

## Chairman's Report

I hope over the past two years you have found the various editions of IMAC Quarterly to be useful and informative. In this, my last Chairman's Report I have several items that I would like to highlight.

### Insurance Business Symposium 2010

On Wednesday, May 5, 2010 at the Ritz-Carlton, the Cayman Islands Government, with the assistance of IMAC, held an Insurance Business Symposium with 15 overseas insurance specialists to discuss the captive and reinsurance industries.

The goals of the symposium were: to ensure that the Cayman Islands is positioned to maintain its status as the second largest captive domicile in the world and discuss new business opportunities in this industry; and to discuss the limited reinsurance industry in the Cayman Islands at the present time, and determine what is needed to enhance this industry to make it more attractive to new reinsurance companies being established or existing reinsurance companies evaluating redomestication.

The daylong event was moderated by the current Chairman of the Cayman Islands Insurance Association and Chief Executive Officer of Island Heritage, Garth MacDonald, who is knowledgeable in both the captive and reinsurance industries.

The Government's primary focus

in staging the symposium was to gain input from overseas insurance specialists who have been transacting business in the Cayman Islands for over ten years and have brought to the island a significant volume of business. Representing the Government was the Premier the Honourable McKeeva Bush, the Acting Chief Officer of Financial Services Dax Basdeo and the Deputy Chief Officer of Financial Services Samuel Rose.

Representing IMAC were Chairman Ron Sulisz and the Vice Chairman Monique Jackson.

Also in attendance was the Cayman Islands Monetary Authority, represented by Managing Director Cindy Scotland; Head of Insurance Gordon Rowell; and Chairman of the CIMA Board George McCarthy.

Other on island invitees included Bart Hedges of Greenlight Re, who shared his experience in establishing a reinsurance company in the Cayman Islands, and John Ferrari, Chairman of the Cayman Islands Society of Professional Accountants (CISPA) insurance subcommittee and a partner at KPMG.



In addition to the aforementioned individuals, included in the picture are the 15 overseas specialists in attendance as follows:

- Rick Becker .....Dorada Reinsurance Limited
- Mary Botkin .....Willis
- Bill Cassetta ..... Honigman, Miller, Schwartz & Cohn
- Ethan Crain ..... Integro Insurance Brokers
- Catherine Duffin.....Artex Risk Solutions, Inc.
- Tom Hermes.....Towers Watson
- Monte Jahnke.....Kerr, Russell and Weber, PLC
- Jack Jensen.....Marsh, Inc.
- Linda Jones .....Riggs, Counselman, Michaels & Downes
- Tom Jones .....McDermott, Will & Emery LLP
- Dan Keough .....Innovative Captive Strategies
- Mike Kilbane..... Captive Resources, LLC
- Hal Kinsey .....Alliant Insurance Services
- Val Nichols .....Brown & Brown
- Lisa Wall .....Lockton Companies, LLC

# Chairman's Report continued

Subsequent to the daylong event, all of the attendees commented upon its success, and felt the specific goals identified were achieved. It was noted during the event that the two major key success factors to the captive insurance industry in the Cayman Islands were:

First - regulation. The Cayman Islands Government had the foresight in 1979 to enact legislation to allow for the formation of captive insurance companies, and have refined the Insurance Law over the years to allow the industry to consistently have reasonable and competitive regulation. This regulation has been enforced by the Cayman Islands Monetary Authority (and its predecessor) on a consistent basis over the years, which has allowed the local and overseas industry consultants to be able to promote the industry through their knowledge. In addition, Cayman Islands Government private sector consultative approach towards any proposed changes in the regulation enhances the industry's knowledge of the legislation; hence their ability to promote.

Second - the spirit of cooperation in the industry, particularly amongst the insurance managers. It was noted that the most impressive part of IMAC is how well these competing service providers in the industry work together with the common goal of promoting the Cayman Islands and enhancing its reputation. It is noted that it was appreciated by the overseas industry consultants which bring the business to the island, particularly when it comes to events like the annual Cayman Captive Forum held in November/December each year, which is the largest annual conference

held in the Cayman Islands; or the IMAC Educational Scholarship Fund.

It was reported that several ideas were raised regarding new business opportunities for the captive industry to pursue, as well as ideas on how to grow the reinsurance industry. For the captive industry, new geographical and industry sectors were identified, since it is perceived that the Cayman Islands industry is highly reliant on certain states within the United States, and in particular, on the health care industry. In fact, 43% of the captives in the Cayman Islands are from the health care industry, with the majority of these being medical malpractice programs. The effect of the United States healthcare reform on the industry was discussed; and although it is not known at the present time, it was felt that it would not have a detrimental effect on this industry. Enhancements to some existing products were discussed, such as segregated portfolio companies and special purpose vehicles like catastrophe bonds, to not only offer a higher quality product to the consumer, but also to make available new opportunities.

For the reinsurance industry, the Reinsurance Task Force paper of March 2008 was reviewed, some recent feasibility study weaknesses were presented, and comments from people in the industry were accumulated. One of the major weaknesses identified was the lack of specific legislation for open market reinsurance companies. It was noted that this should be rectified in the near future with the implementation of a new Insurance Law, with specific regulations for solvency and capitalization for open market reinsurance companies to

be implemented sometime soon thereafter.

In order to develop the reinsurance industry however, it was noted that a road show needed to occur to inform the decision makers for this industry regarding the changes made in the Cayman Islands, and to demonstrate that not only can it compete with other domiciles in this market, but to explain why the Cayman Islands should be chosen.

A working group consisting of on island representatives has been established to produce a recommendations report, to keep the overseas specialists involved in the symposium informed, and to monitor the progress of the recommendations from the report. In addition, an information session has been set for the entire Insurance Business Symposium group, which is scheduled around the 2010 Cayman Captive Forum.

## Canada-Cayman Islands TIEA Signed

On June 24, 2010 the Cayman Islands and Canada entered into a Tax Information Exchange Agreement ("TIEA"). At the signing ceremony held in the Cayman Islands Government Information Services conference room, the Premier of the Cayman Islands, the Honourable McKeever Bush commented that "The signing of this important bilateral agreement marks a significant milestone in the long-standing relationship between the Cayman Islands and Canada. It is well known that Canada's top financial institutions have had retail and institutional operations in the Cayman Islands for more than 45 years, but the ties our two countries share go far



**From left to right are Canada's Honourary Consul for the Cayman Islands Mr. Jeff Boucher, the Premier of the Cayman Islands the Honourable McKeever Bush and His Excellency the Governor of the Cayman Islands Mr. Duncan Taylor**

deeper. They extend to educational opportunities for Caymanian youth, professional experience for Canadian practitioners and a mutual admiration that has brought together many Canadian and Caymanian families." The Premier also outlined future opportunities for mutual growth and development between the Cayman Islands and Canada associated with the agreement, specifically mentioning that the TIEA will result in favourable tax treatment for active business income earned by Cayman Islands subsidiaries of Canadian companies.

### **New Insurance Managers Licenced in the Cayman Islands**

During the first six months of 2010, there have been six new insurance managers licences issued, per the statistics of the Cayman Islands Monetary Authority. Two of these six insurance managers have applied for and been approved as full members of IMAC. We would like to welcome Maples Finance Limited and Walkers SPV Limited. Both of these entities have been licenced to conduct SPV business only. Another two of the six insurance managers recently licenced have been in communication with IMAC regarding full membership.

For the membership statistics of IMAC as of June 30, 2010 see the Marketing Committee Report later in this issue.

### **RIMS Annual Conference and Exhibit April 25 – 29, 2010**

The RIMS Annual Conference and Exhibit was held at the Boston Convention and Exhibition Hall from April 25–29, 2010. The Cayman Islands Government was an exhibitor at the conference and a delegation of IMAC full and local association members attended the conference to provide booth duty support. This conference continues to be an important event for the industry so that the Cayman Islands can demonstrate to those unfamiliar with the island, as well as the many attendees that know us, the two pillars of our success as noted



**Cayman Islands representatives at RIMS**

earlier from the Insurance Business Symposium – regulation and the spirit of cooperation in the industry.

### **Next IMAC Chairperson**

The IMAC Annual General Meeting has been scheduled for September 10, 2010. An individual from each of the full members of IMAC are invited to attend AGM in the morning. This will be followed by a lunch at The Ritz-Carlton Grand Ballroom whereby I will provide my final speech as Chairperson, and will have the pleasure of introducing the incoming Chairperson – Monique Jackson.

I thought I would provide you with a brief biography of Monique since she has the distinction of being the first female Chairperson, as well as being the first Caymanian by birthright to hold the position. Originally from the island of Cayman Brac, she moved with her parents and sister to the 'big' island of Grand Cayman in 1980. Monique can trace her roots in the Cayman Islands back to the 1700s when her paternal ancestors of English descent settled on Grand Cayman. Her maternal ancestors arrived in the 1800s from England and Honduras and also settled on the

# Chairman's Report continued

largest of the three islands. According to oral history there may be Scottish, African and American Indian roots as well. Descendants of her family's original settlers eventually made their way over to Little Cayman and Cayman Brac. In fact, her maternal grandparents met in Little Cayman in the aftermath of the devastating 1932 hurricane. They later moved their family over to Cayman Brac in the late 1950s. Monique's grandfather, the late Guy Banks, went onto become a District Commissioner of Cayman Brac, and was instrumental in the development of both Little Cayman and Cayman Brac. So much so that the main road in Little Cayman bears his name and he was given a state funeral upon his passing. Her father also acted as a former District Commissioner of Cayman Brac, and her mother is the former Post-master General of the Cayman Islands. So as you can see, there's no pressure for her to succeed in life!

Monique attended the Cayman Islands High School ("C.I.H.S."), which was one of only two high schools on Grand Cayman at the time and graduated within a few days of turning 16. She then went on to do two years of A

levels at C.I.H.S. (For the unaware among you: A levels encompass a Secondary Education program similar to Advanced Placement courses). Monique then worked for a year as an intern with Ernst & Young ("E&Y") before heading off to university in the United States. She continued to intern with E&Y during summer and winter breaks and returned full-time to begin her professional career with them after graduating in 1994 from Baylor University in Texas with a BBA in Accounting.

Monique has worked as an auditor, a regulator and as a captive insurance manager in the Cayman Islands and has over 15 years of experience in the insurance industry. She also holds an Associate in Risk Management. She was formerly employed with the Cayman Islands Monetary Authority ("CIMA") and was instrumental in the design and implementation of captive on-site inspection program for the Cayman Islands - the second offshore jurisdiction to implement a formal on-site inspection program for captive insurance managers. After three and half years with CIMA, she decided to return to the private sector and joined Global Captive Management in

December 2003. She has been an active participant on IMAC's Education, and Forum committees, and has acted as the Vice-Chairperson of IMAC since 2008.

I am confident that Monique will be an excellent Chairperson and will aid the continued advancement of the captive insurance industry of the Cayman Islands.



**Ron Sulisz**  
Current Chair



**Monique Jackson**  
next Chair

**Thank You to All**

Finally, I would like to thank all of the Past Chairmen, Executive Committee Members, the Committee members, IMAC full and associate members and the IMAC General Manager for their support, guidance and cooperation in aiding the advancement of IMAC over the past two years. Without the help of many, many people, IMAC would not be such a successful association. Thank you!

## Cayman Islands Insurance Captive offers Meteorology Student \$5,000 Educational Assistance



Garry Wilkins, director of Caribbean Catastrophe Risk Insurance Facility, as part of the Facility's Technical Assistance Programme to the Caribbean Region, presents a cheque for US\$5,000 to Winston Gall, employee in the Meteorology Section at the Cayman Islands Airport Authority, towards his further studies in Meteorology at the Graduate School of the US Department of Agriculture.

**L-R Garry Wilkins, Winston Gall and Kerry Powery (Cayman Islands Airport Authority).**

# Legislative & Regulatory Affairs Committee Report

During the past quarter, the Legislative & Regulatory Committee has met on several occasions and has provided recommendations on various issues. The following is a brief summary.

## Bill for Dormant Accounts

A response was provided to CIMA as part of the consultation on the Bill for Dormant Accounts. Once enacted, this will provide for monies in dormant accounts to be transferred to the general revenue of the Cayman Islands. The Subcommittee found the draft to be in alignment with other jurisdictions and the dormancy period of 6 years to be more generous than most domiciles, including the United States.

## National Investment Strategy

At the request of the National Investment Council, the Committee also submitted comment to the Department of Commerce & Investment in support of a National Investment Strategy.

The National Investment Council goal is to develop a proactive position with respect to policy advice that leads to an enhanced business climate. Key objectives include:

1. Establishing targets for medium to long-term economic development outcomes for the Cayman Islands;
2. Identifying areas for economic diversification.

Some of the items addressed pertained to expanding existing industries, exploring new industries, initiatives to be taken to strengthen the Cayman Island economy, workforce development, and infrastructural

development. This included identifying regulatory improvements that could be made to support long-term growth as well as the continued attraction of top-quality talent to the Cayman Islands to ensure that the Cayman Islands maintains its capacity for innovation.

## Private Sector Consultation Paper on Proposed Rule: Prudential Reports, Statistical Returns and Financial Information

Earlier this month, the Committee provided direction to the Chairman of IMAC in response to the Proposed Rule. In summary, IMAC confirmed that it embraced the filing requirements for filing statistical returns and financial information on time and without error. IMAC was pleased to learn from CIMA that only an estimated 5% of insurance returns, once extensions are taken into account, are submitted beyond any extensions.

IMAC has sought further clarification from CIMA on the draft Rule including for instance acceptable grounds for a late filing and the process.

## Insurance Law

Considerable discussion has taken place over the past year's time pertaining to features to be contained in the proposed New Insurance Law. The Committee has recently been advised that CIMA will advance the process by providing a draft to Cabinet in early August for the eventual tabling during the Legislative Assembly in September. Between August and September, a period of time will be afforded for public consultation. Therefore stay tuned to this space for further updates once the consultation period commences and for the eventual drafting of the Regulations to accompany the New Law.

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## KPMG's Technical Update

### Captive Reserving Overview

In accordance with US GAAP and IFRS the final reserve estimate recorded in a captive's financial statements should reflect management's best estimate of the ultimate cost of settling the claims as of the financial reporting date. In many instances management will engage a qualified consulting actuary to provide assistance in the estimation of the loss reserve and recoverable amounts. However the loss reserve recorded in the financial statements is ultimately management's responsibility. Consequently, management should be involved in understanding the actuary's work product and corresponding results. Outlined below are representative questions or key considerations that management should contemplate when discussing the captive's loss reserves with their consulting actuary and/or insurance manager: The major considerations are categorized into estimation, data and results.

### Estimation:

- Have changes in claims or shifts in coverage mix been considered in the analysis?
- What are the key risk factors that could affect future development versus the actuarial indications?
- Has the actuary appropriately contemplated applicable limits and Loss Adjustment Expenses (LAE) requirements?
- Has the study evaluated the total program including all coverages provided on a direct, assumed and ceded basis consistent with the business plan?
- Is the evaluation date of the study and the underlying loss data consistent and correct?
- Have funding and reserving estimates been distinguished and appropriately contemplated?
- Has a required roll forward been facilitated appropriately?
- Does the report reflect all the potential liabilities, net vs. gross, acquisitions/divestitures, Loss Portfolio Transfers (LPT's) and commutations?
- Do the reserve range and/or confidence level factors appear to be consistent with prior evaluations?

### Data:

- How do the trends in our data compare to industry trends for this class of insurance or program of coverage?
- How is the data provided for your analysis reconciled and can the results be linked to underlying data?
- Has loss capping been applied appropriately?

### Results:

- Where does the indicated reserve stand in the range of reasonable reserve estimates?
- How has the position in the range changed in the last year?
- Do the results tie in to the financial statements and do the footnotes and disclosures in the financial statements support the outcomes and assumptions?

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# Marketing Committee Report

The Marketing Committee met several times during the past quarter to discuss and help organize several initiatives of IMAC.

## 6th Annual Canadian Captive & Corporate Insurance Strategies Summit

The 6th Annual Canadian Captive & Corporate Insurance Strategies Summit was held June 8th and 9th in Toronto, Ontario. There were several representatives from the Cayman Islands at the conference, including three members of the IMAC Executive Committee – Ron Sulisz, Stephen Gray and Conor Jennings. IMAC was an Association Partner of this event, therefore distributed materials at a media table. The event provided good educational materials regarding Canadian captives, and was a timely event given the recent signing of the Tax Information Exchange Agreement (“TIEA”) between Canada and the Cayman Islands. It is the understanding of IMAC that with the execution of the TIEA that the Cayman Islands may be in even a better tax position than Barbados when it comes to Canadian owned captives. This may bring an opportunity for the Cayman Islands as Canadian owned captives that had considered the Cayman Islands for their domicile in the past due

to its significant captive infrastructure and reasonable regulatory environment, can now also look towards the economic benefits of being domiciled in the Cayman Islands.

## WWW.CAYMANCAPTIVE.KY or WWW.IMAC.KY Website

Both caymancaptive.ky and imac.ky addresses take you to IMAC website which is continually being updated. Most recently the committee has undertaken a project in the “About IMAC” area of the website in the “IMAC History” section. In this area IMAC is collecting a brief bio and pictures of past Chairpersons.

## Membership Statistics

As of June 30, 2010, which represents the fiscal year end of IMAC, the membership statistics were as follows:

Full Members – 22  
Local Associate Members – 29  
Overseas Associate Members – 44  
Class B Associate Members – 271

This is an increase of 73 members in the past year (June 30, 2009 – 294 members). IMAC was pleased by this growth, and in particular in the growth of the Class B Associate Members, which it attributes to the increased awareness by the Class B cap-

tive owners of IMAC’s existence and value to the industry. IMAC hopes to see a continued increase in the Class B Associates Members in its 2010/11 fiscal year. If you would like to become a member of IMAC, you may visit the website for details, or contact IMAC’s General Manager at william.forsythe@caymancaptive.ky.

## IMAC Annual General Meeting 2010

The Committee has organized the events at the 2010 IMAC Annual General Meeting scheduled for Friday, September 10, 2010. The venue for the AGM lunch is The Ritz-Carlton Grand Ballroom. Following the AGM lunch is a 9-hole golf tournament at The Ritz-Carlton Blue Tip golf course, which is once again sponsored by Munder Capital. To finish the activities for the day, there will be a social function at Abacus in Camana Bay. The opening of the registration for the AGM lunch and AGM golf tournament will be advised by William Forsythe to all IMAC members via email.

## BDO Second Annual Quiz Night

The Committee helped to organize the BDO Second Annual Quiz Night. See the separate article in this issue of IQ for details.

## PwC Comings & Goings

### Coming.....

PricewaterhouseCoopers is pleased to announce Damian Pentney’s admission to the Partnership. Damian brings 19 years of professional experience in audit and assurance services both in the United Kingdom and in the Cayman Islands, 14 of which are with PwC.

PwC would also like to welcome to its Insurance Manager group Angilynn Chan, Anne Ingle, and Rudi Van Heerden.

Congratulations to Damian, Angilynn, Anne, and Rudi on your new roles.

### Going.....

PricewaterhouseCoopers would like to say farewell to two well respected senior managers Dayna Hui and Estie Klienhans. PwC thanks Dayna and Estie for their dedication and commitment to the firm as well as the community, and wish them all the best on their new endeavors.



**Damian Pentney**

# Forum Committee Report

The Forum Committee is working at full tilt planning the 18th annual Cayman Captive Forum. The speaker slate is about to be finalized and topics to be presented will cover some of the prevalent current and emerging issues in the insurance and financial industry. These include healthcare reform, cost/loss control, collateral requirements, review of recent IRS audits, new accounting pronouncements, as well as strategic planning topics such as: expansion of coverage into new lines of business, corporate governance, flexibility of risk financing initiatives, and captive benchmarking. We are pleased that we will have a number of well known industry experts speaking at our conference, as well as a number of captive delegates who are eager to share their success stories.

While we have made some enhancements, we have kept the format of the sessions in line with prior years in that there will be three separate tracks in the afternoon: Healthcare topics, Group Captive topics and General topics. Some of the changes that we have made this year include splitting the Tax Tutorial into two sessions – one covering Taxable Entities, and one on Not-for-profit and Tax Exempt Organizations. In addition, the Regulators “State of the Market” speech will cover pertinent topics such as the proposed new Insurance Law and outline of the corresponding regulations, a brief discussion on Solvency II, the Risk Management Rule as well as other industry developments.

In regards to the networking events, there is a planned change from the previous year for the Wednesday night reception, which will now be sponsored by Camana Bay and held at Camana Bay on The Crescent, which is a waterfront plaza shaded by tall royal palms and fanned by the breezes from the North Sound. The details for

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this event are still being finalized and early indications are that it will be a fabulous evening.

We are pleased to announce that most of our sponsorship slots have now been filled. We are extremely grateful for the support from these industry players as they help to contribute to the success of our annual conference. There are a few slots still remaining and so if anyone is interested in sponsoring a lunch (2 slots open), please contact William Forsythe at [william.forsythe@caymancaptive.ky](mailto:william.forsythe@caymancaptive.ky).

Registration for the conference was opened to the public in June and we now have a total of 385 registrants, the majority of which are captive owners/representatives. Given the

level of response we have received, The Ritz-Carlton and Cayman Beach Suites hotels are now fully booked. There is a wait list for The Ritz-Carlton as we do expect to have a few more rooms available in the next few months. Rooms are available at other hotels – please see the listing at our website: <http://www.imac.ky/index.php?q=node/43>

If you haven't already done so, we would encourage you to register for our conference. Remember that membership has its benefits, and that becoming an IMAC member entitles anyone from your organization to a discount from the full forum conference rate. We look forward to seeing you on November 30th!



## List of Sponsors:

- Main Event Sponsor - KPMG
- Main Gift Sponsor - Deloitte
- Hospitality Suite Sponsor - RBC Wealth Management
- Reception Sponsor - Tuesday Evening Butterfield
- Reception Sponsor - Wednesday Evening - Camana Bay
- Reception Sponsor - Thursday Evening (Beach Reception) - PricewaterhouseCoopers
- Firework Sponsor (Thursday Evening)- Integro
- Keynote Speaker Sponsor - Wells Fargo
- Golf Tournament Sponsor - PRP Performa
- Breakfast Sponsor - Wednesday - BDO
- Breakfast Sponsor - Thursday - Cayman Islands Government
- Lunch Sponsor - Wednesday (available)
- Lunch Sponsor - Thursday (available)
- Morning Jog Sponsor - Vanguard
- Coffee Break Sponsor - Greenlight Re
- Ice Cream Sponsor - Captive Resources / Kensington
- Media Sponsor - Cayman Financial Review
- Water Sponsor - Towers Watson
- Forum Note Pads & Pens - Legal Solutions Group

# IMAC Educational Scholarship Fund Report



**Merta Day, Mike Bowerman, Barbara Clark, Brittany Borden, John Pitcairn, Linda Haddleton**

The IMAC Educational Scholarship received 30 inquiries for this year's scholarship program, and interviewed 26 of those applicants for the 2010 Tom Clark Scholarship. The directors of the scholarship are pleased to announce that Brittany Borden has been awarded a full scholarship to study Business Administration at Brock University in Canada.

The scholarship awarded in 2010 was dedicated to the memory of Tom Clark who sadly passed in 2009. Tom Clark, along with John Pitcairn, were instrumental in launching this scholarship program many years ago, and continued to be involved with it throughout the years.

The Fund is extremely grateful to all for their contributions in the 2009/10 fiscal year. The following is list of contributors as listed on IMAC's website: The following is a list of contributors as listed on IMAC's website:

- HSBC Bank \$60,000 (in memory of Tom Clark)
- IMAC \$60,000
- Ian Kilpatrick \$25,000
- Royal Bank of Canada \$10,000
- Operators Reinsurance Company \$5,000 (in memory of Tom Clark)
- Wells Fargo \$5,000
- Munder Capital \$3,200
- Baystate Health Insurance Company, Ltd \$1,500 (in memory of Tom Clark)
- Innershield, Ltd \$1,500
- Cayman Captive Forum 2009 Speakers \$1,450 (in memory of Tom Clark)
- Howard University Capitol Insurance Co. Ltd \$1,000
- Middlebury Assurance Company \$1,000
- SSMHC Insurance Company \$1,000
- Westside Insurance Company \$800
- American Specialty Insurance Company \$500
- Associated Long Care Insurance Company \$500
- Atlantic Northern Insurance Company \$500
- Avon Insurance Company \$500
- Caymich Insurance Company \$500 (in memory of Tom Clark)
- Coast to Coast Insurance \$500
- MaryLou Miller \$500 (in memory of Tom Clark)
- MBS Insurance Ltd \$500
- Paul & Alissa Matthews \$476.19
- Professional Protective Insurance, Ltd \$350

## Upcoming Events

### VCIA 25th Annual Conference

August 10 - 12, 2010  
Sheraton Hotel & Conference  
Center / UVM Davis Center  
Burlington, Vermont

### IMAC Annual General Meeting

September 10, 2010  
Lunch – The Ritz-Carlton  
Golf – The Ritz-Carlton  
Social – Abacus

### ASHRM Annual Conference

October 13-16, 2010  
Marriott  
Tampa, Florida  
[www.ashrm.org](http://www.ashrm.org)

### Cayman Captive Forum

November 30 – December 2, 2010  
The Ritz-Carlton  
Grand Cayman, Cayman Islands  
[www.caymancaptivee.ky](http://www.caymancaptivee.ky)



# Cayman 'number one' for catastrophe bonds

New figures have revealed the Cayman Islands are the leading offshore jurisdiction for listed catastrophe bonds.

More than 7.7 billion dollars in bonds have now been listed on the Cayman Islands Stock Exchange in the British Overseas Territory.

Cayman Finance chairman Anthony Travers, OBE, said the latest figures, emphasised the extraordinary growth in this particular sector since 2007 when the very first cat bond was listed in Cayman.

Mr Travers also stated that the figures demonstrate just how adaptable the Cayman Islands financial services industry has been in taking the structured finance model and providing a new form of insurance related product.

Catastrophe bonds bring a broad range

of benefits to insurers and insureds on a global basis by increasing the pool of funding and reducing insurance costs to end users.

Adding that he was "somewhat unclear" of the basis for recent Bermudian claims regarding cat bonds, Mr Travers also highlighted the statistics that showed Cayman has 74 series of catastrophe bonds listed with a value of 7.7 billion dollars whilst Bermuda has just 10 bonds listed with a value of 1.1 billion dollars.

Mr Travers said: "When you consider that the first cat bond was only listed in April 2007 it has been a great success story for Cayman and the Cayman Stock Exchange, particularly since Bermuda has in the past had the leading position in insurance related products.

"These are fully regulated and

transparent structures and, contrary to the misperceptions that still persist amongst a hard core of left leaning European bureaucrats, are quite typical of the well-structured financial products that are attracted to an offshore financial centre like the Cayman Islands precisely because of the quality of its legal and regulatory regime."

The news on the cat bonds comes shortly after figures emerged on the increasing number of hedge funds that are now registering in Cayman. Over 100 new funds are being registered each month.

The Cayman Islands are on track for more than 10,200 registrations by financial year end.

"This will exceed the all-time high watermark for the Cayman Fund Industry," added Mr Travers.

## Education Committee Report

A number of successful events were hosted by the Education Committee in the last quarter. On April 14 and June 22, two combined education and social events took place. The first event on April 14 included a presentation from Gordon Rowell, Head of Insurance

Supervision at CIMA, on CIMA's Rule on Risk Management, and a presentation from his Deputy, Dwight Merren, on CIMA's general filing requirements. This event was held at Grand Old House and was well attended.

This combined educational and social event proved very popular and led the Committee to adopt a similar format on June 22, when presentations at a Camana Bay movie theatre were followed by drinks and nibbles at Camana Bay's new "Michael's". This event commenced with a lunch for IMAC employer representatives, during which Gary Osborne demonstrated the value of the ICCIE designation. The lunch was attended by 22 representatives from 14 IMAC member firms and Gary's presentation was well received. For the remainder of the afternoon, many attendees from member firms received presentations from Pinnacle actuaries Joe Herbers, Pete Rauner and Paul Vendetti, following which Gary Osborne presented a "taster" session from the



**Gordon Rowell (CIMA) addresses a full house of IMAC members.**

# Education Committee Report continued

ICCIE syllabus, ably assisted by Paul Fordham as his on-line student. This event generated a lot of interest and discussion, and the Committee hopes that this will foster greater interest in, and investment by the membership in the ICCIE designation, with a view to maintaining and enhancing the knowledge base of the Cayman Islands captive industry.

The Education Committee also offered its 2010 Captive Basics Course which ran for six Tuesday evenings from April 13 at UCCI and the class room was full each evening. The course material was designed to provide a better depth of knowledge to persons who have been working in the industry for one or two years, and some more experienced attendees also obtained useful insights to the history and

outlook of the industry. The next combined education and social event will take place in the

October timeframe and details will be communicated to members in the near future.



**Ruwan Jayasekera (CIMA) talks to an attentive audience.**

## BDO Quiz Night Report

The second annual BDO/IMAC Quiz night was held on May 13, 2010 at Hard Rock Café. Ten teams took part in the battle for the trophy and fame, and included teams from Willis, Caledonian, Kensington, Crusader, CSI, Marsh, Atlas, two teams from USA Risk as well as a team from CIMA, the 2009 winners. The quiz consisted of eight rounds, including sport, cities and countries, general knowledge, local knowledge, famous people, a music round, a fun intelligence test and famous architectural monuments, testing the skill of all participants. CIMA (team name "Mount Trashmore") put up a fierce battle, but at the end of the night had to be content with second place and a chance to test their driving skills at the go cart track. Caledonian (team name "Four Celts and a Trini walked into a bar...") managed to uproot the reigning champions with only a two point difference at the end

of the evening, walking away with a very generous voucher for dinner at Agua Restaurant. CSI (team name "Dude, where's my answer?") took third place, only one point behind CIMA, and received a bowling voucher at Kingpin Bowling for their effort. Sadly, not all teams could be winners, and someone had to bring up the rear. This year, the booby prize, a cross word puzzle book to enjoy on

the beach, went to Atlas (team name "Atlas Multinationals"). This year's quiz also included a 'most original name' contest for teams. Willis walked away with the prize for "Willis Wonka's".

BDO would like to thank everyone for attending, and hope that we will be able to round up even more teams for next year's event.



**Caledonian receiving their trophy from GenTrenouth (right): L-R Fran Donoghue, Sabina Jerrybandan, Conor Jennings, Lesley Jennings and Glen Trenouth**

# Industry News



## Aon

Aon Cayman kicked off our Aon United Day with a donation from staff fundraising to the Cayman Islands Special Olympics and a morning of Bocce ball at Truman Bodden Sports Complex with athletes from the Special Olympics and Sunrise Adult Training Centre. Bocce is an official sport of the Special Olympics and the athletes “kicked our backsides”.

## Artex Risk Solutions, Ltd.

Damian O’Connor has recently been appointed as Assistant Vice President at Artex Risk Solutions (Cayman) Ltd. He replaces Dave Huber who has recently returned to Canada.



## Crusader International Management (Cayman) Ltd.



Crusader welcomes three “new” employees; Ella Ebanks as our Corporate Administrator/Compliance Officer, Angela McKennis as a Client Service Manager and April Panton who has returned to the Cayman Office from her two year stint in our Charleston Office. Her new role is Senior Manager, Sales and Development.

## Investors Trust

Investors Trust Assurance SPC (“ITA”) recently announced that Allison Clark has been hired as its new Vice President of Cayman Islands Insurance Operations. Ms. Clark is recognized for her professionalism within the insurance industry having served many years as a liaison with legal counsel, regulators and service providers to ensure compliance with local Cayman Islands laws and regulations.

The recruitment of Ms. Clark to head the Grand Cayman office reflects the continued growth of ITA, and follows up the appointment of Alan Brooks and Bryan Murphy as Cayman Islands resident, independent directors.

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