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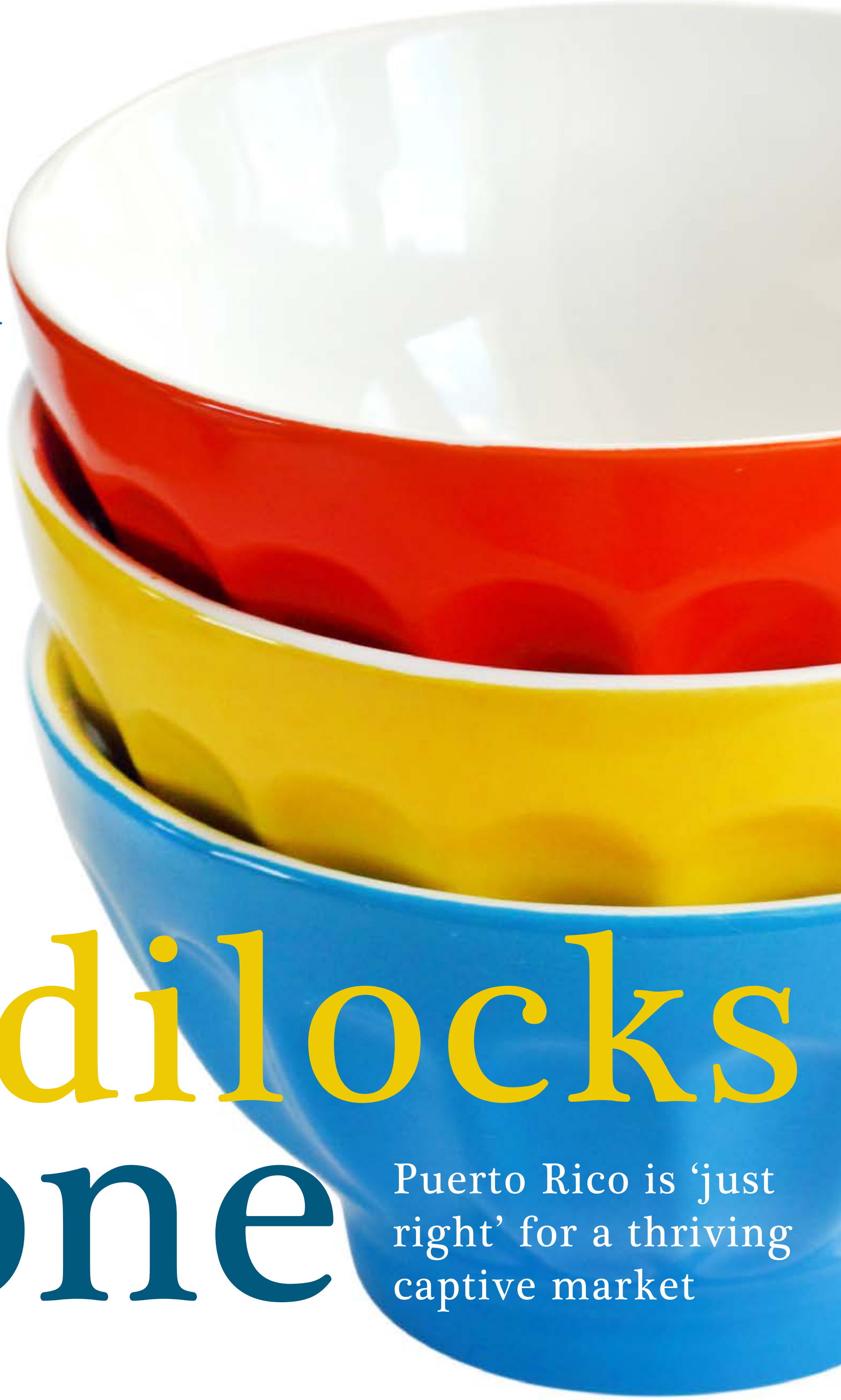
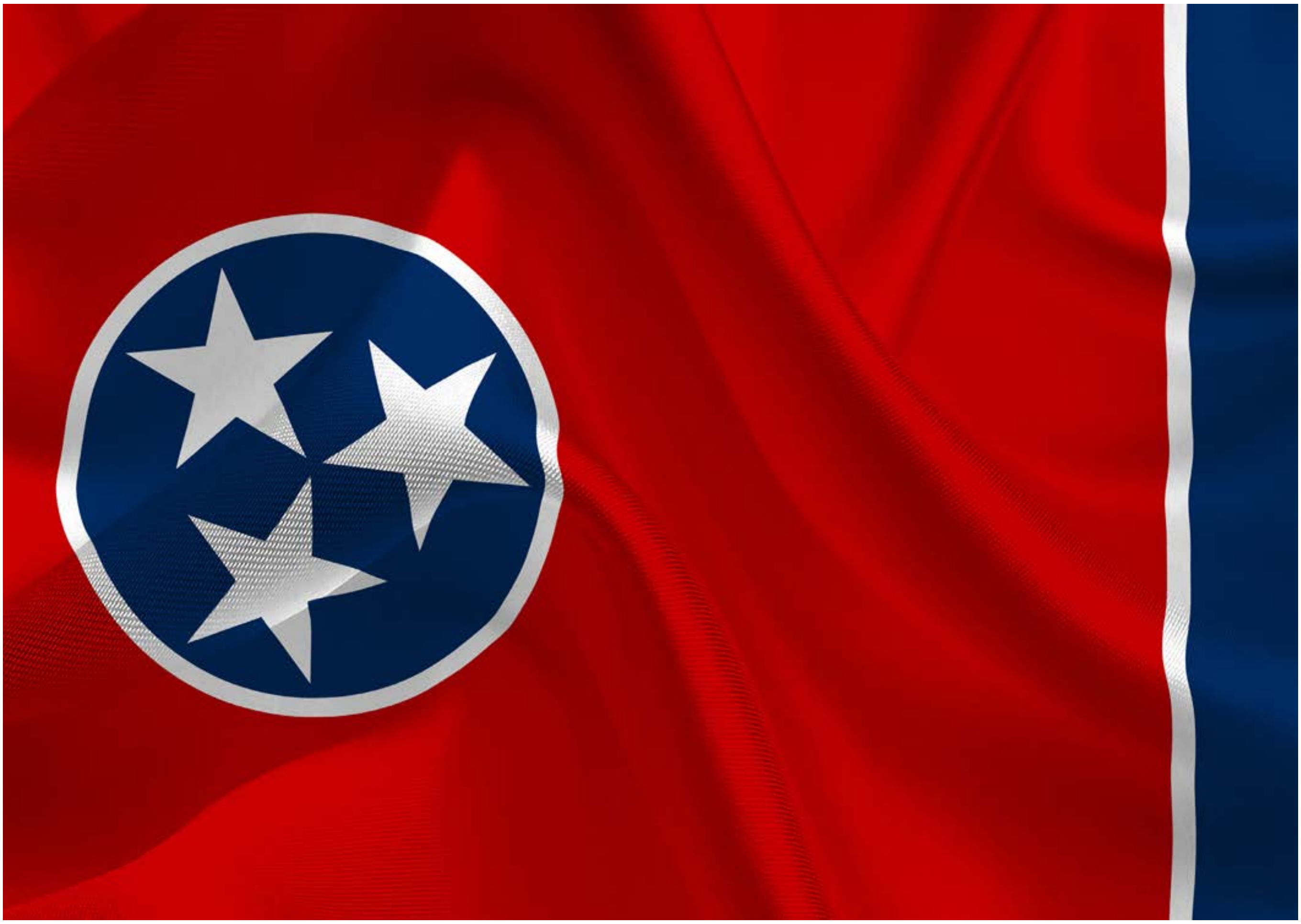


## BCC Preview

Mike Parrish and Scott Reynolds discuss the Bermuda Captive Conference

# The goldilocks zone

Puerto Rico is 'just right' for a thriving captive market



# Tennessee commissioner McPeak to leave after eight years

Tennessee Department of Commerce and Insurance (TDCI) commissioner Julie Mix McPeak has announced she is resigning after more than eight years in the role, effective 14 June, to pursue career opportunities in the private sector.

Deputy commissioner Carter Lawrence will serve as the department's interim commissioner until a permanent commissioner is selected.

McPeak, who was first appointed as commissioner in 2011 by former-Governor Bill Haslam, has played an integral role in the growth of the Tennessee captive insurance industry.

Under her leadership, the modernisation of Tennesee's captive insurance laws has resulted in the domicile exceeding $1 billion in written premiums for the first time in 2017.

McPeak is also the immediate-past president of the National Association of Insurance Commissioners (NAIC) and, having previously served as the executive director of the Kentucky Office of Insurance, was the first woman to serve as chief insurance regulator in multiple states.

McPeak described Tennessee as "a special place" and said "it has been a distinct privilege and honor to have served the Volunteer State".

"It's been an amazing journey, at the end of the day, I'm enormously proud of our accomplishments on behalf of Tennesseans."

She added: "I believe the Department has helped play a role in transforming Tennessee into a national and international destination for families and businesses."

Tennessee Governor Bill Lee thanked McPeak for her service and "her tireless commitment to her Department and to Tennessee".

He added: "We wish her the best in her future endeavors."

Incoming interim commissioner Lawrence thanked Lee for appointing him to the role.

He said: "McPeak leaves a legacy of sound management practices and continually challenging the department's executive staff and our team members to strive for their best as they serve the public. Following her example, I will champion Governor Lee's vision for Tennessee during my service as interim commissioner."

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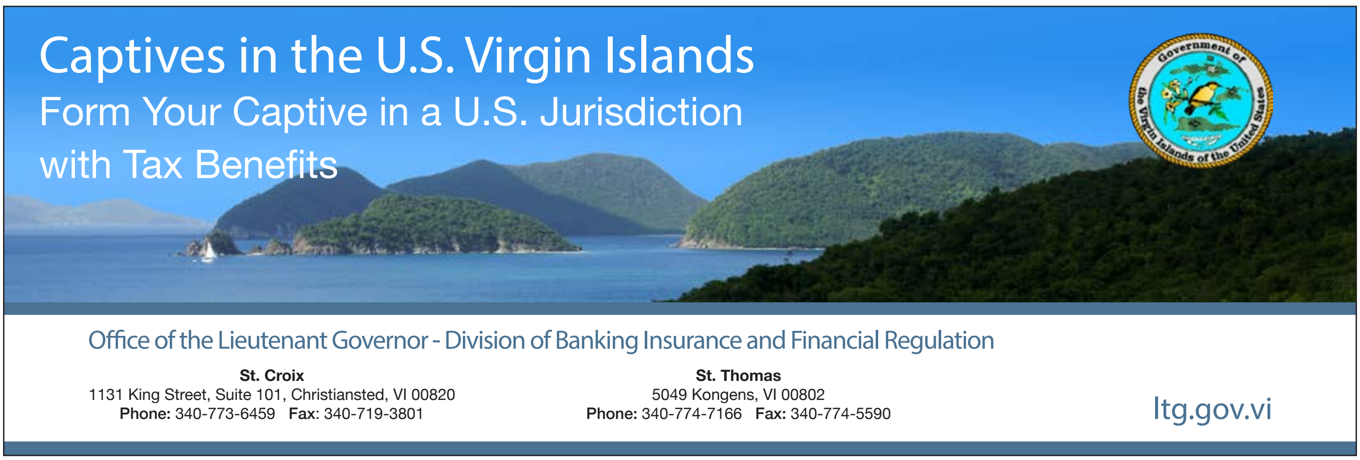

## South Carolina captive industry provides annual impact of $56.8 million

The South Carolina captive insurance industry has an annual economic impact on the state of $56.8 million, according to a study by the Moore School of Business at the University of South Carolina (USC).

The results of the study were released in 2018, focusing on the economic impact of the captive insurance industry on South Carolina—a figure which reflects the dollar value of all final goods and services produced statewide that can be attributed to the captive industry.

At year-end 2018, there were 169 active captives licensed in the state, and, according to the study, approximately $3.1 billion in premiums are written in South Carolina every year.

The study also notes that the captive industry's annual economic impact of $56.8 million corresponds to roughly 400 jobs and over $22 million in labour income for South Carolinians that would not exist otherwise.

The economic impact is supported by the significant tax revenue generated for the state by the captive industry.

The study notes: "Specifically, a net gain of over $1.7 million in new state tax revenue is generated each year for the South Carolina General Fund as a direct result of all ongoing business activity associated with the captive insurance industry."

The study also states that South Carolina is the state with the second largest number of captive service providers in the US.

Additionally, it reveals that South Carolina's captive industry has been expanding at an average annual rate of 32 percent since the state established captive legislation in 2000.

Since the introduction of the legislation, the captive industry has generated total economic impact in excess of $539 million.

This impact is associated with nearly $211 million in labour income and approximately $14 million in state tax revenue.

The study was performed under the management of Dr Joseph Von Nessen, a recognised expert in economic analyses, with the assistance of USC students.

## A.M. Best withdraws ratings of Stanford Health Care captive

A.M. Best has withdrawn the ratings of SUMIT Insurance at the request of the Bermuda-based captive, concurrent to a ratings downgrade.

The ratings agency has downgraded the financial strength rating from A (Excellent) to A- (Excellent) and the long-term issuer credit rating from "a" to "a-" of the captive, which is part of Stanford Health Care's risk management strategy.

Simultaneously, A.M. Best has withdrawn the ratings at the request of the company to no longer participate in its interactive rating process.

The outlook of the downgraded credit ratings is stable.

SUMIT's ratings are reflective of its "very strong" balance sheet strength, its marginal operating performance, limited business profile, and appropriate enterprise risk management.

The downgrades reflect a material decline in surplus during the captive's fiscal-year 2018 due to significant adverse development on medical professional liability claims and a dividend payment.

Reserves increased by 45 percent from the previous year, while surplus declined by 33 percent, which increased underwriting leverage metrics. Risk-adjusted capitalisation also declined significantly.

The captive retains $10 million per claim, which is high relative to surplus and leaves the company exposed to increases in frequency and severity claims.

SUMIT's operating performance has been very volatile, and in four of the five previous years underwriting losses have been reported, including a substantial loss in 2018.

A.M. Best noted that, nevertheless, the captive "serves an important strategic

## Lack of risk solution understanding 'hindering' risk professionals, says RIMS & Marsh report

A general lack of understanding of available alternative risk solutions is hindering many risk professionals, according to a report from Marsh and the Risk Management Society (RIMS).

The 16th Annual Excellence in Risk Management report found that risk professionals are hindering opportunities from a lack of understanding of available alternative risk solutions and effective use of data and analytics.

The report found that 47 percent of risk professionals rank improving the use of data and analytics as their top priority for improving risk management capabilities.

It also revealed that 33 percent of risk professional respondents and 53 percent of executives surveyed said they need to learn more about alternative solutions before making a decision whether to use one. But the data rich environment in which risk managers are operating, combined with growing alternative risk solutions, could result in more robust risk finance strategies and more resilient organisations. Both Marsh and RIMS state that the report's findings emphasise that data-driven modelling is "critical as companies need to compare traditional insurance against alternative solutions to clearly understand the value each provides".

The report also revealed that financing hard-to-insure exposures were the top benefit of alternative risk solutions cited by 39 percent of survey respondents. Cost and explaining the benefits to others in an organisation were cited as the two main obstacles to using alternative solutions by 30 percent of respondents, respectively.

Brian Elowe, North American CCO at Marsh, commented: "By effectively marshalling data and risk modelling tools, organisations can better understand changes in their risk profiles and risk-bearing capacity allowing them to access the opportunities presented by the growing levels of capital available for risk finance."

Carol Fox, vice president of strategic initiatives at RIMS, added: "Expectations for risk management professionals to deliver strategic solutions has never been greater. Now is the opportune time to integrate new technologies for accessing 'real time' data to inform business and risk-taking decisions, as well as lead in the development of innovative finance solutions to transfer risk."

purpose as a captive insurance vehicle for Stanford Health Care and benefits from the robust financial strength of its ultimate parent, Stanford University".

## Growth of ILS market continues to slow in Q1 2019, says Willis Re report

Growth of the insurance-linked securities (ILS) market continued to slow in Q1 2019, following a reduction in Q4 2018, according to a Willis Towers Watson report.

Willis Re, the reinsurance division of WIllis Towers Watson, observed that slightly more than $1.1 billion was raised through non-life catastrophe bond issues in Q1 2019, compared with an average of $1.8 billion over the most recent six first quarters.

In the report, an update on ILS, Willis Re showed that windstorm losses were the peril most commonly protected, with $450 million of capacity dedicated to pure US wind peril and $550 million to peak multi-peril coverage.

Additionally, approximately $50 million of diversifying multi-peril protection was issued, including frequency protection against weather-related perils, a first.

The first-ever issue of a £75 million bond dedicated to terrorism reinsurance was also seen.

According to Willis Re, recent cases of loss creep have put actuarial models to the test, and investors unfamiliar with loss creep now have a better understanding.

The report also noted that current modeling methods are being critically assessed, with more consistent valuation approaches potentially spurring substantial growth in ILS capacity.

William Dubinsky, managing director and head of ILS at Willis Towers Watson Securities, said: "We don't believe the slowdown in issues we saw in the final quarter of 2018 and again in Q1 reflects any long term change in appetite for

ILS risk from the capital markets, but understandably some investors are looking harder at the mechanics."

"Data quality and accurate modelling are seen as essential and are under scrutiny, from the initial pricing throughout the life of a transaction."

"As ever, transparency is crucial, especially in post-loss reporting, which is becoming an important differentiator for cedants. Of course, transparency will still not eliminate reserve volatility, which is simply inherent to a business where every new event differs from its predecessors."

He added: "Enhanced understanding on all sides, including with cedants, has had a flow-through impact on collateral release arrangements, which are negotiated with a better awareness of the economically realistic potential outcomes."

"The industry has realised it needed to raise its game, and that effort is underway. Its success will be critical to maintain and restore long-term trust relationships between investors and cedants."

## Everest Re Group ratings affirmed by A.M. Best

The financial strength rating of A+ (Superior) and the long-term issuer credit ratings of "aa-" of the operating subsidiaries of Everest Re Group has been affirmed by A.M. Best.

This includes Everest Reinsurance (Bermuda), Everest Reinsurance Company and Everest International Reinsurance.

A.M. Best concurrently affirmed the long-term issuer credit ratings of "a-" of Everest Re Group and Everest Reinsurance Holdings. It also affirmed the long-term issuer credit ratings of Everest Reinsurance Holdings.

The outlook of these ratings is stable.

According to the ratings agency, the ratings reflect Everest's balance sheet strength, which A.M. Best categorises as "strongest", as well as its adequate operating performance, very favourable business profile and appropriate enterprise risk management for the group's risk profile.

Everest maintains a very favourable business profile as a leading non-life reinsurer and ranks in the top 10 of A.M. Best's top 50 global reinsurance groups, with particular expertise in writing property-catastrophe cover.

A.M. Best said Everest has posted operating performance metrics that "consistently outperform its peer group despite its elevated risk profile".

"Despite adverse development experienced in the first half of 2018, Everest's results were within A.M. Best's expectations given the relatively high level of catastrophic activity in 2017 and 2018."

A.M. Best explained that this was attributable, at least partially, to the well-established risk management infrastructure that is embedded across the organisation.

## Bermuda to host summer RIMS Risk Management Academy

Bermuda will host a three-day risk management academy event, organised by the Risk Management Society (RIMS) and the Bermuda Business Development Agency (BDA), between 14 and 17 July this year.

The RIMS Risk Management Academy Bermuda will see more than two-dozen senior insurance industry executives take part in a three-day thought-leadership programme, which will comprise of a combination of sessions at the offices of major service provides and social and networking opportunities.

Around 30 c-suite guests invited to the Bermuda event will represent Fortune 500 companies from a variety of industries, including manufacturing, utilities, transportation, logistics, pharmaceutical, healthcare, energy, business services, telecommunications, and technology.

Programme topics at the event include cyber risk, insurance-linked securities, healthcare and transactional liability, insurtech, captive insurance, flood and wildfire risk, and employee benefits.

The event is part of a RIMS series of events engineered to deepen understanding of key specialist global insurance markets.

RIMS CEO Mary Roth said the Society is proud to bring the event to Bermuda.

She commented: "Bermuda and its risk community continue to be invaluable advocates for the profession."

"RIMS Risk Management Academy Bermuda provides risk professionals with the opportunity to share experiences, strategies and success stories, empowering them to build stronger and more resilient programmes."

Andy Burrows, BDA CEO, added: "We are thrilled to be able to bring this high-profile event to Bermuda to showcase our world-class marketplace, global reach, and pool of expertise."

"We know it will help deepen understanding of Bermuda's unique advantages and help establish new, mutually beneficial relationships."

## R&Q completed 17 legacy acquisitions in 2018

Randall and Quilter Investment Holdings (R&Q), a specialist non-life legacy insurance investor and capacity provider, completed 17 legacy acquisitions of portfolios or insurance companies/captives in 2018.

The R&Q final results for 2018 revealed that the pre-tax profits from continuing cooperations were £14.3 million, up 45 percent in comparison to 2017 (£9.8 million).

Additionally, the results show that the 17 acquisitions of different portfolios or companies/captives represent £18.5 million in net reserves.

At the beginning of 2018, R&Q sold its insurance services and captive management

## Insurtech investment records smashed in Q1 2019, says Willis Towers Watson report

Insurtech investment records were smashed in Q1, as investors globally executed the highest number of transactions, the highest number of property and casualty (P&C) transactions, and the highest volume of series B and series C funding rounds, according to a report from Willis Towers Watson.

The first Quarterly Insurtech Briefing for 2019 focused on the sector in January, February, and March, and revealed that 85 deals with a total value of $1.42 billion were announced in that period–marking the third straight quarter to deliver over $1 billion in funding.

The report also showed a 35 percent increase in deal count in comparison to Q4 2018, however, total funding fell 11 percent.

Additionally, it showed that 54 percent of the deals were outside the US, which marks a continuing trend.

Deal count increased in the UK by 50 percent and in the US by 44 percent, but fell by 38 percent in China.

The first quarter also recorded the highest ever numbers of series B and C investment rounds, at 12 and 6 respectively–reflecting the increasing number of insurtechs that are reaching adolescence.

The greatest number of P&C transactions were also recorded in Q1 2019, totaling 56, up 37 percent from Q4 2018.

Dr Andrew Johnston, global head of insurtech at Willis Re, commented: “If last year showed us anything, it’s that there is no shortage of investment capital flowing into the insurtech universe.”

Johnson added: “In 2019 Q1, we observed the highest number of transactions, the highest number of property and casualty transactions, and the highest volume of series B and series C funding rounds since the publication started recording.”

“The sheer volume of hopeful insurtech companies and hype is becoming increasingly difficult to rationalise and one could argue that much of the space is akin to the fable of the emperor’s new clothes.”

He continued: “We are seeing, however, that a number of insurtechs are already adding some genuine value to our industry.”

operations to Davies Group as part of its strategy to simplify its operations and focus on the acquisition of run-off portfolios.

The acquisitions included the agreed acquisition of Global Re, R&Q’s largest ever legacy transaction costing $80.5 million, which is expected to complete in the first half of this year.

Ken Randall, group chairman and CEO, suggested the Global Re deal demonstrates that the company is “increasing the size threshold of the transactions they can execute”.

He added that they will continue to acquire smaller-to-medium sized portfolios from internally generated cash flows.

Randall said: “With owners of discontinued portfolios increasingly seeing the attractions of freeing up resources by divesting their run-off businesses, we are confident that we will complete more legacy transactions in terms of total net reserves, than in 2018.”

“Our legacy pipeline remains very active with continuing evidence that insurers are increasingly turning to run-off specialists to offload discontinued portfolios of insurance business in order to improve their capital efficiency and reduce costs of managing non-core activities.”

He continued: “There was a time when run-off was regarded as the ugly duckling of the insurance industry; it has matured into a vibrant and respected segment of the market and is now viewed as a natural component of the underwriting life cycle requiring specialist skills.”

“This should underpin the long-term supply of new legacy opportunities.”

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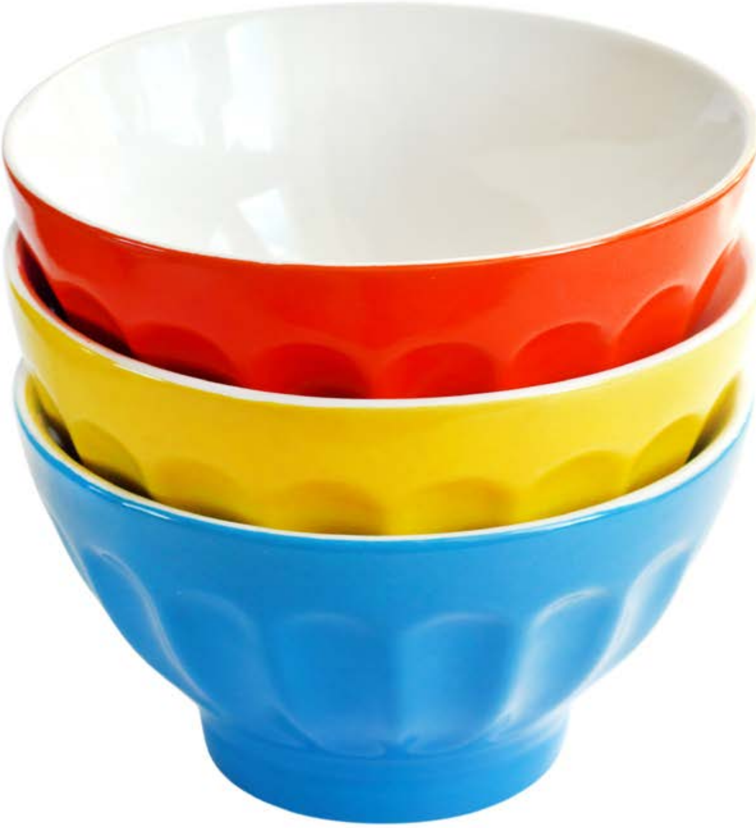

# The goldilocks zone

Puerto Rico's unique relationship with the US, large professional services class and geographical location mean that conditions in the domicile are 'just right' for a thriving captive market

Acquired by the US under the Treaty of Paris following the Spanish-American War in 1898, Puerto Rico is not a US state, rather it is an unincorporated territory. The impact of this is widespread; Puerto Ricans are US citizens, as they have been since 1917, but are disenfranchised at the federal level and do not have the right to vote for either the president or vice president.

The jurisdiction is governed by the US Congress but does not have a vote in Congress and has only a non-voting member of the House of Representatives. It does not have US senators but does elect its own governor, and, potentially most importantly for the captive market, federal income tax is not paid on Puerto Rican income.

This unique relationship with the US places Puerto Rico in a strange the state of ambiguity, but one that is extremely advantageous for archipelago's captive industry.

## Not too hot, not too cold

Puerto Rico is inside the US rule of law but outside of federal tax, meaning it provides the combination of an extremely hospitable tax environment with all the benefits of the protection of US law. According to Walter Keenan, CEO at Advantage Insurance, this is particularly advantageous for US-based companies.

He explains: "If you end up in a dispute you can go to US federal court, which means that those familiar with the US court system do not have to learn a new system, as they might if they were domiciled outside the US."

It also has a large domestic insurance market and an excellent education system, which gives the domicile talented and experienced service providers and professionals.

"There are some very well qualified and well educated professionals in the market," notes Les Boughner, chairman of Advantage Insurance, "which are in some cases being underutilised because of the low employment rate."

The geographic location of Puerto Rico, approximately 1,000 miles from Miami, Florida, in the northeast Carribean sea, also provides the domicile with a number of advantages. It is the only jurisdiction regulated by both the National Association of Insurance Commissioners (NAIC) and the Latin American Association of Insurance Supervisors (ASSAL), and its Latin culture means it attracts a lot of interest from Latin America.

"It is a great place because it is both domestic and international," says Boughner, "there is no other place in the world that offers that."

"You can have a domestic US captive, an international captive, a Latin American captive all in Puerto Rico. In many cases, companies have to go to two or three different jurisdictions, with Puerto Rico they only have to go to one."

"There are also reputational advantages from being inside US law. It is not like the offshore domiciles where you really question the degree of regulation. The banks are regulated, there is plenty of reputable attorneys and certified accountants. It presents a much more acceptable jurisdiction than some of the offshore islands."

## Regulation that is 'just right'

Captives are regulated by the International Insurance Centre (IIC), which was launched in 2005 and is run by the Office of the Commissioner of Insurance. As the domicile falls under NAIC jurisdiction, captives are regulated to a US regulatory standard, which Boughner says provides reputational advantages.

The domicile allows a wide range of captive structures, including pure, association, protected cell, reinsurance captives and micro captives, and the captive legislation provides the regulator with flexibility to approve new structures.

Keenan states: "The framework is good and gives the regulator some latitude to approve structures that are within the four corners of the law."

He says that no regulatory changes are currently in the pipeline, but that none are needed as "Puerto Rico can't really do anything to make itself better at the moment".

According to Keenan, the IIC and captives have the support of both major Puerto Rican political parties, meaning that there is "no imperative to make any changes that would set back the domicile".

However, the support for the captive industry should not be confused with a regime that is too easygoing.

Keenan explains: "Puerto Rico wants to be seen as a high quality domicile and, so, I think people that want to do something that is not quite right don't bother coming to Puerto Rico because they're not going to get that result."

"If you're going to have a captive or any insurance business in Puerto Rico, it by definition has to be a real insurance business with all of the things that make up a good insurance company: actuarial science, audit and accounting, acceptable risk underwriting guidelines, compliance with all the anti-money laundering requirements–you name it, they have to have it here. Puerto Rico doesn't allow cutting of corners."

He concludes: "The Office of the Commissioner of Insurance is very supportive of the IIC and they have allocated the regulatory resources to be sure that captives and the other companies operating inside the IIC are well regulated. They're not under regulated, they're not over regulated, they're well regulated."

The goldilocks zone Puerto Rico finds itself in has helped it grow to have 470 active and licensed captives, an impressive total given the first captive was licensed in the domicile in 2009.

In 2018, 129 new captives were licensed in the domicile and there were 45 dissolutions. Boughner says the market is now "experiencing steady growth", which is a reduction on the "exponential growth" it experienced a couple of years ago. This slowdown in growth, he notes, is "pervasive in the captive industry right now, not due to any concerns about Puerto Rico".

> People want to talk about domicile x and Puerto Rico, domicile y and Puerto Rico. There are more enquiries about Puerto Rico than any other domicile

Les Boughner
Chairman
Advantage Insurance

A large part of the market is made up by section 831(b)-electing micro captives, but Bougher suggests this is not unique to the domicile.

He says: "If you look at the existing captive market, they're predominantly in the 831(b) space, however, that is not an indication of what Puerto Rico's appetite or interest."

"If you track the growth of Puerto Rico captives and align with the growth and shift in demographic of global captives over the last 10 years, that's where the growth has occurred."

## Outlook

Boughner believes the future is bright for Puerto Rico and is "expecting continued growth and increased interest in Puerto Rico for a variety of reasons".

Not least of these is the potential for Latin American business.

"It is well positioned for Latin American captives," he says, "there has been a lot of interest there."

"Additionally, I think over the next 10 years you are going to see a lot of pure captives in Puerto Rico, and in many cases redomiciling because of the attractive tax environment."

He adds: "There continues to be considerable interest in Puerto Rico and potential captive owners want to learn about it."

"Not only is it on the table for consideration but it is brought up in conversations discussing every other domicile."

"People want to talk about domicile x and Puerto Rico, domicile y and Puerto Rico."

He observes: "There are more enquiries about Puerto Rico than any other domicile."

Keenan is in agreement with Boughner, and notes that though Puerto Rico is "not yet a mature market, it is one that has become widely accepted and is regularly put on the table for consideration in many captive formations".

He believes there are two ways Puerto Rico can grow.

"Firstly, just by getting its share of new formations," says Keenan, "and secondly, by an increase in the number of companies moving to Puerto Rico from other domiciles."

"The market will speak over time. But if you're considering a new captive or moving a captive, Puerto Rico is on your list of places to consider."

One potential stumbling block for the expansion of the market would be changes to the income tax situation if it became a US state.

He explains: "If Puerto Rico should become a state of the US, the 51st state, that would change the tax status, making it more like Vermont or South Carolina."

The debate of whether Puerto Rico should be a US state is ongoing and its future political status is an extremely complex issue.

But what appears clear is that the current conditions are 'just right' for a growing captive insurance industry. **CIT**

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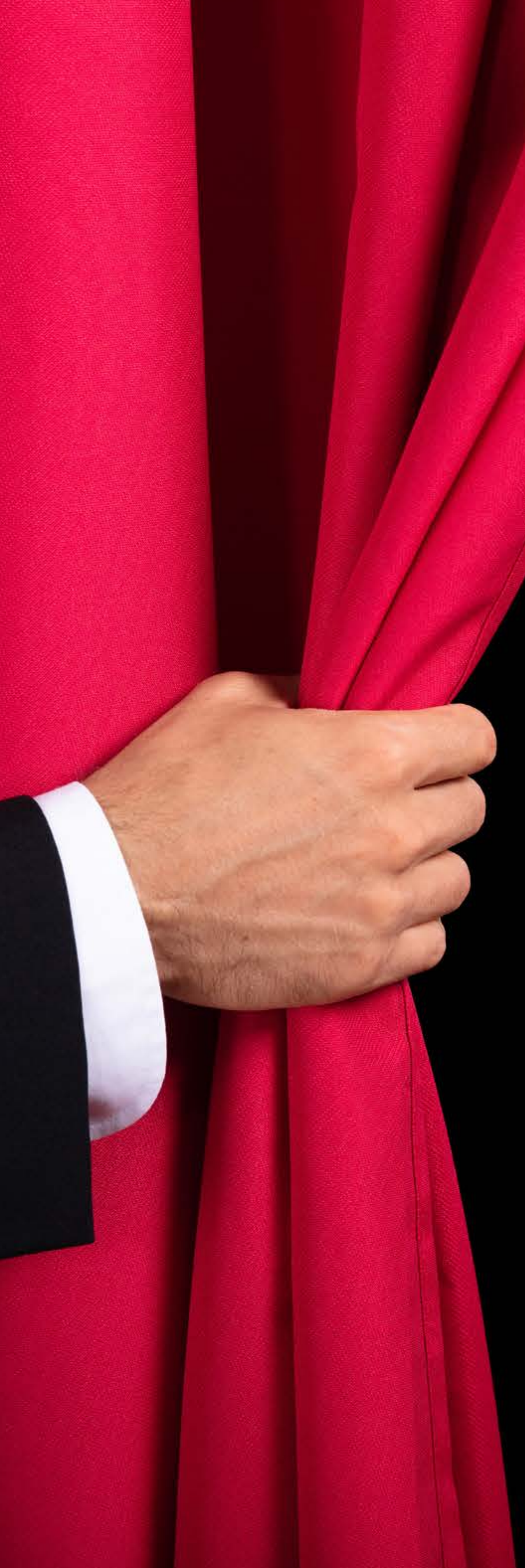

# A peek behind the curtain

## Mike Parrish, chair of the Bermuda Captive Conference, and Scott Reynolds of the Bermuda Captive Owners Association discuss the Bermuda Captive Conference and why attending can have an effect on business

***Ned Holmes reports***

### What is the focus of the conference this year?

**Mike Parrish:** The theme is 'Elevate' and we are looking to encourage risk managers to consider the many ways captives can help manage risk within their organisations, to both contain costs and offer coverage. The thought behind it is that captives are not just for Fortune 500 companies—they can offer real value to a lot of different kinds of companies.

We want to make sure people realise that even though they may have had a captive for a while, they can elevate the use of it to include new and emerging risks. What we are saying to delegates is, "elevate your perspective, elevate your network, elevate your captive."

### What are you most looking forward to about the conference?

**Parrish:** Firstly, I think it is a great opportunity for networking. It is a great chance for us all to get away from day-to-day work and spend focused time exploring the captive industry and speaking with our peers, not just those from Bermuda, but our international colleagues as well.

I also think it is a timely reminder how important the captive industry is to Bermuda. To attract such high-quality speakers to a three-day event at a time when the captive industry is not growing as fast as it used to is a testament to the importance of the captive industry to Bermuda.

**Scott Reynolds:** I am really looking forward to seeing all the people who support the captive industry come together in Bermuda. With smart risk management at the heart of the Bermuda captive industry, the Bermuda Captive Conference (BCC) offers a perfect venue for education and relationship-building.

## What sets the Bermuda conference apart?

**Parrish:** The fact it's in Bermuda! That may sound flippant, but Bermuda is the premier captive domicile. Our event is an opportunity for people who are considering captives or looking to increase the use of their current captives to come to our market, discuss trends and opportunities, and meet fellow owners and experts.

The conference also attracts a very high calibre of speaker and we have some really good panels. The quality of attendees from the captive industry is second to none. That what sets the conference apart, the opportunity to network with very senior people within the industry.

**Reynolds:** The conference provides insight to the attendees on timely and important topics related to captives. The multi-track schedule of discussions and presentations offers everyone the opportunity to learn about what is most valuable for them.

## As a leading domicile, do you think it is important that the Bermuda conference covers emerging risks and stays at the forefront of industry innovation?

**Parrish:** Yes, it is very important. I think we have tried to do that and offer something new and different each year. We are very much aware the conference needs to continue to evolve. We are aware we need to cover emerging risks and our programme reflects that. One of our sessions is on emerging risk issues and we are going to be talking about disruptors: the shared economy, autonomous vehicles, crypto commerce—how these new risks are facing companies.

The area of emerging risks is something we focus on in the captive sphere, and the Bermuda market generally, with its history of innovation and creativity, can really assist companies facing those risks.

**Reynolds:** Absolutely, especially in today's environment of change all around the world. From tax reform to cyber attacks, emerging risks have major impacts on risk management. The BCC must (and does) always look to include these emerging topics to the conference.

## What sessions are you most looking forward to?

**Parrish:** I think the two keynotes this year will be excellent. Last year's keynote speaker, Derreck Kayongo, a business visionary and humanitarian, was a highlight. This year, our keynote is YouTube comedian Tripp Crosby. I think he will look at things from a completely different perspective and I really look forward to that.

We also have our industry keynote, Jeremy Cox, executive chair of the Bermuda Monetary Authority (BMA), effectively the chief regulator on the island. Cox is going to be delivering the keynote address from an industry perspective. This is the BMA's 50th-anniversary year, so it will be a timely presentation.

## How has the conference evolved from last year?

**Parrish:** We made a few changes last year, some aesthetic, and they were well received. Have we made wholesale changes again? No, but we do have new event managers and they have updated the look and theme, and launched a dynamic new website that will provide an integrated platform for delegates, sponsors and exhibitors.

The conference is evolving digitally with a view to better engaging attendees. Our website and app will be gathering feedback and metrics, helping us determine what people like, where delegates are coming from and what their objectives are. We hope to collect a lot more data on what people are doing and what they want so we can tailor-make future conferences to meet future objectives.

One thing we introduced last year was community outreach, and we have continued that initiative this year with plans to expand it further. We have chosen a beneficiary charity, Big Brothers & Big Sisters, and they will be given space in the exhibition hall, along with a donation, and also have the opportunity to speak to delegates and fundraise.

We are also working with the Bermuda College and the island's high schools to get more young people involved, bring them up to the conference, and let them have a look around. We want to encourage young Bermudians to join the captive industry and we can use the conference as an opportunity to do that. That initiative was in its infancy last year, but it made a great start and we hope it will continue to grow in tandem with the conference.

**Reynolds:** To those not familiar with the insurance industry, Bermuda may seem like just a beautiful place with wonderful people. Well, it certainly is that, but Bermuda is also a highly developed and specialised place where risk management products are developed to meet the needs of a risky and changing world. The organisers of the BCC deserve a lot of credit for putting together a great conference–the most important captive conference in the world. **CIT**

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# Comings and goings at BMS Group, Langhorne Re and more

**Independent reinsurance broker BMS Group has appointed Pete Chandler as its president of US reinsurance operations, effective 27 May.**

Chandler joins from JLT Re, where he served as deputy CEO of the group's US reinsurance broking arm.

He has more than 20 years of experience in US reinsurance, having also held roles at Marsh, Guy Carpenter, and Benfield.

Chandler will report to Steve Korducki, US reinsurance CEO, and will join the BMS US board, subject to regulatory approval.

The appointment is part of a series of hires by BMS following substantial global growth.

Nick Cook, CEO of BMS Group, described Chandler as "one of the most experienced reinsurance brokers in the market" and said he would be a "huge asset to the US team".

Cook added: "I am pleased to announce Pete Chandler's appointment today and look forward to working with him and Steve Korducki to grow our US reinsurance arm."

"BMS's independence and resolute commitment to the US reinsurance market continues to attract some of the industry's leading talent."

Chandler commented: "There is a huge opportunity in the US for an independent broker of BMS's ambition, analytical and actuarial capability, and entrepreneurial culture."

"The investment BMS has made in talent, innovation and analytics has made it the most significant independent broker in the market and I'm delighted to join such a formidable team."

**Dustin Partlow has joined Caitlin Morgan Insurance Services as senior vice president.**

At Caitlin Morgan, Partlow is responsible for oversight of the captive management operations provided by Caitlin Morgan Captive Management Group.

Prior to joining Caitlin Morgan, Partlow was director of captive management operations at Risk Matters, where he was responsible for oversight of the captive management operations.

Before that, he worked at JLT Insurance Management as a director overseeing the Vermont office. He was responsible for the formation of captive and risk retention group programmes in Vermont and other domiciles.

**Langhorne Re has appointed Marvin Pestcoe as executive chair and CEO and Timothy Gasaatura as chief actuary.**

Pestcoe has more than 30 years of experience in the industry and has held a range of executive roles. As executive chair and CEO, he will be responsible for leading Langhorne Re's strategy and operations.

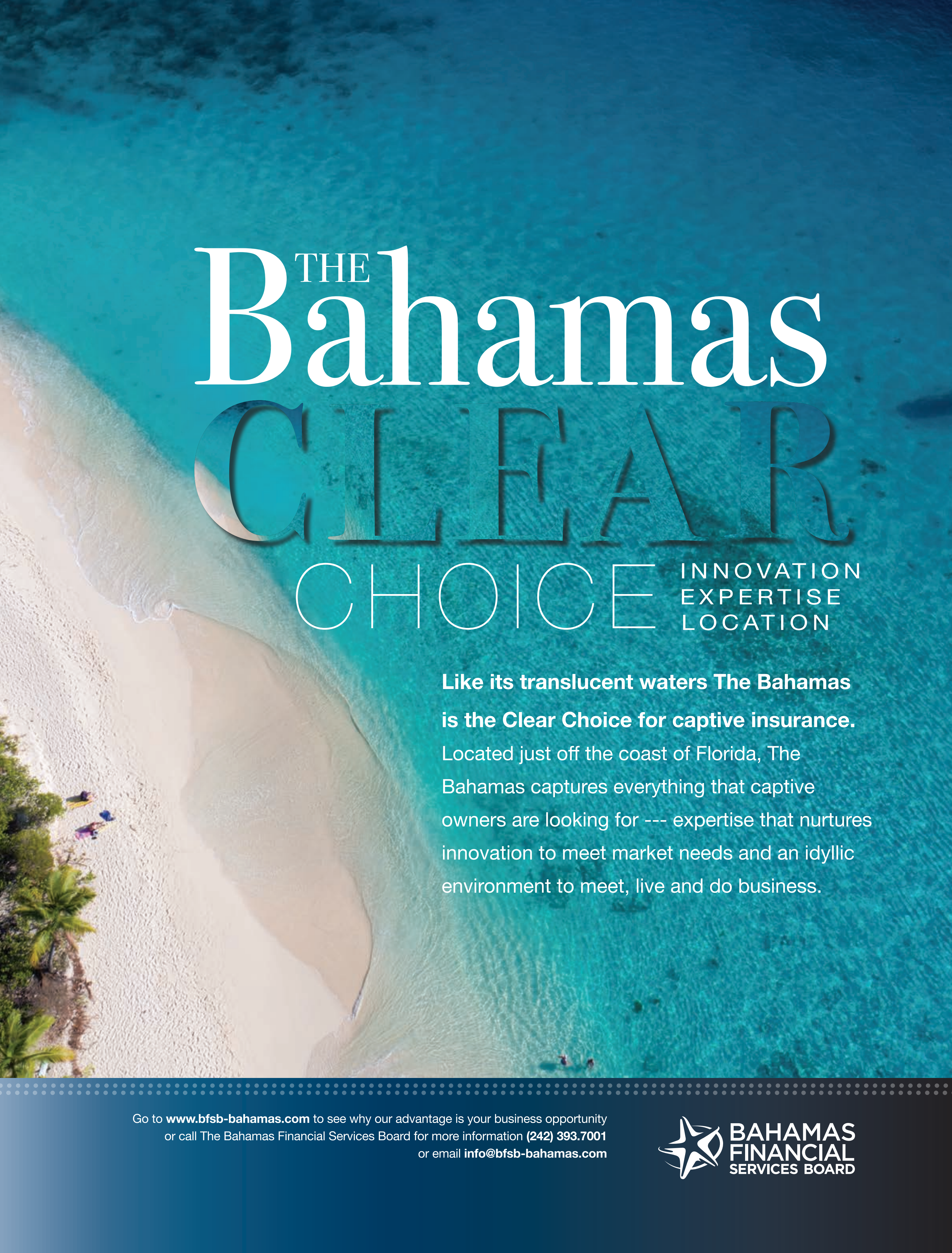
Recently, he was chief risk and actuarial officer at Partner Reinsurance Group and served on its executive committee.

Gasaatura previously worked as chief risk officer of AIG Bermuda/Fortitude Re where he was responsible for the management of risk on an enterprise-wide basis.

He has experience in the integration of risk concepts into strategic planning, and risk identification and mitigation activities.

Prior to joining AIG he was senior actuary and risk officer at Transamerica in Bermuda.

Before that, he was a senior consultant at Deloitte in Connecticut. **CIT**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