implications for others."

For EU reinsurers operating in the US, the elimination of collateral requirements will "level the competitive playing field" by allowing them to operate under the same conditions as US companies.

A.M. Best said: "The liquidity and fungibility benefits that stem from this will be a positive for these entities, while the elimination of local presence requirements for US reinsurers operating in the EU improves their liquidity and the fungibility of their capital."

However, measures that reduce the regulatory burden for foreign companies and promote the cross-border flow of business increase competition in local markets, leading to negative pricing pressure, according to A.M. Best.

The rating agency said: "Consequently, the agreement may have a detrimental impact on the performance of domestic reinsurers operating in the US and the EU."

A.M. Best explained that an increase in the level of competition in the local reinsurance market benefits domestic primary insurers, as they are able to take advantage of lower rates.

It added: "For US insurers, a reduction in the level of collateral posted by their reinsurers will increase exposure to credit risk and the amount of required capital, as calculated by Best's Capital Adequacy Ratio model, is likely to increase modestly."

A.M. Best noted that the covered agreement does not prevent those party to a reinsurance agreement from negotiating for the inclusion of collateral.

UK's ILS legislation to be in place in time for January renewals

The UK's insurance-linked securities (ILS) regulation has now been laid before Parliament, however Malcolm Newman, CEO of Scor's London hub and sponsor of the London Market Group's (LMG) ILS Taskforce is "cognisant of the time pressures if ILS applications are to be made in time for 1 January renewals".

Newman explained that ongoing work is being undertaken between the LMG Taskforce, the Treasury and the Prudential Regulation Authority (PRA), with all parties "endeavouring to be in a position to approve ILS applications by 1 January".

He suggested that the Treasury is pushing to get the Parliamentary approval process completed by the end of October.

The PRA has revealed that it aims to publish the ILS regulations by early November, so the application process can begin.

Newman said: “It remains a taskforce objective to have at least one approval from the PRA and the Financial Conduct Authority in time for 1 January, reducing uncertainty for subsequent applicants.”

Over the past two years, the Treasury has worked with the PRA, the FCA and the London Market Group’s ILS taskforce to develop the UK’s ILS regulations.

The regulations will allow for insurance and reinsurance firms to transfer risk to the capital markets, meaning that risk can be managed more effectively for businesses and consumers.

Following the government’s initial consultation on ILS, the second consultation, published in November last year, proposed to create a protected cell company (PCC) regime for multi-arrangement insurance special purpose vehicles (ISPVs).

The consultation said that multi-agreement ISPVs are permitted under Solvency II, however, the core requirements of the directive “will apply in respect of each individual contractual arrangement”.

According to the government, PCCs introduced under the Risk Transformation Regulations will only be available for use as authorised ISPVs.

The government said that working with the PRA and the FCA intended to “create a regime that is internationally competitive and in line with the UK’s move towards a territorial tax system”.

Apex expands ILS offering

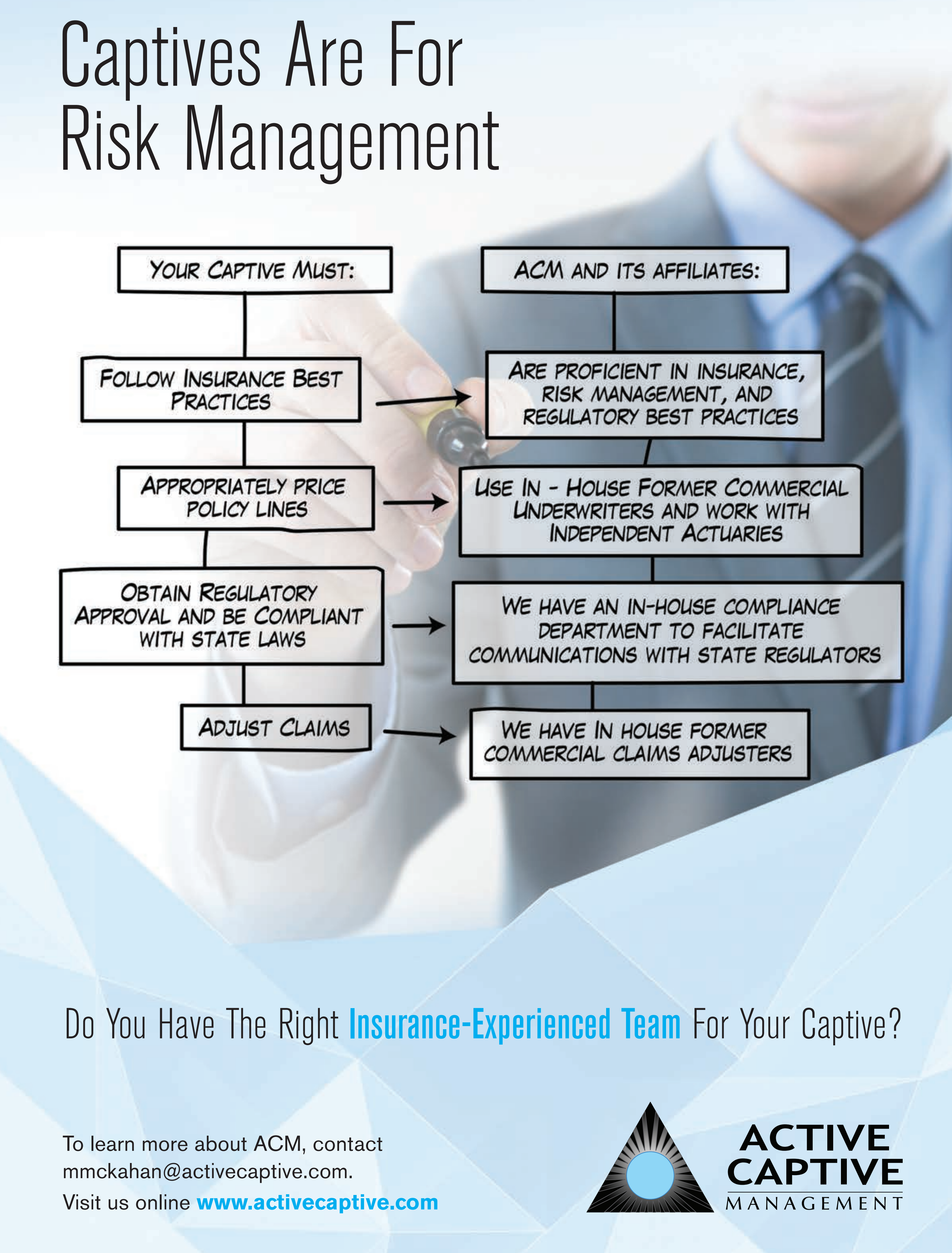
Apex Group is expanding its service capabilities in the insurance fund market from Bermuda to offer investment vehicles with insurance and insurance-linked securities (ILS).

Apex will be managing the move through its newly rebranded Apex Insurance Fund Services, formerly known as Equinoxe Alternative Investment Services.

According to Apex Group, the solution will help with pre-launch assistance, fund and portfolio accounting, investor services and anti-money laundering, cash administration and regulatory compliance services.

The offering will be headed up by Matthew Charleson, who will be joining Apex from Kane LPI Solutions as head of insurance fund services.

Peter Hughes, founder and CEO of Apex fund services, said: “As Apex continues to expand, we want to evolve our insurance fund administration offering to be the most comprehensive provider in the market.”



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TWO HEADS

are better than one

Attendees of the Guernsey Insurance Forum heard how important it is for different parts of the industry to work together not only to co-exist, but also to collaborate

Opening the Guernsey Insurance Forum in London, Dominic Wheatley, CEO of Guernsey Finance, looked back to last year's event, which focused on the changing nature of offshore insurance and the development of reinsurance vehicles brining new capital to the market.

Wheatley explained that Guernsey, over the last few years, has proved to be an "ideal home" for those vehicles, given its expertise, administration and regulatory environment.

This year, the conference concentrated on how the insurance industry is innovating and evolving in response to global trends and challenges.

Wheatley suggested that an ageing population all over the world is causing a "rethink of assumptions and practices" in society and economy.

He said: "Some of these are dealing with how we reorganise ourselves to reflect a very different age profile across the human race, and some are dealing with the strain that is on existing infrastructure."

He noted that over the last few years, including in recent transactions, Guernsey has been working with a number of the larger pension advisers focusing on the strain that longevity risk is facing on UK fixed-benefit pension schemes.

Wheatley commented: "The pioneering work that has been done in that area using special purpose vehicles around cell technology is definitely playing a significant role in helping to secure the long-term economic wellbeing of millions of working Britons."

He added: "Our captives are also increasingly helping to deliver effective employee benefit packages and travel insurance to support employees while they are working abroad."

A big topic of this year's forum was cyber risk, which is fast-becoming a major operational risk for many companies.

According to Wheatley, the "advantage of combining your own capital through your captive with market solutions, and significant risk mitigation, is delivering increasingly effective protection for many companies".

He said: "In all of these examples, the Guernsey industry is working with international partners to create real-world solutions to real-world issues."

Following on from Wheatley was keynote speaker James Trainor, senior vice president of cyber solutions at Aon and former head of the FBI's cyber division.

He revealed that losses from cybercrime are only likely to increase because of far-reaching global connectivity.

Trainor revealed that a 2014 study by the Centre of Strategic and International Studies, which attributed annual losses of $445 billion to cybercrime, is now "vastly underestimating the current position".

He explained: "Various organisations have done research, over the last couple of years, and some suggest that that the figure will go up to $6 trillion."

"The internet of things is a perfect example; there's about six or seven billion devices connected to the internet now."

"That number could go up to 20 or even 50 billion devices in the next three to five years, so more connectivity means more opportunities to do denial-of-service attacks, more vectors into your network, more opportunities to crypt those devices to make money."

Trainor warned attendees of the forum that there is currently a lack of insurance premiums being taken to cover for the estimated losses from these cyber-attacks.

He said: "I'm not sure $6 trillion is the real number, but I do know the insurance premiums that are coming in, which is about $3 billion annually on cyber."

"So, whether it's $445 billion or $6 trillion, there's only three billion in capital—that's a significant gap. Essentially, companies are absorbing the losses for this."

He added: "That's why I call cyber somewhat of a team sport, meaning that companies have to do a better job of protecting their network, the insurance industry has to bring more capital into the industry to cover the losses and government has to do a better job of disrupting it."

Trainor emphasised the importance of having trusted advisers who could navigate what was becoming an increasingly complicated space.

He stated: "If cyber security is very complicated, cyber insurance is equally complicated."

"The past is less indicative of the future in cyber. We don't have 350 years of actuarial data to underwrite cyber risk—the threat evolves."

"Ransomware is a perfect example of how the threat has evolved over the last three years. It went from getting paid from a credit card or PayPal to now having to do the transaction entirely on Tor, which is an anonymised browser, and pay via a virtual currency."

Delegates also heard how insurance will be central to mitigating transition risk caused by 21st-century megatrends.

In the first panel session, moderated by television presenter and journalist Naga Munchetty, Rowan Douglas, chief executive of capital science and policy at Willis Towers Watson, explained that reinsurance is the “ultimate global community product” to fund post-disaster relief and that insurers had a leading role to play in protecting against the impact of natural disaster.

Douglas suggested that there is a 1 percent chance of the world suffering approximately $1.3 trillion of natural catastrophe losses in 2018.

He said: “That is increasing because of growing exposure and the gradual effects of climate change.”

He also discussed the future of technology in the insurance sector and how insurtechs are helping the industry become more efficient and increasing direct supply and distribution changes.

Douglas explained: “What will really change [in the sector] is how resilience-related services and transactions are wrapped up and integrated within mainstream [insurance] business. That is the revolution—it’s not about technology, it’s about rethinking how resilience is going to be incorporated into core financial valuation and how that’s going to be transacted and traded.”

He added: “And that’s very exciting because it’s our industry, not banking, or even asset management, that sits at the heart of that revolution.”

Natural disasters, or environmental issues, and technology were two of the top five megatrends highlighted by Jonathan Howe, PwC’s global insurtech leader.

Howe also noted how important it is for different parts of the industry to work together—especially start-ups and incumbents—agreeing that there is a place for them not only to co-exist, but also to collaborate.

He claimed that insurtechs need the industry because they lack vital elements such as money, customers and data, but insurers also need access to the flexibility, innovation and new ideas offered by insurtechs.

Howe said: “I think it’s the only way forward. People said there would not be much disruption in insurance and I think that’s right. By far the majority of insurtech start-ups I see, probably well over 90 percent, are not trying to be insurance companies end-to-end.”

“These are companies that have some technology and are looking at a very specific part of the insurance value chain, a really small niche, and saying they can do that better and can solve that problem.”

"You could build it in-house, but it takes three or four years and the end result is generally disappointing. It's flexibility at speed and they need each other to move."

Agreeing with Howe, James Sore, chief investment officer of Syndicate Room, suggested that incumbents and start-ups working together in harmony is key to achieving the best possible innovation in the insurance sector.

Speaking on the second panel, Creating a Suitable Environment for Unicorns, Sore suggested that, historically, start-ups had not been able to engage and make progress with incumbents around implementing their ideas and technology, "but the pressure nowadays to adapt and develop meant that incumbents are more open than ever to interacting with start-ups".

Sore explained: "What works really well is when it's constantly evolving and both start-ups and incumbents are dynamically changing what they need to design and invest in."

He added: "A good few years ago there was a disconnect between the start-ups and the ability to actually make their new companies and ideas relevant. When it really takes off is when the incumbents are brought into that process, so they can actually implement the concept."

"The incumbents, the big existing providers, are still around for a reason—because they manage risk. But you also have the start-up mentality of 'I can do anything and change the world'. It's about finding the balance between the two. You get the best innovation when you combine an incumbent working alongside the start-up environment."

Speaking on regulation, Sore suggested that it should be "reassuringly difficult" for a new company to get regulated as the process helps "weed out" the wrong types of behaviours and filter out ideas that are not particularly solid.

He added: "If things are too easy, you end up running too much risk and you don't necessarily reap the benefits. It should be reassuringly difficult, but navigable. There should be a clear way to get to these people [regulators] and you should have the information to give yourself the best chance, but it shouldn't be an easy process."

Caroline Bradley, deputy director of the Insurance Division at the Guernsey Financial Services Commission, added that it is important to "strike a balance between regulation and encouraging new ideas".

Bradley added: "As regulators, we need to be careful that we don't become a deterrent to new start-ups. We need to recognise that these new technologies can enhance the customer experience, but be aware of the risks as well as the opportunities."

"It may be a great journey to buy the product, but how do we then look after the customer afterwards and deal with complaints? We don't want to stifle innovation but at the same time, we've got to think about the risk to consumers and the financial world generally." **CIT**

The secret sauce

Michael Schroeder of Roundstone explains why transparency, control and cost savings are the secret sauce offered by a medical captive

Born out of a demand by employers for a better solution, the group captive mousetrap known as the medical captive has had a meteoric rise since its origination in early 2005. Until that time, mid-sized companies really didn't have any alternative choices that they could manage beyond fully insured options, but as employers continue to see their healthcare expense rise at double-digit rates, the medical captive has become a compelling answer.

In October, Roundstone Management and Hub International announced their collaboration over medical captive solutions focused on the contingent workforce segment. This collaboration erases any doubt that stop-loss group captives have grown to become the leading funding strategy for middle market employers. In addition, it confirms Roundstone's commitment to partnering with advisory firms that share its core values of transparency and employer first.

Hub is an impressive organisation with over a million clients, 400 locations throughout North America and more than $12 billion in premium. Hub is the largest adviser consultant for contingent workforce employers, with over 6,500 clients in North America. Roundstone has been offering medical stop-loss coverage in a group captive since 2005.

Roundstone is the largest underwriter of stop-loss group captive business throughout the US. Roundstone's mission is to create and manage turnkey insurance solutions, which are transparent, flexible and cost effective, delivered in partnership with the employers' trusted advisors.

The opportunity to widely distribute the medical captive funding solution is obviously exciting because almost all middle-market employers are desperately looking for an answer to ever-increasing health insurance costs. With the increased visibility of these captive solutions, the benefits delivered of transparency, control and cost savings are the middle-market employers' best chance to bring this top three line item expense under control.

Even with a deep and experienced health benefits advisory market, the process and approach for presenting the medical captive solution requires training and development.

To assist advisors with identifying and communicating the value of the stop-loss group captive, Roundstone has developed Roundstone University on its roundstoneinsurance.com website, which it will be launching at the beginning of 2018. Roundstone University will offer several sources of training tools within three curriculum subject areas that are necessary when delivering an effective health benefit plan strategy. Described as colleges, resources describing best practices for cost containment, claim adjudication and funding strategy will be made available online through a web portal.

White papers, webinars, infographics, presentations and customised sales tools will allow the adviser market to efficiently get up to speed on how to market and sell the medical captive solution to employers. Classes offered by each college will allow advisors to brush up on everything from self-funding and captive funding basics to more involved subjects on provider network and pharmacy carve out strategies.

Resources will be made available for advisors who work with Roundstone to print and share in their presentations with employers. The materials will help employers easily comprehend how escalating health insurance costs can be contained through efficient control over known cost drivers.

The materials will emphasise why transparency in all areas of health benefit funding is so critical, and advise on what actions can be undertaken to remedy rising health insurance costs. The Roundstone University toolbox will enable advisor/consultant firms to continue their valuable service to middle-market employers in a transparent, flexible and cost-effective manner with their clients' interests at the forefront—an objective Roundstone shares and endorses. **CIT**

> **The opportunity to widely distribute the medical captive funding solution is obviously exciting because almost all middle-market employers are desperately looking for an answer to ever-increasing health insurance costs**

Michael Schroeder, president, Roundstone


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Comings and goings at Innovative Captive Strategies, Centaur Fund Services, DARAG and more

Innovative Captive Strategies (ICS), the captive programme of Holmes Murphy, has appointed Andrew Sissel as senior investment analyst.

Previously, Sissel served as an analyst of investment management at Jackson National Asset Management.

ICS offers all types of captive insurance ranging from single parent to rentals and member-owner group captives for workers' compensation, casualty lines and employee benefits.

In addition, it provides risk management programmes and claims administration services, and captive consulting services.

Centaur Fund Services has appointed IC Condat as its head of insurance linked-securities (ILS), based in the firm's Bermuda office.

Previously, Condat has served in senior positions at SS&C Fund Services and PwC Bermuda.

Marc Weaver, COO of Centaur Fund Services, said: "Centaur services a strong group of hedge funds, private equity and family office clients based in the US, Europe and Asia and we see tremendous opportunities for further growth, including growth in the ILS sector."

Condat added: "The ever-growing interest and appetite in the ILS asset class provides us with great business opportunities as clients really value Centaur's professional and client first approach. I am excited to be part of a great team and I am focused on building and growing Centaur's ILS service offering."

European run-off insurance company DARAG has appointed Tullio Ferrucci as CEO of DARAG Italia, following the acquisition of ERGO Assicurazioni.

Ferrucci has served in a range of leadership roles in both the insurance and management consultancy sectors.

The acquisition of ERGO Assicurazioni marked the company's first transaction in Italy and was part of its European growth strategy.

Stuart Davies, chairman of DARAG, said: "Italy is one of DARAG's core markets and one in which we see significant growth opportunity. Following our acquisition of ERGO Assicurazioni in 2016, we expect to expand our activity in the country."

"Tullio Ferrucci's appointment as Italian CEO is a statement of our intent, with his energy, passion and drive set to support our efforts. I am therefore delighted to welcome Ferrucci to the DARAG team and look forward to working with him in the future."

Green Mountain Sponsored Captive Insurance Company has appointed Chris Kramer as its managing director.

Kramer, who has over 30 years experience in the property casualty and alternative risk financing industry, has been hired to lead the firm's development and expansion plans.

He has previously helped with the setup of various captives, risk retention groups and start up profit centres for private and public enterprises.

In addition, he has been responsible for the development of several cell captives, including Global Re, a cell captive domiciled in Barbados. Green Mountain is an affiliate of Strategic Risk Solutions (SRS) and was formed in 2012 to provide clients and brokers with a cell facility.

Commenting on his appointment, Kramer said: "I am thrilled to have an opportunity to take Green Mountain to the next level and assist clients and brokers in putting together new programmes. Working with SRS and having a Vermont-based facility like Green Mountain presents some exciting opportunities to do creative programmes on an efficient and turnkey basis."

Brady Young, CEO of SRS and a board member of Green Mountain, added: "We have been pleased with the progress we have made with Green Mountain but with Chris Kramer leading the effort on a full-time basis, the owners of Green Mountain are confident we will see significant growth in several areas including medical stop-loss captives, traditional single parent programmes and agency captives now that these captives can be formed in Vermont." **CIT**

captive insurance times

Acting Editor: Stephanie Palmer-Derrien
stephaniepalmer@blackknightmedialtd.com
+44 (0)203 750 6019

Deputy Editor: Becky Butcher
beckybutcher@blackknightmedialtd.com
+44 (0)203 750 6018

Editorial Assistant: Jenna Lomax
jennalomax@blackknightmedialtd.com
+44 (0) 203 750 6018

Associate Publisher/Designer: John Savage
johnsavage@captiveinsurancetimes.com
+44 (0)203 750 6021

Publisher: Justin Lawson
justinlawson@captiveinsurancetimes.com
+44 (0)203 750 6028

Marketing Director: Steve Lafferty
design@securitieslendingtimes.com
+44 (0)203 750 6021

Office Manager: Chelsea Bowles
accounts@securitieslendingtimes.com
+44 (0)203 750 6020

Office fax: +44 (0)20 8711 5985

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Provident House
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