www.captiveinsurancetimes.com

captive insurance times

The primary source of global captive insurance news and analysis

08 January 2020 - Issue 189

small country, BIG IMPACT

Domicile Profile

Ireland is home to a strong captive insurance market, but what can industry participants expect in 2020?

Emerging Talent

James Donnelly, associate director, Aon Reinsurance Solutions

Banking Insight

Comerica Bank discusses the Fed's rate cuts, how long the current pause will last and its next move

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

Issue 189

www.captiveinsurancetimes.com

Published by Black Knight Media Ltd

16 Bromley Road,
New Beckenham
Beckenham, BR3 5JE

Editorial

Editor
Becky Bellamy
beckybutcher@blackknightmedialtd.com
Tel: +44 (0)208 075 0927

Reporter
Maria Ward-Brennan
mariawardbrennan@blackknightmedialtd.com
Tel: +44 (0)208 075 0923

Marketing and sales

Associate Publisher/Designer
John Savage
johnsavage@captiveinsurancetimes.com
Tel: +44 (0)208 075 0932

Publisher
Justin Lawson
justinlawson@captiveinsurancetimes.com

Office Manager
Chelsea Bowles
Tel: +44 (0)208 075 0930

Follow us on Twitter: @CITimes
Published by Black Knight Media Ltd
Company reg: 0719464

Cover Image

By shutterupeirer
stock photo ID: 547782946
shutterstock.com


FOCUSING ON CLIENT SERVICE THAT IS OUT OF THIS WORLD
MORE OF A PARTNER THAN A VENDOR
Simply put, we provide competent service and place a priority on building relationships. Our clients are domiciled across the United States and abroad, served by our staff both in the United States and abroad with countless years of combined experience in the insurance accounting field, our professionals know insurance and have the ability to clearly communicate complex differences between Statutory Accounting/US GAAP/IFRS, and describing the accounting treatment of proposed transactions while discussing the tax effect in a clear, concise, understandable manner. We Thrive on Being Different.
R&A
Rives & Associates, LLP
Certified Public Accountants
RIVES INSURANCE SERVICES GROUP
THRIVING ON BEING DIFFERENT
RivesCPA.com

In this issue

Ireland Insight

For a small country, Ireland is home to a strong captive insurance market, but what challenges is the market facing and what can industry participants expect in 2020?

page 10

News Focus

page 6

Banking Insight

Comerica Bank discusses the Federal Reserve's rate cuts, how long the current pause will last and its next move

page 16

Emerging Talent

James Donnelly, associate director, Aon Reinsurance Solutions

page 18

Industry Appointments

Comings and goings in the captive insurance industry

page 28

W.R. Berkley forms captive in North Carolina

W.R. Berkley Corporation has formed Oak Harbor Reinsurance Company (Oak Harbor Re), a protected cell captive insurance company, licensed by the North Carolina Department of Insurance on 25 November.

Oak Harbor Re will provide an onshore captive alternative for the group medical stop-loss programme of Berkley Accident and Health, a Berkley company.

The captive has engaged Strategic Risk Solutions (SRS) to manage captive insurers licensed in the state out of their Charlotte office. ■

Hong Kong proposes concessionary tax rate expansion

The Hong Kong government has proposed to introduce two developments to the taxation of insurers and licensed insurance brokers in Hong Kong.

The existing concessionary tax regime for qualifying reinsurance and captive insurance businesses is set to be extended to cover certain types of general insurance business of direct insurers and certain types of insurance brokerage business of licensed insurance broker companies.

The concessionary tax regime means that the profits arising from an insurance business, as defined in the Inland Revenue Ordinance as amended by the Amendment Bill, would be taxed at half the normal rate—8.25 percent for bodies corporate.

The amendment would mean that instead of being limited to certain captive insurers and professional reinsurers, the concessionary tax regime would also apply to general insurance business, general reinsurance business, and licensed insurance broker companies. In addition, Lloyd's and an association of underwriters approved by the Insurance Authority would also fall within the scope of the concessionary regime.

Hong Kong law firm Deacons noted that a critical limitation to the expansion of the concessionary regime is that certain contracts of insurance would be expressly excluded from the concession—such as contracts for the management of health, mortgage guarantee, motor vehicle damage, employee's compensation liability, and owners' corporation third-party liability risk.

The law firm suggested that the amendment means a much broader range of insurance businesses should be able to enjoy the reduced concessionary tax rate.

The amendment bill is consistent with the strategic objective of the Hong Kong Government of attracting insurance business to Hong Kong, according to Deacons. ■

Fleming Re acquires AggCap Insurance

Fleming Re has acquired AggCap Insurance, a group captive in run-off providing workers' compensation insurance for a large membership of California-based agribusiness.

The acquisition provides members of AggCap II with full legal finality, elimination of operating expenses, and a release of capital.

AggCap Insurance is a Bermuda domiciled segregated accounts company that provides workers' compensation insurance, loss control services, and active claims management to farms, vineyards, and orchards throughout California.

Eric Haller, CEO of Fleming Re, said: "With this acquisition, Fleming Re has this year alone provided a wide range of run-off solutions to the market, including reinsurance, novations, and acquisitions."

"We will continue to build an efficient run-off platform with a focus on quality underwriting of legacy risks."

"We are seeing growing demand from the marketplace and will complete several more transactions over the coming months."

"An executive committee member and director of AggCap II, added: "Fleming Re was able to provide the members of AggCap II a fairly priced solution that provided full finality and released excess capital. Their expertise helped facilitate a smooth process." ■

Washington OIC orders captives to stop insuring risk in the state

Washington Insurance Commissioner Mike Kreidler has ordered unauthorised insurers Olympic Casualty Insurance and ASA Assurance to stop insuring risk in Washington state for their parent companies Starbucks and Alaska Air Group.

The order against Olympic Casualty Insurance has been stayed pending an administrative hearing.

Both companies are captive insurers and are not authorised under Washington state law.

In September 2019, Kreidler ordered ASA Assurance to pay more than $2.5 million in unpaid premium tax and penalties owed to Washington state.

The fine handed to ASA Assurance, its insureds and affiliates, included a fee of $1.8 million for unpaid premium tax, $0.2 million in interest, and $0.36 million in penalties.

ASA demanded a hearing, set for 13 July 2020.

In December 2019, Kriedler ordered Olympic Casualty Insurance, a captive insurer for Starbucks, to pay $22.8 million in unpaid premium taxes, interest, and penalties and a $1.1 million fine.

Olympic issued 44 policies in Washington state from 2008 until 2019, collecting $633.4 million in premiums. Olympic demanded a hearing; the pre-hearing conference is 14 January 2020. A stay is in place for the fine and the order to cease and desist pending the outcome of the hearing.

To date, 16 captives have self-reported and two captives have paid $2.9 million in unpaid premium taxes and $1.4 million in fines, tax penalties and interest to Washington state. Kreidler reached a settlement of $876,820 with Cypress, a captive insurer for Microsoft Corporation in August 2018. In addition, the insurance commissioner reached a settlement of $3.6 million with NW Re Limited, a captive insurer for Costco Wholesale Corporation in March 2019.

Captive insurance has been included in the Washington State Office of the Insurance Commissioner’s 2020 legislative priorities list. Washington state law currently provides no statutory framework to allow the formation of captive insurance companies within the state.

A statement, released by the Washington State Office of the Insurance Commissioner, explained that during 2019, the Office of the Insurance Commissioner began investigating Washington state-based companies who had formed their own captive insurance companies.

These companies have been cooperating in the investigations by the Office of the Insurance Commissioner and are working with the Office of the Insurance Commissioner on legislation for this year. ■

Ireland: small country, big impact

For a small country, Ireland is home to a strong captive insurance market but what challenges is the domicile currently facing and what can industry participants expect to see over the next 12 months?

As one of the smaller members of the European Union, Ireland has a total population of 6.5 million. Nicknamed the Emerald Isle for its vibrant green landscape, this small country has made itself a place in this big world.

Ireland's insurance industry is no different, currently holding €200 billion in assets in Ireland of which €35 billion is invested in Irish infrastructure and government debt, according to Insurance Ireland. The insurance market provides a major contribution to Ireland's economic growth and development and is a cornerstone of modern life.

Since its establishment in 1989, Ireland's strong and stable captive insurance market has also made a name for itself. Over the last few years, although there has been little growth, industry players

emphasise that the figures are not a true reflection of growth as existing captives continue to expand through the addition of new lines of risks or by providing increased capacity to their parent.

In 2017 the Central Bank of Ireland (CBI) revealed there were 78 captive (re)insurance companies domiciled in Ireland. For 2018, total assets stood at €6.5 billion, gross written premiums non-life was €900 million and gross written premiums life was €23 million.

CBI is Ireland's sole regulatory authority for the financial services that adheres to Solvency II and aims to initiate a strong relationship with an applicant from the outset.

Insurance Ireland is also a contact point for any captive management companies looking to establish in Ireland and keen to get a sense of the market and the opportunities Ireland presents to captive managers.

Ireland has a sophisticated financial services sector, which regulated by the CBI and covers; life and general insurance; credit institutions; investment intermediaries; stockbrokers; financial exchanges; collective investment schemes; funds; investor compensation; and related consumer issues.

On the most common type of captive insurance, John Magee, senior vice president, Marsh Captive Solutions believes "there is generally an equal split between the traditional reinsurance captive, utilising fronting insurers and the direct writing model, which has been highly successful in Dublin."

The ability to utilise freedom of services to issue admitted paper within the EU, the ability adapt policy wordings, coupled with the benefits of prompt premium collection and management of claims, means that the direct writing structure remains a favourite among captive owners.

Ciarán Healy, director of client solutions for Europe, the Middle East and Africa at Aon Captive and Insurance Managers, explains that Ireland is a good location for direct writing owing to its membership in the EU, but there's also a good proportion of reinsurance captives and employee benefits captives that are starting to become more popular across the board.

Healy notes that “roughly 40 to 50 percent of the population of captives in Dublin are owned by US multinationals”.

The US is actually a very big marketplace for captives for Dublin, according to Healy, which is a very different profile across the rest of Europe. For example, Switzerland or Luxembourg have a much smaller percentage of US-owned captives compared to Ireland.

He highlights that this is Dublin’s unique selling point, while Ireland as a whole has a progressive economy with an educated, English-speaking workforce, which is attractive from a US perspective.

What’s trending?

On trends within the sector, Healy says that Ireland is an interesting location for captives at this moment. There has been a lot of talk about proportionality, the CBI and how captives are being perceived and managed from a regulatory perspective, which Healy explains has had negative connotations to a certain extent among prospective captive owners over the past few years.

He states: “Ireland has not been seen as the place to do business from a captive perspective for a while; thankfully, that perception is starting to be challenged.”

CBI has seen a number of captive setups in Dublin, which has recently led Aon to some high-profile Silicon Valley-type clients, which Healy described as “really encouraging.”

He adds: “We’re receiving many enquiries about Ireland as a location to do business in, and the understanding that the CBI has a solid regulatory regime has also contributed to the improving reputation of Ireland.”

John Magee, senior vice president of Marsh Captive Solutions, Dublin notes that there are two distinct trends which reflect the expanding use of captives. He comments: “With the firming of the market in some areas, existing captives in Dublin are seeking to add additional risks into their captives.”

He explains that “clients with established captives are using them to weather increased premium rates and/or reduced capacity within the market”.

Outlining the trends from last year, Magee suggests that one particular feature “was the use of captives to provide additional capacity to assist the completion of programme layers, particularly for property lines”.

He adds: “We are also seeing increased interest in companies seeking to establish new captive companies, again as a reaction to changing market conditions.”

Initially, with the introduction of Solvency II, some companies were reluctant to establish a captive. However, Magee believes that with a greater understanding of Solvency II mixed with market firming, that they are now at a stage where we see more clients moving from the captive feasibility stage to the development of an application for regulatory approval.

Magee explains that last year he also saw a sizeable increase in interest from clients in the use of captives which will convert into new formations over the next 12 months.

He adds that what is not visible within the captive figures is the continuing expansion of existing Dublin captives, either through the addition of new lines of risks or by providing increased capacity to their parent.

The statistics in the European captive market show that it has been “fairly stable” in terms of captive numbers, according to Healy.

He says although there has been a slight decline in recent years due to the high volume of mergers and acquisitions that resulted in numerous captive consolidations.

Healy said he predicts growth across most of all domiciles, adding that he believes that 2020 is going to be a very interesting year.

He suggests that in 2019, some companies may have left discussions around captive establishments a bit too late and now for the January 2020 renewals, they probably didn’t have budget enough time to get a captive set up.

“That cohort will start looking at captives during for the 2020 and 2021 renewals, so I expect in 2020 we will see a spike in captive numbers around the middle part of the year as companies prepare for the 2021 renewal,” Healy adds.

Ongoing regulatory challenges

Much like other European domiciles, Ireland’s challenges are similar as Solvency II continues to cause a headache for those who work within the captive insurance space.

Magee states: “We are disappointed that meaningful proportionality for captives has not yet been implemented, but captive owners and captive managers alike are still hopeful the CBI will take action soon on the matter.”

The European Insurance and Occupational Pensions Authority (EIOPA) are currently reviewing Solvency II, with aims to present their final findings to the sector in 2020.

Megee explains that the captive industry welcomes EIOPA’s 2020 review of Solvency II and in particular, the focus by EIOPA on the issue of proportionality.

He adds: “Given the challenges that corporate insurance buyers will face in the coming years as they address ever-increasing complex risks, it is in everyone’s interest that there is a consistent application of Solvency II across all EU domiciles.”

Healy agrees, stating that the biggest challenge is without a doubt regulation.

The time it takes to set up captive and some of the perceived additional regulatory requirements on top of Solvency II in which you don’t get in other domiciles really puts a negative spin on Ireland as a captive location, according to Healy.

He adds: “As an industry, the Dublin captive community needs to address this. It’s important that all the bodies such as Insurance Ireland and various stakeholders continue to push the agenda that Ireland is a good place to do business and that captives are a valued, important part of the overall insurance landscape in Ireland."

Brexit is another issue on everyone's minds, especially businesses. Ireland has another unique position as its the only country in the EU that has a part of the UK attached to it.

However, due to the troubles in the past, the Northern Irish border, and the close relationship with the UK, the Irish government has massively invested in a Brexit plan for people and businesses as the Department of the Taoiseach launched an initiative known as 'Getting Irish Brexit Ready'.

Mcgee explains that all captives have detailed plans in place to minimise the impact of Brexit.

Magee adds: "While Brexit in itself does not create particular opportunities for Dublin captives, the relocation of commercial (re)insurance companies to Dublin certainly assists in the further development of Dublin as an international (re)insurance market, which in turn brings benefits to captives in terms of being able to access new markets and expertise in Dublin."

Agreeing, Healy says that generally speaking, Brexit has not been much of a challenge to Irish-based captives."

"He notes that a lot of Irish captives have UK risk, but would already have measures in place for Brexit. Overall, the delay to the Brexit timeline won't impact the market in Dublin massively."

"A lot of the companies that have predominantly UK risks are not typically choosing Dublin as the first place to go – they may choose the Isle of Man or Guernsey – so Dublin is more of a pan-European programme location."

Looking to the future

As the market reaches a point where there is now a greater emphasis on retaining risk, Healy says the captive market will see the benefits. He also notes that there is a change in the profile of risk within companies, such as an increase in intangible, intellectual property-related risks.

He comments: "Captives will start to play a bigger role in things like cyber and other intangible risks that are not fully insurable in the current market. I think we'll see a lot of captives entering that space and acting as an incubator of financing solutions for these risks, which is becoming more and more of a challenge for larger corporations"

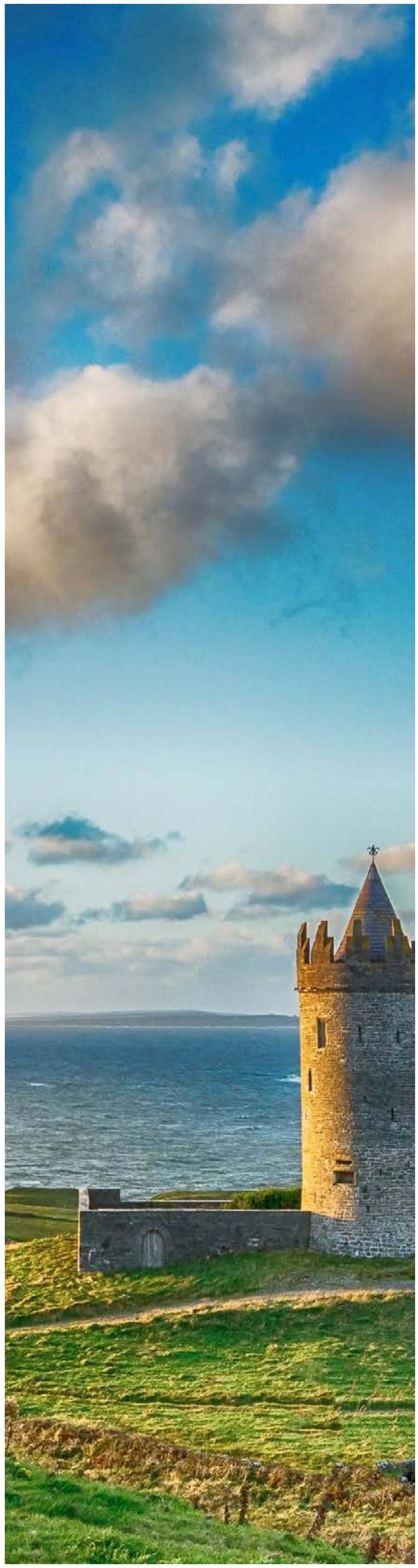
He adds: "I think we will also see captives being used on a more enterprise-wide basis, for example, not just looking at property and casualty, but also human capital benefits and pensions as well."

Healy thinks there's a great opportunity for captives now to become more relevant than they ever have been and to be central to an enterprise-wide view of risk management. Adding that a lot of risk managers are already starting to think on a portfolio basis about all those elements.

Magee says that this year the industry is likely to see the continued expansion of existing captives to address pricing and capacity issues in the marketplace.

He explains that in turn, this will lead to other companies considering the potential use of captives as part of their risk management strategy.

He also adds that we can also expect to see the increased use of captives for non-traditional lines of cover, in particular for cyber risk, as part of a client's overall risk management strategy. ■



The rate cuts, the pause, and the Fed's next move

Comerica Bank discusses the Federal Reserve's rate cuts and questions how long the current pause will last

As widely expected, the Federal Reserve announced on 30 October that it will cut the fed funds rate range by 25 basis points to 1.50 to 1.75 percent.

The written policy announcement was little changed from 18 September. The policy announcement has been whittled down to three paragraphs.

The first paragraph, which describes the current economic environment, highlighted the strong US labour market and household spending. It also noted that business fixed investment and exports remain weak. In the second paragraph, the Fed cited two reasons for the rate cut, global cooling and muted inflation pressure. The third paragraph describes the data that the Fed is monitoring: (1) labour market conditions, (2) inflation and inflation expectations, (3) financial market developments and (4) international developments. In his post-meeting press conference, Fed chair Jay Powell indicated that he would like to pause and not make further cuts, at least in the near term.

Powell said that the current stance of monetary policy is likely to remain appropriate as long as the US and global data hold up.

When asked about what would cause the Fed to continue to cut interest rates, Powell said that it would take a material reassessment of the Fed's outlook. When asked about the possibility of future rate hikes, Powell said that he is not thinking about raising rates soon and that it would take a persistent uptick in inflation for him to change that view.

The key question now is, how long will the Fed's pause last? A useful comparison is the experience of the 1990s. The US economy fell into recession in mid-1990. The Fed began lowering interest rates from a high of about 8.25 percent in early 1990, to a floor of about 3 percent by the end of 1992.

That floor, which lasted until early 1994, roughly corresponds to the floor in the fed funds rate at near-zero that we experienced from late 2008 until late 2015. Beginning in early 1994, the Fed then raised the fed funds rate by a total of 300 basis points, to about 6 percent by early 1995.

Reversing course, the Fed lowered the fed funds rate by about 75 basis points to roughly 5.25 percent from mid-1995 to early 1996. That reversal corresponds to what we have seen this year, a 75 basis point rate cut after a tightening cycle.

After the 75 basis point cut into early 1996, the Fed then paused for about a year. The next move was up in early 1997, increasing the fed funds rate by 25 basis points to around 5.50 percent.

The Fed then paused at 5.50 percent for about a year and a half, before cutting by another 75 basis points into late 1998. So including a minor 25 basis point adjustment, the Fed's pause in the late 1990s lasted about two and a half years. The next big move after the long pause was to continue cutting interest rates.

We look for a similar pattern to emerge now. After an initial 75 basis points worth of interest rate cuts, the Fed will pause for as long as it can, and then it may be forced to cut interest rates again if the US economy continues to cool and inflation remains weak.

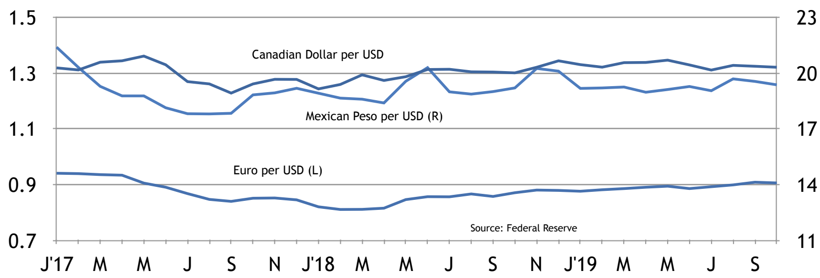
In our November interest rate forecast, we removed our 11 December fed funds rate cut. However, we have kept our 25 basis point rate cut for June 2020 in place. We believe that downside risks to the global economic outlook remain dominant, and so it is appropriate to have a "place-holder" rate cut in the forecast at mid-year 2020 to show that we expect the next interest rate move by the Fed to be down.

As economic data and Fed communication evolve, we will adjust our outlook.

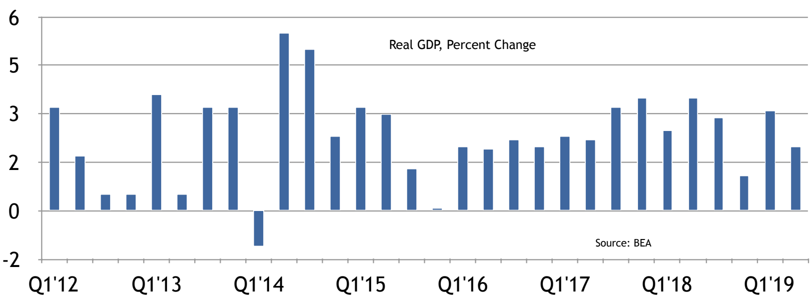
Through October, labour market data remained positive. The US economy added a better-than-expected 128,000 net new jobs for the month, and the unemployment rate inched up to 3.6 percent.

Expectations were low because of the now-resolved GM/UAW strike, which removed almost 50,000 workers from October payrolls. Those workers will be counted as employed again in the November labor data, which will be released on 6 December. ■

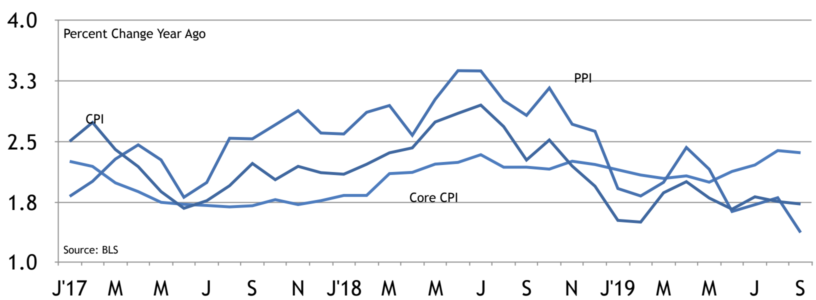
Euro Weakens Against US Dollar as European Economy Slows



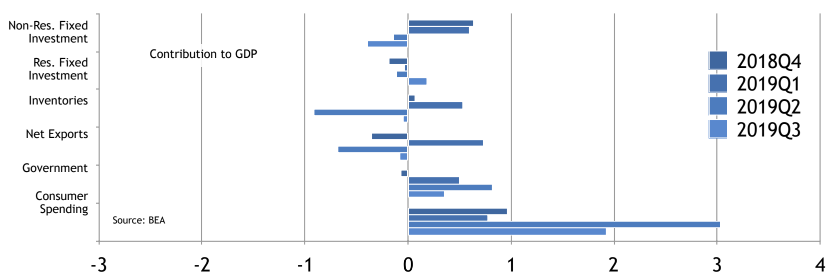
Q3 Real GDP Growth at 1.9 percent



Inflation Pressures Remain Moderate



Business Investment Contracts Further While Consumer Spending Holds Up in Q3



James Donnelly
Associate director
Aon Reinsurance Solutions

Personal Bio: I'm a Northeast guy through and through. I grew up in southern Connecticut and currently live in New York City with my fiancée and our dog. Sport plays a big part of my life, both watching and playing, which really dominates my free time. Also, as an avid traveller, I set out to visit a new country every year.

Professional Bio: I graduated from Loyola University of Maryland in 2013 with a bachelors degree in business economics. Out of college, I was afforded an opportunity to underwrite group health insurance for an underwriting company in Hartford, Connecticut.

From there I parlayed that baseline knowledge into a role (I was employee number 5) at a startup company in New York City that used a digital platform to provide loans to small businesses. In search of more stability I ventured back to the insurance world and landed a job underwriting trade credit and political risk insurance at Euler Hermes (a subsidiary of Allianz). Two years later I was recruited to Aon Reinsurance to develop new business.

How did you end up in the captive industry?

Completely by accident really. When I was underwriting insurance I had heard about captives and was intrigued by them but had no direct exposure and only a high-level understanding of their function.

When I was hired here at Aon, Beth Turbitt (a colleague/friend of mine who's worked in the space her entire career) really introduced me to the industry and the wide range of opportunities for us. It's been full steam ahead ever since.

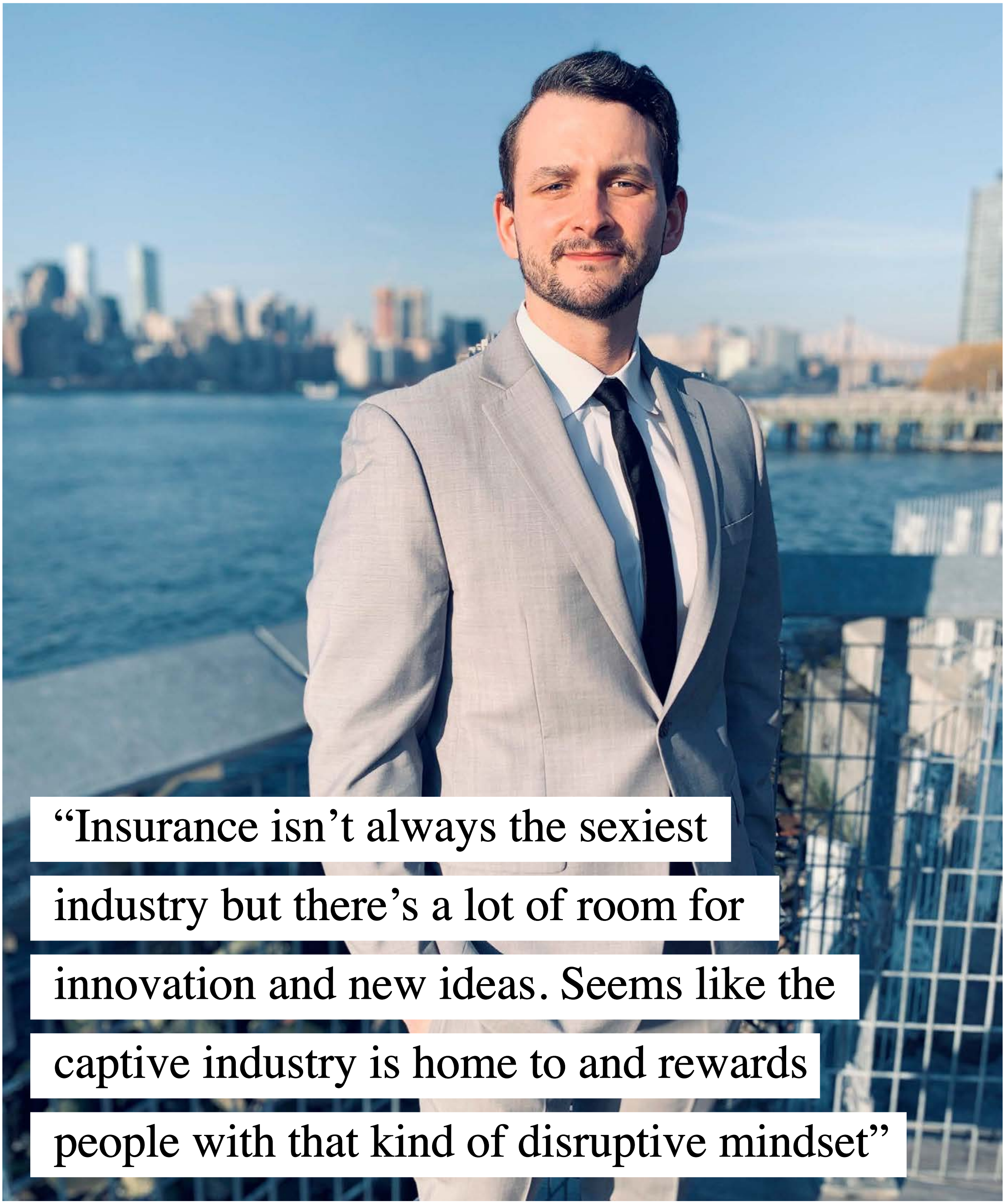
What has been your highlight in the captive industry so far?

I started a marketing campaign this year targeting large employers with captives who self-fund their employee health plans.

The goal was to educate them on the benefits of managing a portion of that exposure within their captive and the campaign was a massive success. It leads to a couple of wins, a lot more opportunities and connected me to a bunch of industry leaders.

What/who have been your influences in the captive industry?

Overall it's the successful people who strive to innovate and improve that have really influenced me. I'd be remiss if I didn't specifically mention Beth Turbitt, Scott Sobel, Phil Giles and Andrew Christie. Their intelligence, decisiveness and patience has really



“Insurance isn’t always the sexiest industry but there’s a lot of room for innovation and new ideas. Seems like the captive industry is home to and rewards people with that kind of disruptive mindset”

During the time that I have been acquainted with James, we have had the opportunity to successfully collaborate on several reinsurance placements for captive programmes. Throughout the time we have been associated, I have been able to observe the highly professional manner in which he has approached his position and career.

James, in short, has been one of the most conscientious, detail-oriented and professional brokers that I have worked with. He continuously exhibits a highly analytical, creative and consultative approach to his position, which has delivered a high degree of trust for him within the captive (re)insurance community.

I also recommend James for his unique ability to establish strong and confident relationships with his clients. He truly is earning a reputation as a trusted advisor.

His self-motivation, knowledge and ethical awareness, coupled with the above qualities, will certainly be the basis for continued success and future leadership status within our industry.

- Phillip Giles, vice president, sales and marketing, QBE North America

shaped the way I conduct myself and approach the business. Grab a beer with them at the next event, you won't regret it.

What is your impression of the industry?

It's fast-moving, demanding and the perfect spot for people who think outside the box. Insurance isn't always the sexiest industry but there's a lot of room for innovation and new ideas. Seems like the captive industry is home to and rewards people with that kind of disruptive mindset.

What are your aspirations for your career in the captive industry?

I'd eventually like to reach a point where I'm considered a trusted advisor and a subject matter expert. I'm really trying to learn about this industry from all angles and reach the point where I can comfortably advise captive regulators, managers, owners, reinsurers, etc.

What advice do you have for someone considering a role in the industry?

Jump on opportunities to get involved. Some of my best memories are from attending conferences and industry events. Also, spend some time learning about the nitty-gritty details. You don't need to know everything to be successful but you never know when that little factoid about policy issuance based on where the captive is domiciled may come in handy. ■

Industry Events 2020

Don't miss your copy of Captive Insurance Times

World Captive Forum Miami, Florida	CICA 2020 International Conference California	WSIA Insurtech Conference New Orleans
January 27-29	March 08-10	March 15-18

The latest moves in the captive industry

Crowe's senior audit manager Erin Hackett has been appointed to the Captive Insurance Companies Association (CICA) board of directors.

Hackett, who recently featured in Captive Insurance Times' emerging talent series, was appointed to a one-year term, officially starting at the March 2020 board meeting.

In addition to her role at Crowe, Hackett serves as chair of CICA's NEXTGen Young and New Professional's Task Force.

She brings 10 years of audit experience with commercial insurers, risk retention groups, among others.

CICA president Dan Towle said: "As part of launching the NEXTGen programme the CICA board discussed ways that we could give the task force the support and resources they need to succeed."

Towle added: "We believe having a designated young professional member on the board will be beneficial."

"The task force will have direct access to share their ideas with CICA leaders and it provides a young professional with exposure to governance and other career-enhancing leadership skills."

CICA's NEXTGen task force began meeting several months ago to develop strategies and recommendations for CICA to foster networking and provide education and professional development opportunities for new and young professionals to help support their career development. Commenting on her appointment, Hackett said: "I couldn't be more excited to join the CICA board of directors. Giving me the opportunity to join this impressive group shows CICA's commitment to developing the next generation of captive professionals and leaders." ■

The Tennessee Department of Commerce and Insurance (TDCI) commissioner Hodgen Mainda has appointed Michael Corbett and Jennifer Stalvey to new leadership roles in the department.

Corbett has been named to the newly created director of business development of RDCI's insurance division. He has worked as the director of the TDCI's captive insurance section since 2011.

Stalvey has been appointed as director of TDCI's captive insurance section. She has been working at the department since 2014 and was promoted to assistant director of the captive insurance section in 2015.

Mainda said that Corbett will spearhead the department's new effort to bring more insurance companies to Tennessee by taking on the role as director of business development.

Corbett's role will focus on cultivating new opportunities separate from insurance regulation by leveraging his experience, contacts in the industry and regulatory knowledge. With Stalvey assuming the leadership of the Captive Insurance Section, Mainda said that he is "confident Tennessee will quickly be recognised as a 'best in class' captive domicile."

Since Tennessee's captive insurance laws were revamped in 2011, Tennessee has experienced significant growth in the captive insurance sector and is now the seventh-largest captive domicile in the US.

Through December this year, Tennessee has 192 licensed captive insurance companies and 460 cell companies totalling 652 risk-bearing entities. Tennessee captive insurance companies have collected $12.9 million in revenues and over $5.1 billion in premium deposits since inception.

As part of his new role, Corbett will develop contacts to help bring more insurance companies to Tennessee as well as establishing objectives with the Tennessee Captive Insurance Association (TCIA) for captive promotional activities this year.

Corbett said: "I leave the captive section in good hands as my esteemed colleague Jennifer Stalvey will continue to bring strong regulatory oversight to the captive section with continued streamlining of the analysis and examination processes utilising best practices."

Commenting on her new role, Stalvey: "Captive insurance in Tennessee has progressed a long way in just a short time. I hope to build on our successes with unprecedented growth in the years ahead. I speak for myself and the entire captive regulatory team when I say we are all equally committed to making Tennessee a domicile of choice for captive formation."

Commissioner Mainda was appointed by Governor Bill Lee to lead the Department of Commerce and Insurance starting 1 October 2019.

In a recent interview with Captive Insurance Times, Mainda said: "Collaboration has been key to Tennessee's success as an innovator among domestic captive domiciles. We will continue our work with federal, state and local elected leaders."

He also stated that his ambitions include "continuing the Volunteer State's growth into an international economic leader". ■

Former Atlas Insurance Management business development manager, Brian Flinchum, has re-joined the captive industry by starting his own consulting company, based out of Jacksonville, Florida.

Flinchum is the owner and president of Flinchum Captive Consulting, which aims to provide "feasibility advice to new captive formations and review established alternative risk programmes".

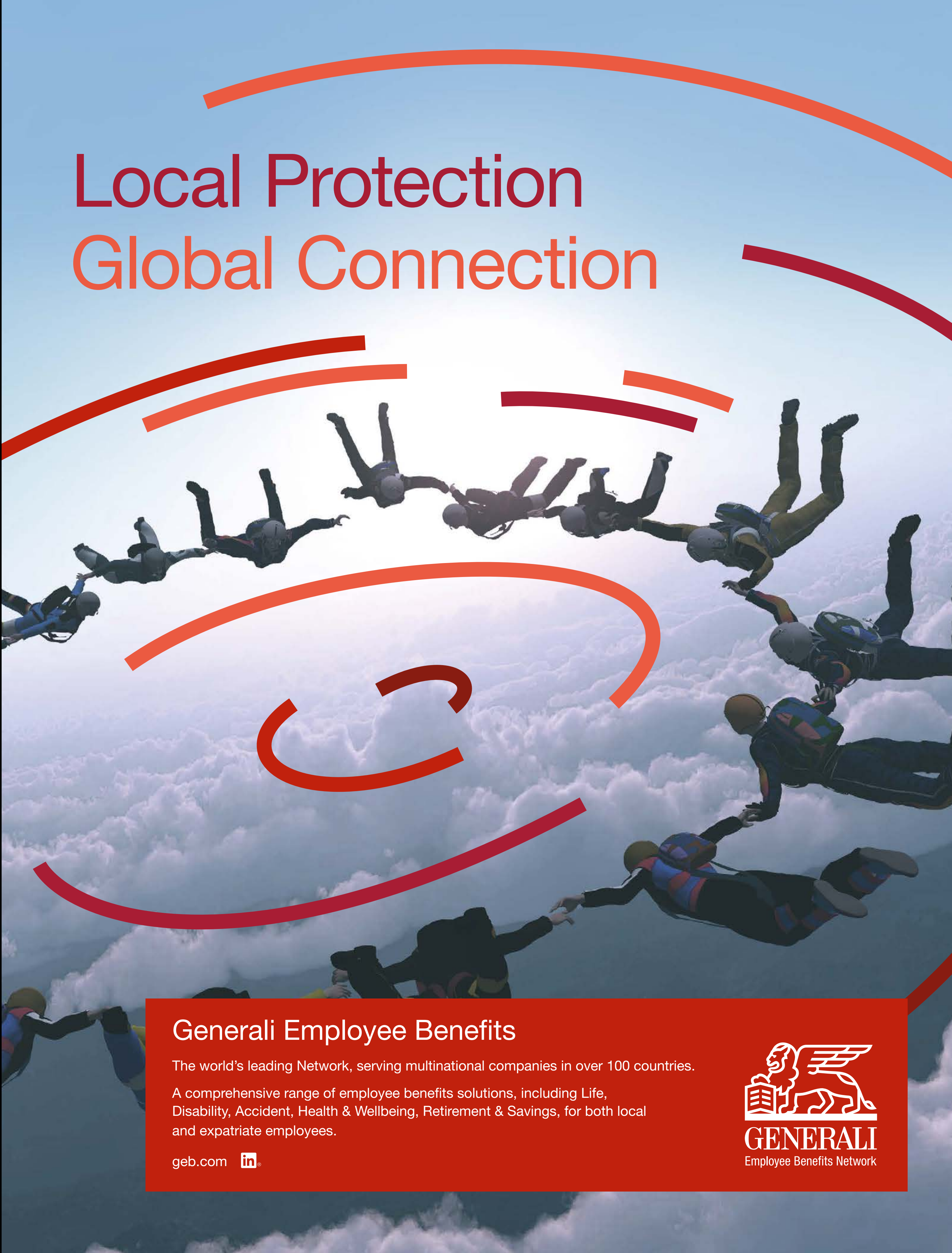
After several roles in the insurance and reinsurance sector, Flinchum left the captive space in 2017 to pursue a series of ventures in the retail and property markets and, according to his LinkedIn, remains a managing director of Flinchum Properties, which operates out of Brunswick, Georgia.

According to Flinchum, at his most recent captive-focused role with Atlas between 2014 and 2017, he was a consultant to small to mid-sized businesses, that made the IRC 831(b) election.

Before that he served as a division assistant vice-president at Artex Risk Solutions from 2009 until he joined Atlas. While there, Flinchum says he spent his time marketing a new captive niche for the fourth largest property and casualty brokerage and he formed and sold more than 100 new captives over a four-year period.

Elsewhere, Flinchum also brings experience from earlier roles including head the captive sales at Wilmington Trust and account executive for AIG Insurance Management Services.

As part of his varied insurance and reinsurance experience, which began in 2002, Flinchum boasts experience in a wide variety of US captive domiciles, according to his CPA Academy bio. ■


Local Protection
Global Connection
Generali Employee Benefits
The world's leading Network, serving multinational companies in over 100 countries.
A comprehensive range of employee benefits solutions, including Life, Disability, Accident, Health & Wellbeing, Retirement & Savings, for both local and expatriate employees.
geb.com
GENERALI
Employee Benefits Network