CELL COMPANY GUIDE 2014

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ASIA PACIFIC

REGIONAL OVERVIEWS
of all cell company jurisdictions

EXPERT ADVICE
on diverse use of the cell structure

DEFINITIVE GUIDE
to global cell companies

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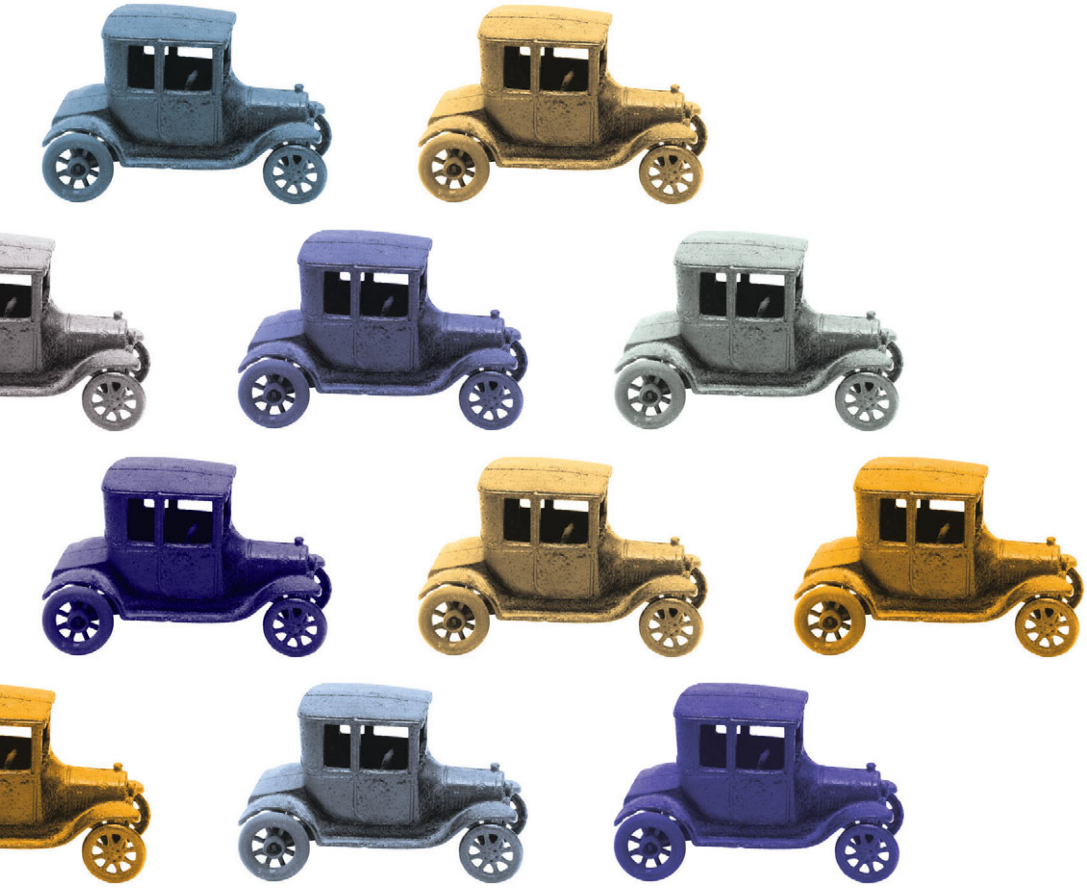

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INTRODUCTION

As cell company structures continue to take the captive insurance world by storm, protected cell companies (PCC) and incorporated cell companies (ICC) are undergoing vast progression as they increase in popularity.

Captive cells boast numerous advantages, such as significant cost and capital savings, ease of use and quick set-up. Cell structures also soften the burden that captives face under stringent regulatory changes, such as Solvency II in the European Union. For these reasons, this type of structure is becoming an increasingly popular alternative to the traditional captive, particularly with small to mid-sized businesses.

Increasing convergence of the insurance and capital markets, primarily in the form of insurance-linked securities (ILS), are also proving popular among cell companies although such structures can also be performed as a special purpose vehicle (SPV).

As cell structures are thriving in popularity, they are too making big steps in terms of development. The idea of a multi-use cell structure is just one element of progression predicted for the future.

> "The idea of a multi-use cell structure is just one element of progression predicted for the future"

In the *Captive Review Cell Company Guide 2014*, we catch up with professionals from leading domiciles in the captive industry to find out the latest developments in cell structures, and provide a comprehensive list of domiciles and cell companies across the globe.

Karolina Kaminska, staff writer

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Captive Review is published monthly by Pageant Media, Thavies Inn House, 3-4 Holborn Circus, London, EC1N 2HA
Printed by The Manson Group

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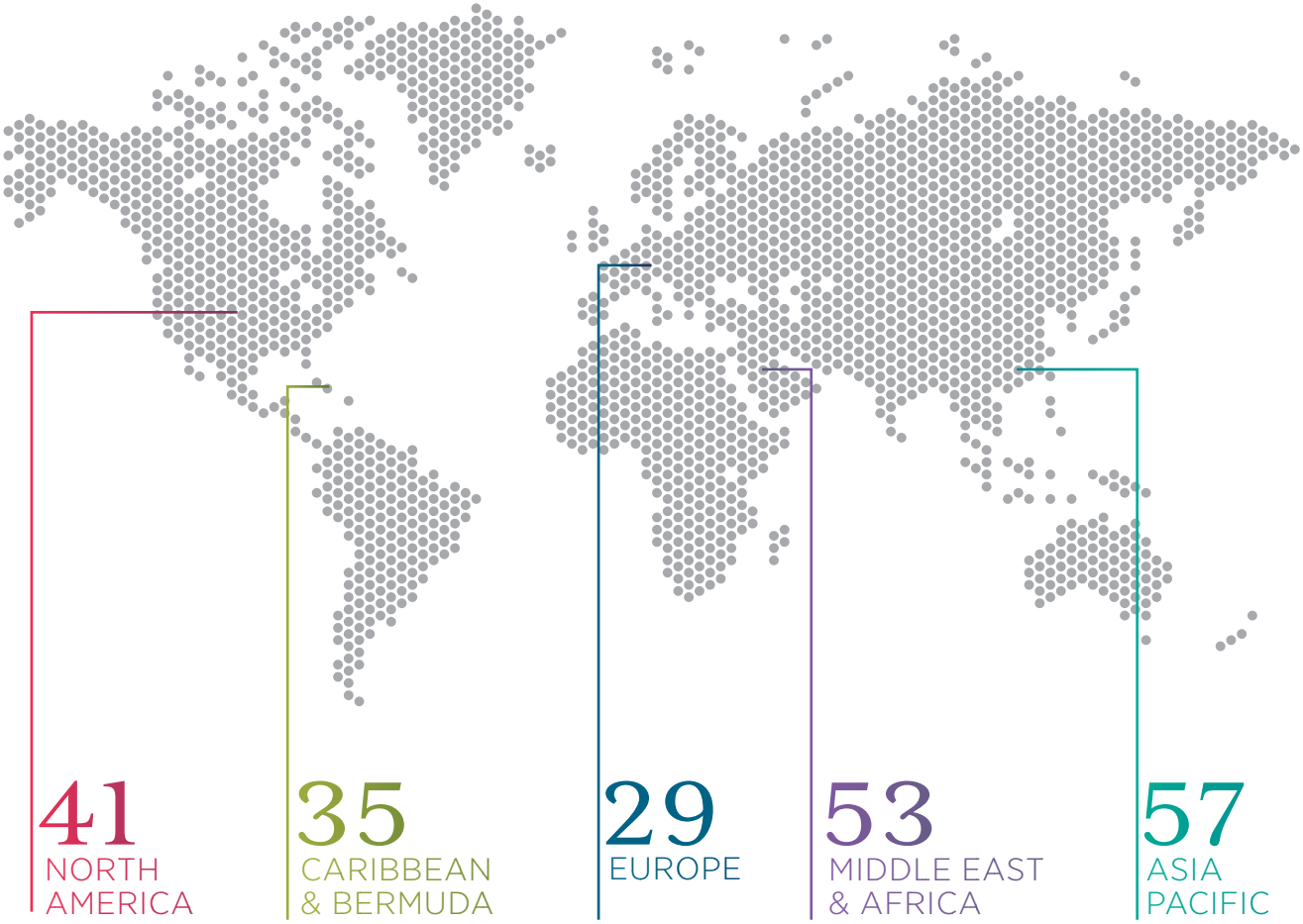


ILS AND BEYOND: WHERE NEXT FOR CELL COMPANIES?

Fiona Le Poidevin discusses the progression of cell companies in Guernsey and what the future holds for the industry

Steve Butterworth is the former head of insurance regulation in Guernsey who, in that role, introduced the protected cell company (PCC) to the world in 1997. Delivering a keynote speech at Captive Live UK in February this year, he made a number of suggestions about how the cell company concept might develop in the coming years. That one of his suggestions was a multi-use cell structure is probably not surprising given the way in which we see increasing convergence of the insurance and capital markets, primarily in the form of insurance-linked securities (ILS).

ILS

In Guernsey, we have already seen our PCCs and incorporated cell companies (ICCs) increasingly used for ILS structures. Figures from the Guernsey Financial Services Commission show that the number of international insurance entities domiciled in the island has grown from 687 at the end of 2011 to 790 at the end of March 2014 (see graph). This comprises 243 limited companies, 70 PCCs, 439 PCC cells, eight ICCs and 30 ICC cells (see table).

There were 99 new international insurance entities licensed in Guernsey during the 12 months to the end of March, comprising eight limited companies, five PCCs, 73 PCC cells, three ICCs and 10 ICC cells. While we continue to see a steady stream of conventional captive insurance vehicles, a significant number of the new entities relate to ILS transactions. Aon Captive and Insurance Managers in Guernsey and independent insurance manager Robus have been responsible for many of the new additions.

Written by
Fiona Le Poidevin

Fiona Le Poidevin is chief executive of Guernsey Finance, the promotional agency for Guernsey's finance industry. Previously a senior tax manager with a large accountancy firm, she has over 15 years' experience working in financial services in both the UK and Guernsey.

Robus' Hexagon PCC Group has established more than 40 protected cells in Guernsey, each writing one or more fully collateralised reinsurance contracts (sometimes known as private trades) in the non-life space with assets at risk exceeding $450m. These see each cell enter into an excess of loss/aggregate/quota share reinsurance policy for various covers such as property (natural and non-natural perils), marine, energy, crop, premium reinstatement or prize indemnity. The cell is then fully funded by the investing ILS fund up to the amount of its maximum obligation under the reinsurance contract.

Meanwhile, Aon's Guernsey office has been involved in more than 80 ILS transactions since 2006, with annual transactions increasing year on year. One of those is Solidum Re Eiger IC Limited, an insurance vehicle which listed bonds with a value of $52.5m on the Channel Islands Securities Exchange (CISE). The transaction was a reinsurance placement accepted by an incorporated cell from a US cedent. The transaction utilised a dual listing on the CISE and the Vienna Stock Exchange. It was also the first ever private catastrophe bond listed on any exchange worldwide.

Cell heritage

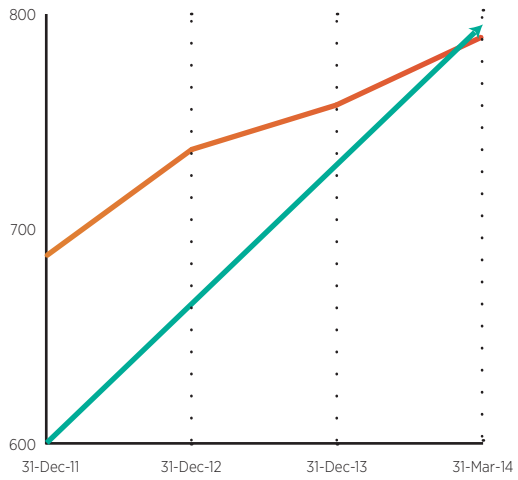
These examples demonstrate the way in which the use of cell companies has evolved markedly since the innovation of the PCC in Guernsey in 1997 and the subsequent introduction of the ICC with its heightened legal segregation.

They were first used as a tool within captive insurance. The segregation of assets and liabilities meant that parents established structures to write different lines of business through each cell and insurance managers set up their own PCCs or ICCs to 'rent' cells to different clients. The latter, in particular, helped make captive insurance more cost-effective and as such, meant that the concept moved from being just the preserve of large multinationals to increasingly viable for small and medium sized enterprises.

The fact that Guernsey pioneered the concept means that the island has developed significant experience and expertise in using cell companies. For example:

• Aon's White Rock Insurance Company PCC Limited was established in Guernsey as the first PCC in the world. Since inception it has been used by more than 100 corporations as a cell captive facility and grown to be the largest structure of its kind globally.

DATA | TOTAL INTL. INSURANCE ENTITIES



• White Rock Insurance (Guernsey) ICC Limited – also Aon owned – was the first ICC in the world to be insurance licensed.

• Guernsey-based Heritage Insurance Management (now Artex International) achieved a worldwide first in 2010 by amalgamating two PCCs – with 17 cells between them – into one.

Cell companies have now also become an established vehicle not just within the insurance sector but also other parts of the international financial services community, including wealth management and investment fund structuring. Indeed, the latest use of the cell company relates to the convergence of the insurance and capital markets, primarily in the form of ILS. Guernsey's cell company legislation has been specifically tailored to allow a particularly flexible use and is already being utilised for ILS deals, however, the growth of the sector means that multi-use cells are in demand.

Cells of the future

Under one of Butterworth's proposed structures, a company could write standard insurance business from the core of the PCC, with one cell a joint venture with contractors, another ILS-type cell bringing in investors to securitise catastrophic events and a 'dual trigger cell' which would bring in financial markets capital that will trigger if there is a combination of severe events in a given time frame.

He has also suggested that cell companies could potentially house various types of financial risk/product for financial conglomerates, albeit that the key to success with multi-use PCCs was to ensure watertight protection between cells.

This May's issue of *Captive Review* considered these ideas, including how Butterworth has suggested that in the future cells could revolutionise the financing of employee benefits, with each individual employee potentially owning a distinct cell, protected from the liabilities of the company and other employees.

Butterworth proposed a number of other ways PCCs could be restructured to optimise their efficiency: the creation of 'branch cells' (sub-cells belonging to individual cells within the PCC); 'driver cells' whereby an event drives one cell to trigger opposite reactions in two additional cells which already have the necessary capital in place to respond; and 'filter cells' whose purpose is to expire and then their assets and liabilities filter down into an ILS fund.

Pie in the sky?

Butterworth himself admitted some of these ideas may be "pie in the sky" but Malcolm Cutts-Watson, chairman of Willis Global Captive Practice – International, told *Captive Review* that "all these ideas have merit".

He added: "PCC legislation was created by Butterworth to be enabling, in that he did not have a clear picture at the time as to how PCCs could be used/evolve other than the obvious segregation of assets and liabilities. I see his latest observations as ongoing evidence of this ability of enabling."

The GFSC, which has established an innovation unit, told *Captive Review* that it "is always willing to discuss new structures and innovative uses of the PCC legislation" and it looked forward "to working with industry as they develop these ideas".

The *Captive Review* article concluded by saying that "the door is open for the next stage of cell evolution; now it is up to the captive management community to walk through it".

This is very appropriate because the Guernsey International Insurance Association (GIIA) has just commenced a series of blue sky sessions to ensure that Guernsey's insurance community is at the forefront of innovation in the sector. I should add that Butterworth is heavily involved in those discussions.

Conclusion

Guernsey introduced the PCC in 1997 and since then, the cell company has continued to evolve. Most recently, Guernsey's growth in PCCs, ICCs and associated cells has been in relation to ILS, where the island's experience in both insurance and investment funds, including listings on international stock exchanges, means it is ideally positioned to provide bespoke solutions to meet client needs. However, we're not resting on our laurels and we are once again ready to take up the mantel of pioneer.

DATA | CELL GROWTH TABLE

Date	Companies	PCCs	PCC cells	ICCs	ICC cells	Total international insurance entities
31-Dec-11	255	68	267	5	15	687
31-Dec-12	242	68	404	5	18	737
31-Dec-13	242	69	414	7	26	758
31-Mar-14	243	70	439	8	30	790

SEGREGATED RISKS, UNITED SUPPORT

Andrew Cater of United Insurance Company and its wholly owned subsidiary, United SPC, discusses the benefits of utilising segregated portfolio company cells

The use of cells by small-to-medium-size enterprises wishing to establish an effective risk management vehicle has over time become more common.

Nonetheless, the benefits of protected cells or segregated portfolio company (SPC) cells have not yet been fully realised by some in the insurance industry, particularly in relation to Europe-based managing general agents (MGAs).

Having a cell within an SPC structure, such as United SPC, allows MGAs to assume a share of the risks they underwrite. Not only can they take on underwriting risk on their own behalf, but they will also enjoy any underwriting profit that arises. While MGAs are also committing to take on any potential underwriting losses within such an arrangement, the alignment of interests between the MGA and its capacity providers in the insurance markets, results in increased focus on programme profitability/improved loss ratios and a more fine-tuned approach to risk management.

Written by
Andrew Cater

Andrew Cater is an assistant vice president at Aon Insurance Managers (Cayman) Limited and a senior underwriter for United Insurance Company, specialised in marine business. He has also run several MGAs, concentrating on cargo business. Having spent 15 years in Central and Eastern Europe, he joined United in Cayman in January 2012.

Multiple benefits

MGAs establishing a cell through United SPC have the additional benefit of working with United Insurance Company, which can act as a reinsurer to reinsure the cell's exposures. Furthermore, this can facilitate the cell owners (MGA) taking on more risk within their cell at the beginning of the process than they could if they were only using their own capital.

Overtime, MGAs can increase their capital and surplus within the cell using the underwriting profits made, allowing United Insurance Company to reduce the amount of reinsurance they provide as the cell increases its own risk (and therefore profit) exposure.

MGAs have frequently suffered at the hands of insurers who change their minds regarding the risk classes they agree to underwrite (or won't, in many cases). The SPC structure allows the MGA to take on a more central role in the insurance process, which in turn ensures that they are not completely subject to these whims when trying to find and renegotiate insurance carrier arrangements.

With their own cell, MGAs can more easily and competently present their programme, results and reinsurance agreements to an insurance carrier, which further doesn't have to concern itself with underwriting 100% of the risk.

Furthermore, having a cell that is reinsured by an A.M. Best A-rated company,

such as United Insurance Company, provides comfort to all parties involved in the process.

An SPC cell can be established for any number of insurance lines or markets, such as medical stop-loss, property or marine risks. Additionally, the cell can provide access to a greater number of reinsurance markets which can't be accessed in the conventional direct insurance sense.

Weighing up the options

Setting up an SPC cell in the Cayman Islands is relatively straightforward as long as the applicant meets the regulatory requirements. As with any other finance or alternative risk transfer vehicle, there are a number of hurdles that must be overcome in terms of the capital requirements, business plans and relevant documentation as well as KYC/due diligence procedures which must be carried out. If the cell application is put together thoroughly, then pending approval and putting in place the fronting carrier, a cell can be established in a matter of weeks.

Clients working with United SPC can utilise the auditing, actuary, legal and compliance teams that are already in place and can take comfort from knowing that a tried and tested superstructure, from which they can grow, exists.

Those considering the establishment of an SPC cell, whether MGAs or otherwise, must also give some thought to its closure, which is a key and inevitable part of the vehicle's life cycle. As United SPC is a wholly owned subsidiary of United Insurance Company, cell owners have the option of undertaking a loss portfolio transfer to United Insurance Company, where appropriate and subject to underwriting criteria. Depending on the structure and nature of a cell's programmes, United Insurance Company can assume their risks, allowing the cell's owner to exit. Such an arrangement can work to the benefit of both the cell owner and parent company and is something United SPC has solid experience in.

Of course, setting up an SPC cell is not for everyone and we advise that companies consider their options carefully before embarking on this route. It is important for the potential cell owner to assess their goals and objectives in respect of a risk transfer vehicle. The main purpose of an SPC cell should be to allow the owner, such as an MGA, to partake in profitable business where the amount of risk taken on can increase as the cell's capital grows. If this is not what a company wants to achieve, then the SPC cell may not be the best route for them to go down.

> "Going forward we anticipate that the SPC cell structure will continue to gain traction as its benefits and features become more widely recognised, both among MGAs as well as companies wishing to enter the self-insured and risk transfer space"

Assessing the needs of a company and what they seek to achieve from an alternative risk transfer solution is a learning curve in itself. Formulating a coherent and well thought out business plan is key to this process as well as contributing significantly to the success of the cell.

The use of a cell in this manner often involves a significant change of mindset and a shift in the company's modus operandi because ultimately, the owner is putting their own capacity and capital on the line – often for the better.

While the day-to-day running of a cell is not something that impacts its owner, it is important for them to be aware of what is happening from an underwriting perspective, as this will impact the performance, and ultimately, the profitability of the vehicle. An owner needs to be in regular contact with the cell's manager to ensure they have their finger on the proverbial pulse regarding the cell's performance, investment returns and expenses or losses associated with the programme.

United Insurance Company, contracting with Aon, provides all the underwriting, claims, accounting and corporate administrative functions necessary to run the SPC as a whole. As such, each cell can take advantage of the economies of scale built into the structure as well as the experience of the respective service providers.

The future is in the cell

Going forward we anticipate that the SPC cell structure will continue to gain traction as its benefits and features become more widely recognised, both among MGAs as well as companies wishing to enter the self-insured and risk transfer space.

Setting up in 1975, United Insurance Company is the longest established reinsurer in the Cayman Islands and United SPC was one of the earliest cell structures in the jurisdiction, established in 1998. Our longevity, experience and solid industry links with recognised reinsurers, service providers and brokers such as Aon Benfield place United Insurance Company, United SPC and our clients in a market-leading position.

We are currently working with a number of prospective cell owners in London, Central and Eastern Europe as well as North America and look forward to liaising with more clients interested in establishing a profitable and secure alternative risk transfer vehicle.

BUILDING BLOCK

Simon Rhoades talks to *Captive Review* about recently established Building Block PCC and why it stands out in the Maltese captive insurance industry

Written by
Simon Rhoades

Simon Rhoades is head of underwriting for Building Block Insurance (Malta) Limited (Building Block PCC). Simon has been in the insurance industry for over 20 years having specialised in liability insurance, affinity scheme underwriting and product development for companies such as Allianz, ACE and Swiss Re.

Captive Review (CR): Tell us about Building Block PCC. When was it established?

Simon Rhoades (SR): Building Block PCC acquired its licence in December 2013, which was granted by the Maltese Financial Services Authority (MFSA), with a view to catering for the growing demand for captive insurance solutions among the wholesale broker community. We offer the ability to write general insurance products and exercise passporting rights throughout the EU and EEA.

The company is fully capitalised in line with stringent EU regulatory minimum guarantee capital requirements and complies entirely with recent Solvency II legislation. The structure enables the flexibility to create cell facilities or incorporate business within the core of Building Block PCC itself, depending upon volumes.

The management team and board of directors combine a wealth of experience from a diversity of financial services backgrounds with all operations managed by Maltese industry experts – Ark Insurance Management PCC Ltd (AIMPCC) – a cell company authorised by the MFSA to act as an insurance manager. Building Block PCC is closely associated with the Totemic Group – a UK-based financial services company with annual fee income of €120m, employing 1,300 staff. As such we are well placed to offer innovative, bespoke solutions for companies and individuals alike eager to prosper from additional underwriting revenues, greater control of capacity and ultimately profit sharing opportunities.

CR: Who is your target market?

SR: While we consider a multitude of insurance classes and business profiles, maximum benefit will likely be derived from companies that have existing lines of business, with cover currently provided by a Lloyd's underwriter or alternative major carrier.

The typical client profiles are small to mid-sized UK based wholesale brokers that have established, well-managed lines of business with ideally limited exposure to catastrophe risk.

> "Those with affinity schemes or trade association business are particularly well suited to benefitting from owning and operating a cell of their own"

Those with affinity schemes or trade association business are particularly well suited to benefitting from owning and operating a cell of their own whereby assets are completely segregated and ring-fenced from the assets and liabilities of others'. Alternatively, those with newer lines of business can be incorporated within the core of Building Block PCC until volume is sufficient to warrant an individual cell.

CR: What are the biggest opportunities for Malta in the near future?

SR: The growth of captive insurers and cell companies across all jurisdictions over the past year has been relatively slow primarily due to the environment of soft premiums and the global economic slowdown. As the market hardens and business confidence begins to rise once again, Malta is extremely well positioned to benefit from the increasing awareness of captive and cell solutions.

To date Malta is the only EU member state to have adopted PCC legislation, with just 11 active PCCs in the marketplace. Consequently, small to mid-cap companies are expected to become a high growth area for Malta as they seek to compete directly with their larger counterparts by taking accountability and control for their own risk management strategy.

The recent failings of competing jurisdictions such as Gibraltar that have seen their less rigorous governance procedures exposed, suggests Malta can take advantage of enquiries from emerging insurance markets such as Eastern Europe and Asia. The regulator has implemented a firm yet innovative approach ensuring the fulfilment of strict criteria without inhibiting the growth prospects of the market. Alongside the favourable double taxation treaty network, Malta will continue to draw new investment and become an increasingly attractive domicile for companies looking to undertake insurance business.

CR: What made Malta an attractive domicile for Building Block PCC?

SR: Since joining the EU in 2004, Malta has continued to develop and establish

itself as an efficient and competitive domicile for the European onshore insurance industry. One of the key factors for choosing Malta is that it remains the only full EU member state which currently has the innovation of fully fledged PCC and ICC legislation.

Implemented in 2004, by the MFSA, the legislation allows insurers to create a structure which is less demanding on capital and take advantage of lower costs which are ultimately shared across the company. As an EU member Building Block PCC is able to provide services directly through the EEA (freedom of services), without the additional expense and requirements of traditional fronting arrangements.

Malta has a highly competent workforce with a burgeoning financial services sector which, in light of recent events, has proven resilient to the wider economic conditions, affecting the rest of southern Europe. A long history of attracting and maintaining foreign direct investment, efficient tax structure and extensive double taxation agreements, coupled with a regulator, the MFSA, which is widely recognised as approachable, innovative and flexible makes Malta an extremely compelling proposition.

CR: How does Building Block PCC stand out from its competitors?

SR: Licensed to write 18 classes of general business and as an independent protected cell company, Building Block PCC is able to provide a variety of insurance solutions tailored to the requirements of our clients.

In partnership with our insurance manager, AIMPCC, we are able to offer traditional cell hosting facilities for companies who wish to take control of their own risk management strategy or to write specific classes to third parties directly.

Building Block PCC has identified that one of the common barriers to accessing the captive arena is the provision of initial solvency capital. Having recognised this, Building Block PCC is prepared to provide the initial capital on a commercial basis to businesses that have proven schemes of prosperous business. As part of a wider financial services company, owned in the UK, Building Block PCC is also able to provide access to a variety of additional services.

CR: What are your ambitions for Building Block PCC over the next two to three years?

SR: Despite the relatively slow growth of cells over the last few years in Malta, I think that over the next two to three years there is a real opportunity to cement Malta at the forefront of captive domiciles. With the uncertainty surrounding the implementation of Solvency II removed, new innovative uses for cells emerging alongside an overdue shift towards a harder market as contributing factors, we are excited about the development of Building Block PCC over the coming years.

Through a flexible fee structure and via the provision of cell capital I believe that Building Block PCC is capable of becoming a standout competitor to not only alternative PCCs in Malta but also to the Lloyd's market for scheme business.

A UNIQUE PCC

Josef Tapper talks to *Captive Review* about environmentally friendly EIS PCC and what makes it unique in the PCC space

Captive Review (CR): Why have PCCs gained popularity in the insurance space in the EU? What benefits do they offer?

Josef Tapper (JT): Elektronikåtervinning i Sverige, the owner of EIS PCC is a collecting scheme of electronic products that are to be recycled according to the WEEE EU Directive, and was looking for an insurance vehicle to handle recycling insurance which should ensure future recycling costs of electronic waste in Sweden. We had already started to apply for a licence for a traditional captive when we heard about something called a PCC. After a short period of internal discussions, we took the decision to change into a PCC application along with its first cell 'WEEE Insurance Cell'. We got the licence approval for the PCC and the first cell at the end of last year.

The decision to change from a traditional captive into a PCC was mainly because of the many opportunities it gave us in comparison to a traditional captive, to increase our business and offer the concept of recycling insurance into other markets, in an easy and economical way. The possibility to share an insurance company is unique in Europe and attracted us. It matches our vision of a sustainable insurance business in a circular economy.

CR: Why is Malta a good place to establish a PCC?

JT: We find the business climate in Malta to be in favour for start-up businesses. And it is a good base for doing business within the EU with its new legal structure that is in the forefront in Europe in terms of compliance with the EU directives and regulations.

A start-up insurance company is in need of many consultants. The lower consultant costs Malta could offer compared to Sweden, was also an important reason why we chose Malta and to initiate the start-up of EIS PCC in Malta. And of course the Maltese sun is an added bonus!

Written by
Josef Tapper

Josef Tapper is the CEO of Elektronikåtervinning i Sverige. He has been working within the field of electronic recycling and sustainability since 2007. Josef's work with recycling combined with his entrepreneurial skills led him to take part in the set-up and licensing of European Insurance Solution (EIS) PCC.

CR: What particular benefits does EIS's PCC offer to businesses?

JT: EIS PCC offers benefits to businesses that want to improve their sustainable development, take environmental responsibility and work towards, and in, a circular economy. We offer a way to finance environmental responsibilities. We are lobbying among legislators in Europe to become more aware of the need of having the producers to pay according to 'polluter-pays-principle', within the environment and environmental liabilities and also show them a practical solution of financing this. As EIS PCC is the only insurance company in Europe working with recycling insurance, we have a great deal of work to do here. We see progress in legislation of producers' responsibility each year within different markets and different EU member states and therefore also the increase in need of recycling insurance. We have seven years of experience of working in the field.

> "The decision to change from a traditional captive into a PCC was mainly because of the many opportunities it gave us, in comparison to a traditional captive, to increase our business and offer the concept of recycling insurance into other markets, in an easy and economical way"

CR: What makes EIS PCC unique?

JT: As mentioned before, EIS PCC is initiated and fully owned by Elektronikåtervinning i Sverige, a collecting system of electronic waste in Sweden, with seven years of experience of producers' responsibility and recycling insurance. Our focus will be within environmental and producers' responsibilities, for example future restoration of grounds in the mining industry and wind power industry, any producer responsibility legislated by EU as WEEE, tires, cars etc. There is already an increase in demand of insurance solutions to ensure these future restoration and recycling costs. We believe that we are ahead in this market and in the way of thinking, than most other insurance companies in Europe.

CR: What are your predictions for the PCC sector in Malta as well as with EIS PCC in the coming year?

JT: I personally believe, from the owner point of view representing Elektronikåtervinning i Sverige, there have been too many PCCs established in Malta so far in relation to the amount of cells that have been set up. This means businesses are not as economically effective as they could be. My thought is that the market will mature and probably see some mergers between PCCs to consolidate and make business as effective as possible.

I would also like to congratulate Malta for its extremely qualified workforce when it comes to insurance expertise and the ability to understand and embrace an insurance market that is entirely new, in our case the recycling industry. For sure, that factor will be part of the success for the PCC sector in the coming years.

I believe EIS PCC has a strong advantage compared to several other PCCs in Malta, since we are deriving from a specific market with an increasing need of insurance solutions. This gives us a good position to grow also in the traditional rent-a-cell market.

> "Fiscal and political uncertainties need to be reduced for the PCC industry to be as efficient as possible. For example such an uncertainty as the waiting of an insurance legislation, Solvency II, slows down companies and businesses"

CR: What should be the next step to success for the PCC industry and EIS especially?

JT: I think fiscal and political uncertainties need to be reduced for the PCC industry to be as efficient as possible. For example such an uncertainty as the waiting of an insurance legislation, Solvency II, slows down companies and businesses.

Fiscal interpretations need to be better harmonised among member states in the European Union. Environmental directives and resource efficiency legislations, for example in the sectors of wind power and several producer responsibilities, are implemented and interpreted differently in every member state and even differently within the member states' different regions. This factor slows down companies and businesses. Even a country like Sweden still has a great deal of work in this area. To speed up the work in making such issues easier and more work friendly will help us and every company that work for a sustainable future to reach our goals.

Mangrove
Insurance Solutions

Mangrove Insurance Solutions PCC and Mangrove Insurance Solutions PCC Limited, domiciled in Washington DC and Isle of Man respectively, are licensed insurance and reinsurance companies. Both are ultimately owned by Marsh LLC and managed by Marsh's Captive Solutions Practice, and are ideal solutions for companies seeking cost-effective risk-financing alternatives and ways to retain risks associated with joint ventures, strategic alliances, and other special situations.

In the expanding PCC market, Mangrove provides companies:

- Benefits similar to those available through group and single-parent captives but at reduced start-up and ongoing costs, as well as quicker licensing timeframes and minimal time commitment.
- The opportunity to optimize the financing of their retained risks.
- The added benefit of legal separation of insurance assets and liabilities between each participant, thereby protecting a Mangrove participant from the liabilities and creditors of other cells. In addition, Washington D.C. captive statute allows cells within the PCC to establish themselves as either a traditional protected cell or an incorporated protected cell.

Marsh's Captive Solutions Practice, comprised of more than 450 captive advisory and management experts located throughout the globe, provides specialized expertise and strategic resources to help create a comprehensive, results-focused captive solution to meet a client's risk management needs.

For more information about Mangrove, visit www.mangrovepcc.com or contact:

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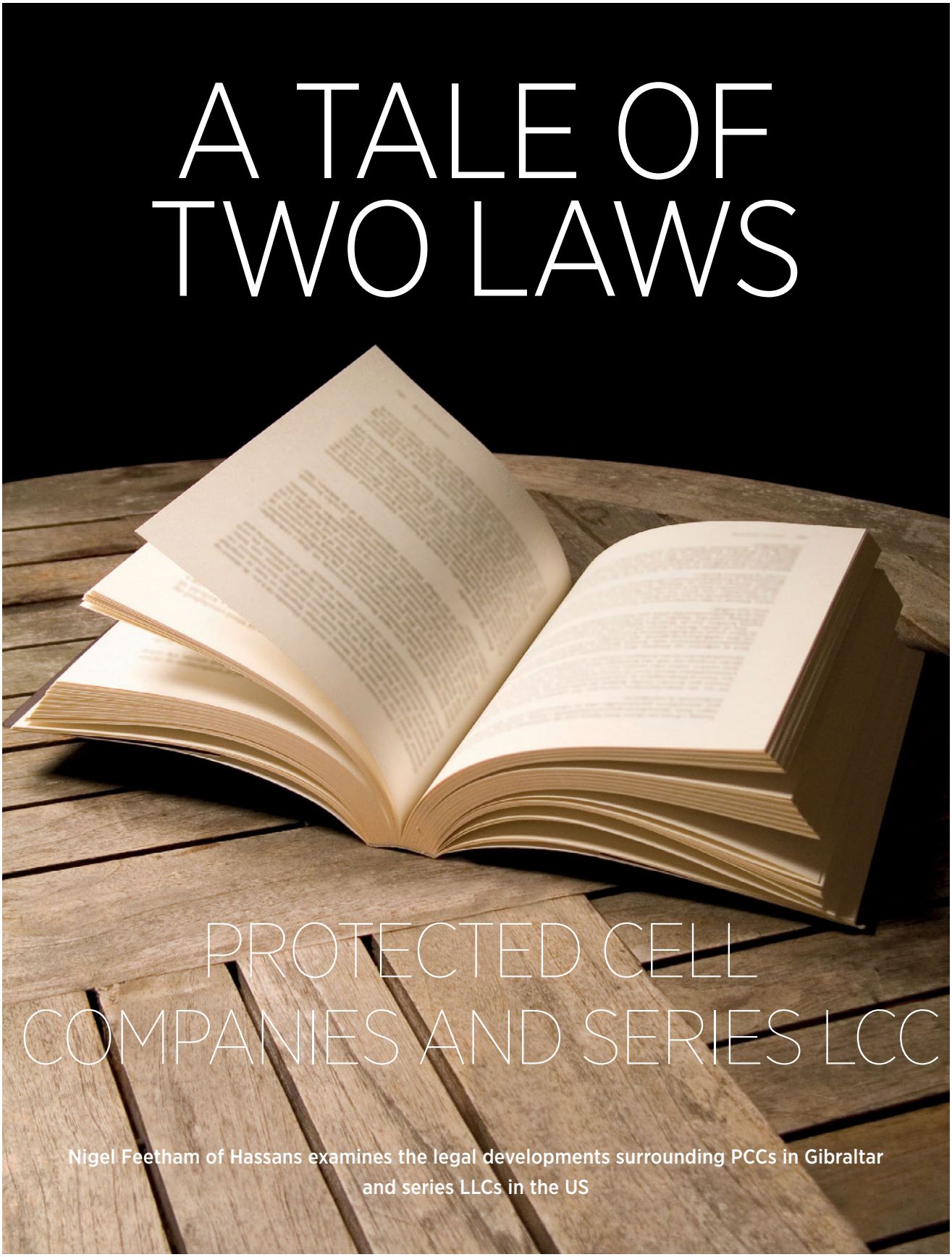
A TALE OF TWO LAWS



PROTECTED CELL COMPANIES AND SERIES LCC

Nigel Feetham of Hassans examines the legal developments surrounding PCCs in Gibraltar and series LLCs in the US

Segregated business forms operate across many jurisdictions around the world including the US and Europe. They are intended to segregate assets and liabilities for specific business transactions. The most familiar is the protected cell company (PCC) but other types of firms in many jurisdictions perform a similar function such as the US series LLC, the Italian regime ('dedicated assets to a specified activity' and 'financing allocated to a specific business activity'), the Luxembourg SICAV and securitisation regimes, the Irish investment fund, the French FCC, and more recently, the UK open-ended investment company (among others). But whereas in Europe the expansion and development of the concept (supported by the powerful insurance and investment sectors and endorsed by local regulators) appears to have gathered momentum, in the US it has yet to achieve the same level of official recognition, and more recently, in respect of the series LLC, the US Fifth Circuit Court of Appeals appeared to be reluctant to rule on the issue.

Written by
Nigel Feetham

Nigel Feetham is a partner at Hassans law firm and visiting professor at Nottingham Law School, Nottingham Trent University. Nigel is also the author or co-author of a number of books, including *Protected Cell Companies: a Guide to their Implementation and Use (2nd edition)*, co-authored with Professor Grant Jones. He has also consulted widely for clients on protected cell companies, including the Government of Gibraltar and regulators.

Insurance portfolio transfers and the PCC

Gibraltar implemented protected cell company legislation in 2001 and was the first European jurisdiction to do so. Since then Malta has implemented a PCC Act and the UK itself has introduced its own regime for open-ended investment funds. Whilst the exact number of companies operating as protected cells across the European Union is not known, it is likely to be over 100 in all jurisdictions and sectors. It is also of note that in Europe a PCC insurance company has the distinct advantage that the EU Insurance Insolvency Directive requires mutual recognition of a local insolvency process (which in the case of the PCC must include a PCC insolvency). The same applies to cross-frontier insolvencies under the European Insolvency Regulations. Therefore as a general rule an EU PCC insolvency should be respected across the EU and this augurs well for PCCs.

The Supreme Court of Gibraltar recently heard two applications; one application for the transfer of the insurance business of a Gibraltar PCC to an EEA insurer under Part I of Schedule 10 of the Financial Services (Insurance Companies) Act, and a separate but consequential application for the transfer of the cellular assets under the Protected Cell Companies Act. The proceedings were held in open court.

The case appears to be the first cross-border portfolio transfer application in respect of the insurance business of an EU PCC to a non-PCC.

Under Gibraltar law a transfer of insurance business from a Gibraltar life insurance company to another insurer requires Gibraltar Supreme Court approval. It should be noted, however, that no court approval is required for portfolio transfers by general insurance companies; only the approval of the local regulator, the Financial Services Commission (FSC), is required in that case and several such transfers have previously been approved by the FSC. The equivalent regime in the UK is the Part VII transfer provisions.

> "What we may now see as a result are portfolio transfers from ordinary companies to PCC insurers in the insurance run-off space where promoters are looking to segregate different portfolios using a PCC"

As would be expected, the Gibraltar legislation transposes all the requirements of the relevant EU insurance directives, including in respect of publicity of the application, policyholder notifications, and 'home state' consultation with the relevant EEA regulators. Applications are therefore matters of public record.

Under the court process, the judge is taken through the affidavit evidence by counsel for the applicant, especially the independent actuary's report and each statutory requirement that the applicant has to comply with in order to obtain the order sought.

Policyholders can object to the proposed transfer by contacting the applicant or the regulator, and also, they have a right to object directly to the court. It should be noted, however, that the question of approval of the scheme is one for the court alone.

In this case, the court also had to consider the consequential application for a cell transfer order under the Protected Cell Companies Act. These provisions apply to every PCC regardless whether business is being transferred from an insurance company or not. The PCC would be obliged to obtain the approval of the court before the transfer of the business can be made (save for transfers from cellular assets in the ordinary course of the company's business).

The case is interesting for several reasons. It is the first court application in Gibraltar under Part I of Schedule 10 of the Financial Services (Insurance Companies) Act and under the Protected Cell Companies Act. This should be helpful for the further expansion and development of local portfolio transfers. In some jurisdictions insurers may push back from court approved portfolio transfers in the absence of a local precedent.

Further, the case is important because of the very limited history of cross-border transfers of a PCC to a non-PCC anywhere in the world. What we may now see as a result are portfolio transfers from ordinary companies to PCC insurers in the insurance run-off space where promoters are looking to segregate different portfolios using a PCC. This is where the cellular structure comes into its own.

The other side of the Atlantic – a cautionary tale

Meanwhile, on the other side of the Atlantic, the US Court of Appeals for the Fifth Circuit has recently been given (and missed) the opportunity to provide judicial clarity to another type of segregated business form in the US, known as the series LLC. (When looking at this business form for 'series' read 'cell' and note that a series LLC can have many series just like a PCC can have many cells). The case is Glenn E. Alphonse, Jr. v. Arch Bay Holdings, L.L.C.; Specialized Loan Servicing, L.L.C. (filed 11 December 2013, although the court has determined that this opinion should not be published and is not precedent except for limited circumstances).

I am particularly interested in the series LLC because I discussed US legal developments for this type of firm in the book *Protected Cell*

Companies: a Guide to their Implementation and Use (2nd edition). I noted the lack of judicial authorities in the US, especially regarding the enforcement of the internal firewalls (also known as the statutory ring-fence) in other states, but given the wide spread use of the series LLC I considered it likely that judicial clarification was inevitable.

As an academic I therefore cannot hide my disappointment with the Fifth Circuit opinion. It is not necessary to restate the facts of the case or the court's legal analysis (or lack thereof). It seems clear (and not just to me) that the court appeared to have difficulty in finding an appropriate legal classification for a Delaware Series LLC: "…Series 2010B is a Series LLC, and Series LLCs only exist to represent the interest of the parent LLC, which in this case is Arch Bay." As other commentators have observed, the court's description of Arch Bay Holdings, LLC as the "parent" of "Series 2010B" must be legally wrong, even if it is open to the courts to conclude that the Series 2010B is "a distinct juridical entity". Admittedly, recognition that a series has separate juridical status (at least for certain legal purposes) should aid recognition of series separation by foreign states and countries, and therefore, its internal firewall more likely to be enforced across jurisdictions. Still, that does not make the legal relationship between an LLC and a series that of a parent and subsidiary. The court also described a series LLC as "basically a business entity within a business entity" (which, loosely, is not incorrect).

One could be forgiven for saying that the US court should have grasped the opportunity to provide a much needed judicial precedent. Instead, the question for consideration was remanded back to the US District Court to decide. Essentially, it dodged the question.

Judging the wind

The concept of segregated business structures is indeed very complex. Despite the fact that I have written extensively about the subject matter, I can say unashamedly that I still find it difficult to articulate clearly in oral discussion how they work. And if I find it difficult, it cannot be easy even for lawyers who practice in this business area, and less still for judges who may lack the experience of them at a commercial level. But as I attempted to discuss in my book, similar structures have already attracted multi-jurisdictional recognition through local laws and we are now at the stage of the evolutionary process where the cross-border recognition is the next step. In the US, unlike in Europe where European legislation has come to the aid of cross-border PCC transactions, only judicial authorities can provide the necessary certainty and predictability. It is therefore most unfortunate that the US Court did not do so in the above mentioned case.

> "One could be forgiven for saying that the US court should have grasped the opportunity to provide a much needed judicial precedent"

My natural apprehension for the series LLC is that they can be used as a cheap alternative to establishing a new corporate entity whereas legislatures around the world have tended to restrict the PCC for more sophisticated uses (especially insurance and investment funds). But, at the same time, US interstate series LLC transactions have become a fact of commercial reality which a court should not ignore, and absent any considerations of fraud or bad faith, they should take a realistic view of the position. This is even more so given the fact that many US States also have PCC legislation and accordingly should recognise a cell type structure.

Squaring the circle over liability

Over the years I have spent a lot of time thinking about cell structures, in particular consideration of the enforcement of the internal firewalls in foreign court proceedings. While judicial clarification would be extremely helpful, the fact that they have been endorsed by regulators and used throughout the world has become a more important factor in the quest for global recognition. Indeed, the absence of judicial decisions has not stopped the concept's expansion or development. But I am increasingly convinced that, notwithstanding cells (of a protected cell company) are not separate legal entities as such, it would help the process of judicial acceptance if a cell was treated, for certain legal purposes at least, as if it was. This is not the same thing as saying that a cell must be a legal person separate from the company

(i.e. have 'incorporated' status as in the case of the incorporated cell company). In my view this is neither necessary nor desirable. Rather, it can be treated by the applicable legislation for certain legal purposes as a separate entity.

It should then follow that a foreign court would be more likely to respect the internal firewalls by reference to the greater separation it offers; most importantly, the ring-fence protection in liquidation of its individual cells. This is because if a cell can be legally liquidated as if it was a separate legal entity, the liability of the cell (of a protected cell company) itself would not, in liquidation, be limited in any way; the liability of the cell (like of a limited company) would be unlimited but such liability would be discharged only from its assets. It would be the liability of its members which would be limited, in accordance with the universally accepted insolvency principle, and in liquidation the non-liability of other cells follows from the liability shield as separate legal entities. In my view, the important legal distinction is not the incorporation of a cell, but that the cell could be wound-up as if it was a company in liquidation under the insolvency legislation and that, therefore, for the purposes of the cell liquidation, each cell is endowed with a corporate shield.

Interestingly, this is where the US District Court (which will now have to consider the case again) may have been heading with its legal analysis that a series LLC was (per Judge Helen Berrigan) a "separate juridical entity": according to the court, the correct defendant in this claim should have been "Arch Bay Holdings LLC, Series 2010B" (not Arch Bay Holdings LLC).

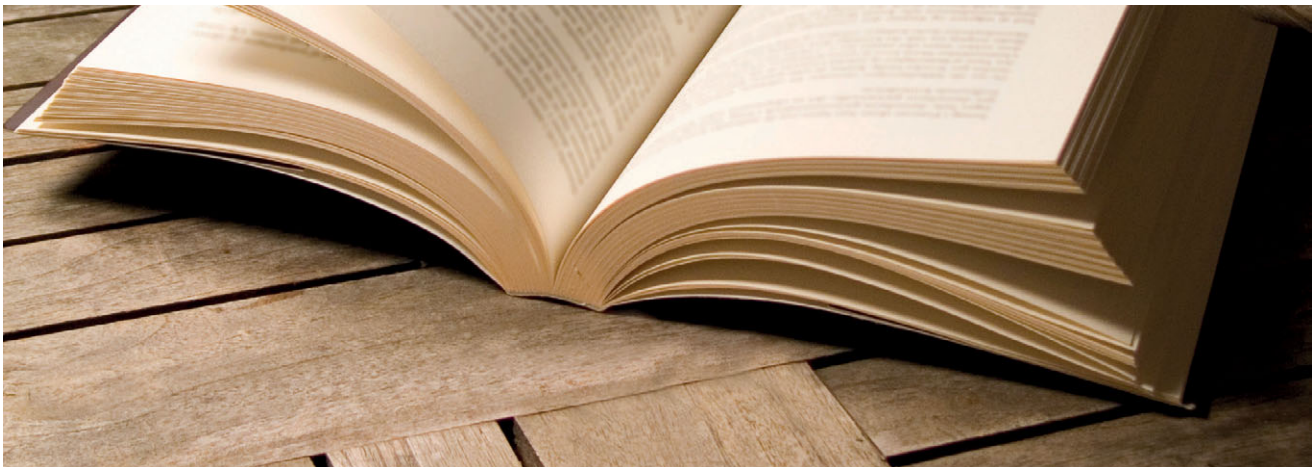
If a 'cell', 'series', 'segregated portfolio' (or whatever term is used), as a creation of local statute is treated for certain important legal purposes as a separate juridical entity (despite the fact that for other purposes it is not), that does seem to square the liability circle. In this regard, it is of note that in the case of PCCs, some jurisdictions have introduced ad hoc amendments to the original legislation to provide for cells to be treated as if they were separate companies in relation to certain matters (usually, liquidation and taxation e.g. Gibraltar) despite the fact that it is the PCC that still carries on business as a single legal person. In this sense, one could say a cell has 'quasi corporate status' even if it is not a company in its own right (which should offer a PCC more protection in a foreign court). Indeed, the clear direction of the local legislatures to courts in a foreign state is that a cell of a PCC should be treated as a separate entity for liability purposes.

> "Future growth areas for European cell companies is likely to be the portfolio transfer opportunities and insurance run-off market"

Whatever the uncertainties in the US might be for a series LLC, back in Europe a PCC established in the EU should also enjoy the protection of the EU insolvency regime. In my view, one of the future growth areas for European cell companies is likely to be in the portfolio transfer opportunities and the insurance run-off market. I also expect to see the expansion of the concept in the Asian region where its uptake has not been noticeable.

"The quest stands upon the edge of a knife. Stray but a little and it will fail. Yet hope remains while the company is true." (*The Lord of the Rings*).

It is usually the case in jurisdictions with financial centre aspirations that local lawyers pioneer ideas to promote a jurisdiction's competitiveness and the local legislature then implements them by statute. This is often done with a degree of flexibility in the expectation that in the development of local case-law the judiciary will be as flexible as possible within what was originally intended by the legislature. Sometimes the evidence of intention is not always apparent and the legislature has to step in to amend the existing law as courts begin to interpret it beyond the gaps left open by the legislation. If the statute finds favour it is soon adopted by foreign jurisdictions seeking the same competitive advantage for their own financial sector. Others may take longer to persuade as they wait for regulators and courts around the world to resolve any open questions. Whilst a local court can clearly only apply local laws and develop local jurisprudence, in a world where law reports are easily accessible over the internet (especially to the probing mind of the academic who writes about them in equally accessible local journals) this can often influence the development of similar legal concepts by foreign courts. Unfortunately, in the case of segregated business forms (whether PCC, series LLC or other), judicial guidance of any sort has not been there. That spurred the publication of the PCC book but the elusive quest for judicial acceptance of the cellular structure has not yet come to an end. Yet hope remains.



CELLS: THE NEXT GENERATION

Ian-Edward Stafrace, chief risk officer of Atlas PCC, talks to *Captive Review* about what differentiates Malta from other PCC jurisdictions and how cells are being handled under Solvency II

Written by
Ian-Edward Stafrace

Ian-Edward Stafrace, MSc Risk Management FCII FIRM PIOR Chartered Insurer – chief risk officer of Atlas Insurance PCC Ltd and member of its Solvency II team. He also co-founded and is currently vice president of the Malta Association of Risk Management (MARM) and a member of the Federation of European Risk Management Associations (FERMA).

Captive Review (CR): Malta is the only full EU member state with PCC legislation. How are cell structures handled in this onshore jurisdiction?

Ian-Edward Stafrace (IES): PCCs are essentially segregated business structures in which third-parties are allowed to enter as cell owners with their business segregated (ring-fenced) and accounted individually. Each cell's assets and liabilities accrue solely to the shareholders of that cell. Such cells could be used for multiple purposes such as captive risk financing tools or writing third-party risks for added revenue and profit.

Being domiciled within the EU, the Maltese PCC, on behalf of its cells, is allowed to write directly into Europe thus eliminating the need of having additional fronting insurers. Most EU countries would otherwise require domestic risks to be insured by a local insurance firm or one based within the EU. Using a fronting insurer can be expensive and may incur not just fronting fees but also the cost of letters of credit requested as support by the fronting insurer.

A feature that differentiates Maltese PCC regulation is that it presupposes individual cells have recourse to PCC core capital. While absolutely protected from liabilities from the core or other cells, a cell will not have to be capitalised to the minimum EU Directive requirements for standalone insurers so long as such requirements are met by the PCC as a whole. Maltese regulations establish that once the cell has exhausted all its assets in meeting its liabilities, such cell will have perfect access (secondary recourse) to the PCC core capital. This ensures that third-party policyholders or beneficiaries of a cell have the same level of protection required to be in place for other EU insurers. Non-recourse provisions are allowable under regulations but solely for pure captive (affiliated) or reinsurance cells.

> "Being domiciled within the EU, the Maltese PCC, on behalf of its cells, is allowed to write directly into Europe thus eliminating the need of having additional fronting insurers"

CR: Solvency II is set to go live in 2016 with interim measures already commencing from 2014. How is this implemented with protected cells?

IES: Solvency II is an opportunity we are keenly embracing. The Maltese PCC provides benefits on all Solvency II pillars, allowing substantial cost burden sharing and reducing own funds requirements.

As an EU member state and EIOPA member, Malta is contributing to the development of Solvency II. EIOPA, in its updated Solvency II Technical Specifications, prescribes that cells in PCCs should be considered and treated as ring-fenced funds. Under the quantitative capital requirements of Pillar I, a cell will typically only need to put up own funds equivalent to the calculation of the cell's notional solvency capital requirement (SCR), which with small undertakings often falls far below the typical absolute floor minimum capital requirement for standalone insurers of €3.7m. A PCC may also lend its unrestricted surplus core capital to cells to meet their notional SCR where in deficit.

A fully operational PCC will have risk management and governance requirements of Pillar II catered for under its regulated licence with cost sharing significantly benefiting cells while at all times retaining full protection of their assets from any unforeseen financial problems of other cells or the core. The same applies to Pillar III's Reporting and Disclosure require-

ments where all procedural structures and resources will be in place to meet the new extensive quarterly and annual reporting requirements as one single legal entity.

Small mono-line insurers and captives struggling with Solvency II requirements could very well consider converting to cells as an alternative to consolidation or closure.

Protected cells are therefore a cost-effective, extremely flexible and secure alternative to owning a standalone insurer, reinsurer or captive. Such structures can result in significant cost and capital savings for cell owners, even more so in the EU once Solvency II is implemented.

CR: What kind of businesses should consider using a PCC?

IES: Organisations have established cells as captive risk financing vehicles. Protected cells provide access to the reinsurance market with a lower cost per unit of cover versus the primary insurance market. Reinsurers tend to also be in a better position to underwrite unusual risks. Atlas was the first PCC to host an insured owned cell writing own motor fleet insurance directly to the UK.

The European market is a natural target for business to be written by a cell licensed in Malta enjoying the freedom to provide services in the countries forming part of the European Economic Area (EEA). Businesses not typically from the insurance sector have created cells to sell insurance to third-parties. Atlas hosts a cell owned by a large hotel chain which sells insurance as an optional bolt-on to hotel bookings. Another cell sells optional accidental damage insurance when the cell owner leases out property.

> "When Atlas converted to a PCC in 2006, we decided to remain independent while offering our cell hosting facility to the various management companies"

Non-European insurers have set up cells as fronting facilities in order to reduce their EEA fronting costs. Cells can also be created to handle run-off business or for special purpose applications by facilitating access to specialist risk-bearers.

CR: As an independent PCC, how do you open up your facility to insurance management companies?

IES: Maltese regulations cater for protected cells that are managed by licensed third-party managers.

Atlas's independence, together with its active core, allows insurance management companies the possibility of offering their clients an EU onshore protected cell facility that is also able to write third-party risks.

When Atlas converted to a PCC in 2006, we decided to remain independent while offering our cell hosting facility to the various management companies. This is achieved through an outsourcing agreement with the manager in respect of the specific cells they introduce.

Through our facility, managers do not need to commit unnecessary capital or the high costs required were they to own their own PCC.

CR: What do you expect from 2014?

IES: With certainty around the imminent implementation of Solvency II, we are seeing an increase in enquiries and engagements through leading insurance management companies and various entities seeking cost and capital savings, preferring the more efficient cellular route to writing insurance. While the majority of enquiries have traditionally emanated from the UK, we are very pleased to see increased numbers from continental Europe, where awareness of onshore PCC solutions is growing.

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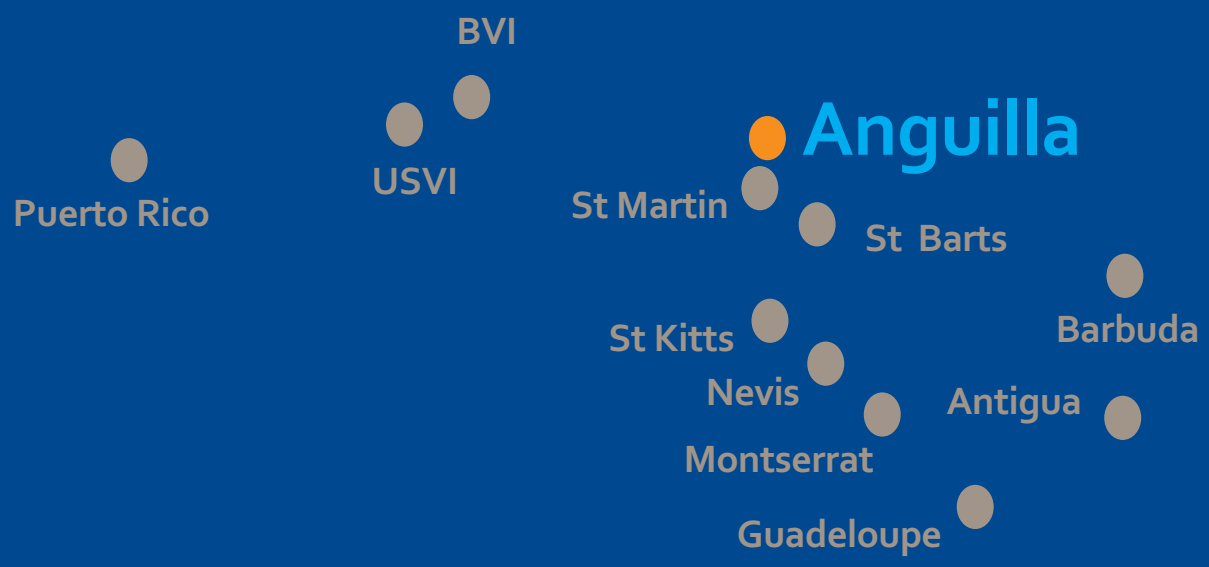

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THE ABC TO PCCS

Donna Weber and Derek Patience of Marsh Captive Solutions discuss the appeal of protected cell captives and how they compare between the US and UK

Captive Review (CR): What is a protected cell captive?

Donna Weber (DW): We started getting into the protected cells business, in terms of sponsoring protected cells, in late 2009. At Marsh, we currently have PCCs in Washington DC, mainly for the US market and the Isle of Man, mainly for the UK and European marketplace.

Derek Patience (DP): Marsh set up the Mangrove facilities to give clients an alternative captive solution, perhaps to cover instances where they were either unable or unwilling to own a single parent captive. Clients can now set up a cell within Marsh's protected cell company.

Some of the features of a PCC in the Isle of Man is that the core and its cells are all one single legal entity but each cell is separated both by statute and also by agreements. This means that the creditors for a particular cell effectively only have access to the assets within that cell.

Creditors can't access assets from any other cell, they can't access any assets of what is called the core, and the insurance agreements that the cell issues also contain a limited recourse provision, meaning that only the assets of a single cell can be used to satisfy any insurance obligations under the policy.

Although the PCC itself is all one entity, if a company sets up a cell, they have the comfort of knowing that their cell cannot be tainted by adverse results by any other cell.

DW: Because of the regulations in the two domiciles that we have chosen and because of the legal agreements that the cell and the protected cell company enter into, as Derek mentioned, there is complete segregation. Consequently, those individual cells can really feel like they are operating as a single parent captive and are protected against the outside liabilities and potential insolvency of other cells.

CR: Who should use a PCC?

DP: Typically, what we have seen is interest from smaller companies or companies with a lower cost of risk, and those who maybe are not in a position to set up their own captive. Therefore, the risks they are

Written by
Donna Weber

Donna Weber is responsible for client and product management, development and marketing of the Green Island Reinsurance Treaty. Green Island is a casualty reinsurance pool with approximately $670m in annual premium. Other responsibilities include the development and marketing of captive-related product solutions for clients.

Written by
Derek Patience

Derek Patience has been head of office at Marsh's captive management operation in the Isle of Man since 2003. Previously, Derek worked for 11 years in Marsh's captive operation in Bermuda. Derek is currently on the executive committee of the Isle of Man Captive Association and is also past chairman.

buying in the insurance market are not of a sufficient size that they could justify their own captive.

The cost benefit is there for everyone but it tends to be that smaller organisations will typically pay less in premium, so having a cell structure can be the best solution if some form of captive is needed.

DW: I would say the companies that set up cells are generally just as diverse as the organisations that form traditional captives. Companies that have lower levels of premium spend are certainly the top focus but they are also of interest to companies that need for some reason to segregate a certain type of risk or a certain one of its entities.

We have also seen cells incorporated to address special situations, like a one-off financing situation such as gaining access to a reinsurance market that otherwise they could not gain access to or a certain type of one-off risk that the company wanted to retain and they do so through a cell. These special situations aligned with clients with lower levels of premium spend is where we are seeing most PCCs created.

DP: Sometimes interest in cells stems from where there is perhaps an internal dispute between the decision makers at the parent company. While the risk manager or the insurance manager can see the merits in having some form of a captive, members of the board might be reluctant to set up what might be deemed as a financial company. The parent company's business might be in aviation, manufacturing, retail or any number of industries and certain company personnel will always want that to be the core focus. However, having a cell in an established PCC might actually be a way of satisfying both parties.

CR: How do capital requirements vary for PCCs?

DW: Generally, the capital requirements in Washington DC are similar to that of a single parent captive and so the requirements are very dependent on the risk that is actually written in the cell, the limits retained in the cell, etc.

I would say that there is a benefit in capital requirements for a cell. The difference really is in the minimum capital – in DC this is $100,000 – and that capital is contributed by the core. Therefore it doesn't need to be contributed twice by the core and the cell. In essence, where there is little to no risk, the cell does not need to put up the minimum capital that it would if it were a single parent captive. This could, for instance, be in a fully reinsured programme, which we have seen can be quite helpful as there wouldn't be any need for that minimum capital to be put up in the cell.

DP: You are also looking at pretty much the same example for the Isle of Man, in that yes it can help with the requirements. As Donna said, whether it is a cell or whether it is a standalone captive, the capital required must be sufficient to support the business being written. Although the minimum requirement is lessened, you probably will not see any difference in the actual capital required in most situations.

> "If a company sets up a traditional captive, yes it will be more expensive to run and operate, but they will essentially have total control, as opposed to a PCC where the owner of the core makes certain decisions on behalf of the cell"

CR: What are the main advantages and disadvantages of setting up a PCC?

DW: An advantage of setting up a PCC is its ease of use and that you can typically set them up more quickly than a single parent captive. Furthermore, there is no legal work required for its launch since the entity is already set up, and as we mentioned earlier, they are generally less expensive and also require less of a time commitment for the client, which in some cases can be quite important.

DP: As Donna mentioned, there is a reduced time commitment for the parent company with the PCC, because they do not have to travel to the domicile for board meetings. This makes it simpler for whoever the representative is at the parent company, and often a lot more attractive too.

However, there can sometimes be a lack of control with cells. If a company sets up a traditional captive, yes it will be more expensive to run and operate, but they will essentially have total control, as opposed to a PCC where the owner of the core makes certain decisions on behalf of the cell, such as choosing certain service providers (manager, auditor and actuary). The owner of the PCC would also typically require pre-approval of any new line to be written by the cell, dividends and other operational changes. Within a PCC there is not a separate board of directors for each cell and the core and so there is just one board of directors and one single entity and that covers whether there is one cell or 50 cells.

DW: In DC, the cell can actually be set up as a traditional protected cell, which would have the board of the core or it can be an incorporated protected cell. If it is incorporated, then that protected cell would have the option of appointing a separate board of directors for the cell, separate from that of Mangrove PCC.

This distinction of being able to incorporate a protected cell is useful for clients, typically US clients, that may want that cell to be a limited liability company, or if they want the cell to make an 831(b) election, which is an IRS tax election available to insurance companies in the US writing less than $1.2m of premium per year that meet certain risk transfer and distribution requirements.

DP: The legislation is slightly different on the Isle of Man in that there is separate PCC legislation and incorporated cell legislation, and so a cell company can be set up under one or the other. As Donna mentioned, in an incorporated cell company each cell is a separate legal entity, whereas in a protected cell company there is only one legal entity regardless of how many cells are in the vehicle.

The UK last year changed its CFC rules, so effectively the *de minimus* profit threshold was increased from £50,000 to £500,000, which again can make it attractive for smaller entities in that if their cell produces profits of less than £500,000, they don't have to pay any tax. It's just another advantage of a PCC, as well as any insurance advantages that may already be in place.

EUROPE

GIBRALTAR

LOCAL NAME FOR THE SERVICE	Protected Cell Company (PCC)
DATE CELL LEGISLATION WAS PASSED	1 November 2001
NAME OF CELL CAPTIVE LAW	Protected Cell Companies Act 2001
TOTAL NUMBER OF CELL COMPANIES	5
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	3 General Insurance PCCs operate 33 cells.
TOTAL CELL PREMIUM	£671m
ASSETS UNDER MANAGEMENT (AUM)	£1,923m
CAPITALISATION REQUIREMENTS	Companies are required to be capitalised in accordance with EU Solvency requirements. Minimum capital requirements are: General and reinsurance – classes 1 to 9 and 16 to 18 – €2,500,000; General and reinsurance – classes 10 to 15 – €3,700,000; Life business – €3,700,000
TAX REGIME FOR CELL COMPANIES/CELLS	The FSC does not comment on tax matters
LICENSING FEES	Application fees: General and Reinsurance – £4,000 plus £1,500 per cell; Life £10,000; Annual fees: General and Reinsurance £5,314 plus £1,988 per cell; Life £33,320
REGULATORY CONTACT NAME AND DETAILS	Michael Oliver – Head of insurance supervision; moliver@fsc.gi

GUERNSEY

LOCAL NAME FOR THE SERVICE	Protected Cell Company (PCC) and Incorporated Cell Company (ICC)
DATE CELL LEGISLATION WAS PASSED	PCC Ordinance 1997 & ICC Ordinance 2006
NAME OF CELL CAPTIVE LAW	The above ordinances have since been incorporated into "The Companies (Guernsey) Law, 2008", Parts XXVII and XXVIII
TOTAL NUMBER OF CELL COMPANIES	Protected cell companies: 71; Incorporated cell companies: 10 (as of 30 June 2014)
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	As at 30 June 2014 the total number of protected cells was 444 and incorporated cells 37
TOTAL CELL PREMIUM	Not disclosed
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	PCC, ICC & ICC cells – minimum capital £100,000 for general business or £250,000 for life business. Capital for PCC cells is assessed on an individual basis, based on risk.
TAX REGIME FOR CELL COMPANIES/CELLS	0%
LICENSING FEES	PCC/ICC Application and Annual fee = £5,155; PCC/ICC Cell Application fee = £1,455 Annual fee = £1,685
REGULATORY CONTACT NAME AND DETAILS	Dr Jeremy Quick, director of insurance, Insurance Division, Guernsey Financial Services Commission, PO Box 128, Glategny Court, Glategny Esplanade, St Peter Port, Guernsey, GY1 3HQ; Tel: +44 (0)1481 712706, Email: lharris@gfsc.gg

ISLE OF MAN

LOCAL NAME FOR THE SERVICE	Protected Cell Company (PCC)
DATE CELL LEGISLATION WAS PASSED	2004 and 2006
NAME OF CELL CAPTIVE LAW	Protected Cell Companies Act 2004 and Companies Act 2006
TOTAL NUMBER OF CELL COMPANIES	3
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	2
TOTAL CELL PREMIUM	Not disclosed
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	As per Schedule 6 to the Insurance (Protected Cell Companies) Regulations 2004 and in accordance with paragraph 5.5 of the Corporate Governance Code of Practice for Regulated Insurance Entities
TAX REGIME FOR CELL COMPANIES/CELLS	Zero rated
LICENSING FEES	Application fee £2,260 for a PCC; £1,130 for a cell. Annual fee PCC carrying on Class 1 or 2 business £25,525 or £51,050 if net assets (as defined) >£1bn. Annual fee for any other PCC 0.2% of net written premium per cell (each cell subject to minimum £570 (or £120 if dormant) and maximum £4,850) per year subject to a maximum aggregate of £28,500.
REGULATORY CONTACT NAME AND DETAILS	Wendy Sayer, Regulatory Manager – Non Life, Isle of Man Insurance and Pensions Authority, Ground Floor, Finch Hill House, Bucks Road, Douglas, Isle of Man, IM1 3DF. Tel: +44 (0)1624 646000. Email wendy.sayer@ipa.gov.im. Web: www.gov.im/ipa

JERSEY

LOCAL NAME FOR THE SERVICE	Jersey Financial Services Commission
DATE CELL LEGISLATION WAS PASSED	1 October 1996 (PCC and ICC see Note 1 below)
NAME OF CELL CAPTIVE LAW	Insurance Business (Jersey) Law 1996
TOTAL NUMBER OF CELL COMPANIES	1
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	1
TOTAL CELL PREMIUM	Not disclosed
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	£100,000 or as otherwise agreed with the Commission
TAX REGIME FOR CELL COMPANIES/CELLS	www.gov.je/TaxesMoney/IncomeTax/Pages/default.aspx
LICENSING FEES	£4,725 if the permit applied for or to be renewed is to be granted to a cell company; £2,700 if the permit applied for or to be renewed is to be granted to a cell and is to include long-term business of any class; £1,350 if the permit applied for or to be renewed is to be granted to a cell and is to include general business of any class.
REGULATORY CONTACT NAME AND DETAILS	David Hart, deputy director, Insurance, Jersey Financial Services Commission, 14-18 Castle Street, St Helier, Jersey, JE4 8TP, Tel: +44 (0)1534 822000, Email: d.hart@jerseyfsc.org

MALTA

LOCAL NAME FOR THE SERVICE	Protected Cell Company (PCC)
DATE CELL LEGISLATION WAS PASSED	2010 (replacing 2003 legislation)
NAME OF CELL CAPTIVE LAW	Companies Act (Cell Companies Carrying out the Business of Insurance) Regulations 2010; Companies Act (Incorporated Cell Companies Carrying out the Business of Insurance) Regulations 2010
TOTAL NUMBER OF CELL COMPANIES	As at June 2014: Insurers: 11 PCCs. Intermediaries: three PCC insurance managers, two PCC insurance brokers.
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	As at June 2014: Insurers: 25 cells, Intermediaries: four cells.
TOTAL CELL PREMIUM	Insurers: €153m in 2013 (provisional figure)
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	Affiliated business own funds requirement: Reinsurance – €1.2m; Combined insurance/reinsurance – €2.5m – €3.7m; General/Life insurance business – €2.5m – €3.7m depending on type and class of business
TAX REGIME FOR CELL COMPANIES/CELLS	35% tax on profits (possibility of refunds to shareholders)
LICENSING FEES	Application fee for authorisation to: 1. Carry on business of insurance as a cell company - €6,500; 2. Create a new cell to carry on business of insurance - €2,500 Annual supervisory fee for cell companies that do not issue insurance contracts from the non-cellular section of the cell company: €3,250; for each cell carrying on exclusively business of affiliated insurance - €3,250 Annual supervisory fee for cell companies that issue insurance contracts from the non-cellular section of the cell company: minimum fee of €3,250 according to gross premium received; for each cell carrying on exclusively business of affiliated insurance - €3,250. – Vide Insurance Business (Fees) Regulations, 2014
REGULATORY CONTACT NAME AND DETAILS	Malta Financial Services Authority (MFSA), Notabile Road, Attard BKR 3000, Malta, Tel: +356 2144 1155, Fax: +356 2144 1189, Email: communications@mfsa.com.mt, Web: www.mfsa.com.mt

CARIBBEAN & BERMUDA

ANGUILLA

LOCAL NAME FOR THE SERVICE	Anguilla Financial Services Commission
DATE CELL LEGISLATION WAS PASSED	15 December, 2004
NAME OF CELL CAPTIVE LAW	Protected Cell Companies Act R.S.A. c. P107
TOTAL NUMBER OF CELL COMPANIES	24
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	74
TOTAL CELL PREMIUM	Not disclosed
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	Not disclosed
TAX REGIME FOR CELL COMPANIES/CELLS	None
LICENSING FEES	US$1,500 per year; US$350 per cell
REGULATORY CONTACT NAME AND DETAILS	Lavie Hobson – senior regulator, MAICO Bldg 2nd Floor, P.O. Box 1575, Cosely Drive, The Valley, Anguilla, AI2640, Email: Lavie.Hobson@afsc.ai

Anguilla declined an invitation to update this data

BAHAMAS

LOCAL NAME FOR THE SERVICE	Segregated Accounts Company (SAC)
DATE CELL LEGISLATION WAS PASSED	1996
NAME OF CELL CAPTIVE LAW	Segregated Accounts Companies Act
TOTAL NUMBER OF CELL COMPANIES	4
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	74
TOTAL CELL PREMIUM	US$64.5m (provisional)
ASSETS UNDER MANAGEMENT (AUM)	US$47m (provisional)
CAPITALISATION REQUIREMENTS	General Insurance – Minimum US$100,000; Life Insurance – Minimum US$200,000
TAX REGIME FOR CELL COMPANIES/CELLS	Tax-free jurisdiction
LICENSING FEES	Application fee $100; annual registration fee (including company registry fees) unrestricted – US$3,500 + US$500 annual fee per segregated account
REGULATORY CONTACT NAME AND DETAILS	Michele Fields, superintendent of insurance, P.O. Box N-4844, 3rd Floor Charlotte House, Nassau, Bahamas, Tel: +1 242 397 4183 Fax: +1 242 328 1070, Email: info@icb.gov.bs

BARBADOS

LOCAL NAME FOR THE SERVICE	Protected Cell Company (PCC)
DATE CELL LEGISLATION WAS PASSED	2001
NAME OF CELL CAPTIVE LAW	Companies Act, Cap 308, 356.25B
TOTAL NUMBER OF CELL COMPANIES	16
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	13
TOTAL CELL PREMIUM	£493,179
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	Non-cell – min. US$125,000, each cell: US$12,500
TAX REGIME FOR CELL COMPANIES/CELLS	Exempt: none, qualifying: 1.75%
LICENSING FEES	Application fee – US$250; annual licence – US$10,000.00
REGULATORY CONTACT NAME AND DETAILS	Vernese Brathwaite, deputy supervisor of insurance and pensions, Office of the Supervisor of Insurance, 2nd Floor, Weymouth Corporate Centre, Bridgetown, BB11080, Barbados; Tel: +1 426 3815, Fax: +1 436 2699, Email: sofi @caribsurf.com

Barbados declined an invitation to update this data

BERMUDA

LOCAL NAME FOR THE SERVICE	Segregated Accounts Company (SAC)
DATE CELL LEGISLATION WAS PASSED	August 2000
NAME OF CELL CAPTIVE LAW	Segregated Accounts Companies Act 2000
TOTAL NUMBER OF CELL COMPANIES	281
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	Not disclosed
TOTAL CELL PREMIUM	Not disclosed
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	Bermuda companies are no longer subject to any general requirements with respect to minimum share capital. However a company that writes insurance is required by the Insurance Act 1978 to have a minimum authorised and issued share capital of at least US$120,000, all of which must prior to the company's registration as an insurer be fully paid in cash or marketable securities (for more detailed information please refer to Insurance Act 1978).
TAX REGIME FOR CELL COMPANIES/CELLS	None
LICENSING FEES	US$280 for each cell up to four cells. After four cells: no additional set-up cost
REGULATORY CONTACT NAME AND DETAILS	Regulatory issues under the SAC Act – Maria Boodram, asst registrar of companies, Tel: +1 441 297-7758 / Regulatory issues under the Insurance Act – Shelby Weldon, director insurance division, Tel: +1 441 278 0209

Bermuda declined an invitation to update this data

BRITISH VIRGIN ISLANDS

LOCAL NAME FOR THE SERVICE	Segregated Portfolio Company (SPC)
DATE CELL LEGISLATION WAS PASSED	2002
NAME OF CELL CAPTIVE LAW	BVI Business Companies Act 2004
TOTAL NUMBER OF CELL COMPANIES	18
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	12
TOTAL CELL PREMIUM	Not disclosed
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	General insurance $100,000; long-term insurance US$200,000
TAX REGIME FOR CELL COMPANIES/CELLS	None
LICENSING FEES	US$5,000 per SPC
REGULATORY CONTACT NAME AND DETAILS	Financial Services Comission, British Virgin Islands, Tel: +1 284 494 1324/4190 (Ext.4071), Fax: +1 284 494 5016, Email: lettsomee@bvifsc.vg

BVI declined an invitation to update this data

CAYMAN ISLANDS

LOCAL NAME FOR THE SERVICE	SPC-Segregated Portfolio Company
DATE CELL LEGISLATION WAS PASSED	May 1998
NAME OF CELL CAPTIVE LAW	The Companies Law (2010)Revision (Part XIV Segregated Portfolio Companies)
TOTAL NUMBER OF CELL COMPANIES	SPCs: 148 at March 2014
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	599 at March 2014
TOTAL CELL PREMIUM	US$917,007,880 as at 31 March 2014
ASSETS UNDER MANAGEMENT (AUM)	US$4,424,223,104 as at 31 March 2014
CAPITALISATION REQUIREMENTS	Class B(i): general business: US$100,000, long term: US$200,000, composite: US$300,000. Class B(ii): general business: US$150,000, long-term: US$300,000 composite: US$450,000. Class B(iii): general Business: US$200,000, long-term: US$400,000, composite: US$600,000. Please refer to "The Insurance (Capital and Solvency) (Classes B, C and D Insurers) Regulations, 2012" on the CIMA's website for more detailed information: www.cimoney.com.ky. Portfolio insurance legislation – The Insurance (Amendment) Law, 2013 – law not yet in force, as the PIC Regulations are pending cabinet approval.
TAX REGIME FOR CELL COMPANIES/CELLS	None
LICENSING FEES	Class B: Class B(i) CI$8,500 (US$10,365.85); Class B(ii): CI$9,500 (US$11,585.37); Class B(iii): CI$10,500 ($US12,804.88). Licensing fees for SPs: $304.88 for each segregated portfolio. Please refer to "The Insurance (Application and Fees) Regulations, 2012" and "The Insurance (Application and Fees) (Amendment) Regulations, 2013" on the CIMA's website for more detailed information: www.cimoney.com.ky
REGULATORY CONTACT NAME AND DETAILS	Morag Nicol, acting head of insurance

ST LUCIA

LOCAL NAME FOR THE SERVICE	Incorporated Cell Companies
DATE CELL LEGISLATION WAS PASSED	30 April 2007
NAME OF CELL CAPTIVE LAW	International Insurance Act, Chapter 12.15, International Insurance Regulations SI 2007 No.32
TOTAL NUMBER OF CELL COMPANIES	ICC: 6
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	IC: 11
TOTAL CELL PREMIUM	Not disclosed
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	ICC: $200,000 and a statutory deposit of $50,000; IC: $50,000
TAX REGIME FOR CELL COMPANIES/CELLS	Exempted from income tax or may opt to pay tax at a rate of 1%
LICENSING FEES	ICC: $2,500, IC: $500+ Certificate of registration fee of $1,000
REGULATORY CONTACT NAME AND DETAILS	Financial Sector Supervision Unit, 6th Floor Francis Compton Building, Waterfront, Castries, Saint Lucia

NORTH AMERICA

ALABAMA

LOCAL NAME FOR THE SERVICE	Protected Cell Company (PCC)
DATE CELL LEGISLATION WAS PASSED	2006
NAME OF CELL CAPTIVE LAW	Alabama Captive Insurers Act
TOTAL NUMBER OF CELL COMPANIES	1
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	1
TOTAL CELL PREMIUM	US$507,772
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	US$1,000,000
TAX REGIME FOR CELL COMPANIES/CELLS	ALA. Code 27-31B-16
LICENSING FEES	US$300
REGULATORY CONTACT NAME AND DETAILS	Sean Duke, Tel: +1 334 241 4165; Email: sean.duke@insurance.alabama.gov

ARIZONA

LOCAL NAME FOR THE SERVICE	Protected Cell Captive Insurers
DATE CELL LEGISLATION WAS PASSED	2004/2005
NAME OF CELL CAPTIVE LAW	ARS 20-1098.05 and 1098.06
TOTAL NUMBER OF CELL COMPANIES	1
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	Not disclosed
TOTAL CELL PREMIUM	Not disclosed
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	US$500,000
TAX REGIME FOR CELL COMPANIES/CELLS	Not disclosed
LICENSING FEES	No premium taxes for Arizona domestic captive insurers, New licence: US$1,000/ US$5,500 annual licensing renewal fee plus fees per cell
REGULATORY CONTACT NAME AND DETAILS	Vincent Gosz, chief analyst, Captive Division, 2910 N. 44th St, Suite 210, Phoenix, Az. 85018, Tel: +1 602 364 4490; Email: captive@azinsurance.gov or mscheiner@ azinsurance.gov

ARKANSAS

LOCAL NAME FOR THE SERVICE	Protected Cell Company (PCC)
DATE CELL LEGISLATION WAS PASSED	2001
NAME OF CELL CAPTIVE LAW	Acts 2001, No. 1391
TOTAL NUMBER OF CELL COMPANIES	0
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	0
TOTAL CELL PREMIUM	Not disclosed
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	Please see Ark. Code Ann. 23-63-1604 and 23-63-1605 for capital and surplus requirements
TAX REGIME FOR CELL COMPANIES/CELLS	See Ark. Code Ann. 23-63-1614
LICENSING FEES	Original application fee is US$500, issue licence fee of US$300. There is also the additional cost of an actuarial review (See Rule 73). Licence Renewal Fee US$300
REGULATORY CONTACT NAME AND DETAILS	Kimberly Johnson, Tel: +1 501 371 2680, Email: kimberly.johnson@arkansas.gov

DELAWARE

LOCAL NAME FOR THE SERVICE	Bureau of Captive and Financial Insurance Products
DATE CELL LEGISLATION WAS PASSED	2005
NAME OF CELL CAPTIVE LAW	18 Del. Code sections 6931-6938
TOTAL NUMBER OF CELL COMPANIES	13 cells; 371 series units
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	9 cells and 353 series units
TOTAL CELL PREMIUM	Updated information unavailable until after 30 June 2013
ASSETS UNDER MANAGEMENT (AUM)	Updated information unavailable until after 30 June 2013
CAPITALISATION REQUIREMENTS	Flexible
TAX REGIME FOR CELL COMPANIES/CELLS	Direct Premium 2/10 of 1% to a maximum of US$125,000; Assumed Premium 1/10 of 1% of US$75,000
LICENSING FEES	For cells there is a US$200 application fee; US$3,000 application processing fee; US$300 annual licensing fee. For series units the application fee is US$1,800 for those with annual premium less than or equal to US$1.4m and US$3,000 with premium greater than US$1.4m
REGULATORY CONTACT NAME AND DETAILS	Steve Kinion, Bureau of Captive and Financial Insurance Products; Karen Weldin Stewart, CIR-ML, Commissioner of Insurance, Delaware Insurance Department, 820 N. French St., Room 325A, Wilmington, Delaware 19801, Tel: +1 302 577 5258, Email: http://captive.delawareinsurance.gov/

Delaware declined an invitation to update this data

DISTRICT OF COLUMBIA

LOCAL NAME FOR THE SERVICE	Protected Cell Company
DATE CELL LEGISLATION WAS PASSED	Original protected cell legislation enacted on 25 October 2000. It was amended 30 November 2004 and again on 14 March 2007.
NAME OF CELL CAPTIVE LAW	Captive Insurance Company Amendment Act of 2006 D.C. Law 16-0286.
TOTAL NUMBER OF CELL COMPANIES	15
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	29
TOTAL CELL PREMIUM	US$71,008,211.68
ASSETS UNDER MANAGEMENT (AUM)	US$232,583,139.00
CAPITALISATION REQUIREMENTS	Minimum capital for the PCCI is US$250,000. No minimum capital for PCs and ICs. Amount of capital required for ICs and PCs is based on each PC or IC.
TAX REGIME FOR CELL COMPANIES/CELLS	0.250% on first US$25m, 0.150% on next US$25m. There is a US$7,500 minimum premium tax and US$100,000 maximum premium tax per PCCI and IC. PCCIs, PCs and ICs may also have a tax obligation to the US Internal Revenue Service.
LICENSING FEES	Licensing fees (US$500 one-time application fee for the PCCI and each IC or PC, and a US$300 annual renewal fee for each PCCI and IC).
REGULATORY CONTACT NAME AND DETAILS	Dana G. Sheppard, Associate Commissioner, Risk Finance Bureau, District of Columbia Department of Insurance, Securities and Banking, 810 First Street, NE Suite 701, Washington, DC 20002, Tel: +1 202 442 7820, Fax: +1 202 535 1199, Email: dana.sheppard@dc.gov, Web: www.disb.dc.gov

HAWAII

LOCAL NAME FOR THE SERVICE	Not disclosed
DATE CELL LEGISLATION WAS PASSED	Hawaii Revised Statutes, Title 24, Chapter 431, Article 19 (Enacted May 1986) Act 190, 2008 Legislative Session, enacted July 18, 2008, effective 7/1/08.
NAME OF CELL CAPTIVE LAW	Hawaii Revised Statutes, 431:19, Part III. Sponsored Captive Insurance companies
TOTAL NUMBER OF CELL COMPANIES	5
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	5
TOTAL CELL PREMIUM	US$18,942,560 (Assumed Reinsurance)
ASSETS UNDER MANAGEMENT (AUM)	US$246,018,380
CAPITALISATION REQUIREMENTS	Minimum statutory requirements = US$500,000
TAX REGIME FOR CELL COMPANIES/CELLS	0.25% on premiums from US$0 up to US$25m; 0.15% on premiums from US$25m up to US$50m; 0.05% on premiums from US$50m up to US$250m; 0.00% on premiums more than US$250m
LICENSING FEES	US$1,000
REGULATORY CONTACT NAME AND DETAILS	Sanford A. Saito – Acting Deputy Commissioner and Captive Insurance Administrator, 335 Merchant Street, Room 213, Honolulu, HI 96813, Tel: +1 808 586 0981; Fax: +1 808 586 0987, Email: captiveins@dcca.hawaii.gov, Web: www.captiveinsurance.hawaii.gov

KENTUCKY

LOCAL NAME FOR THE SERVICE	Sponsored Protective Cell (SPC)
DATE CELL LEGISLATION WAS PASSED	2000, amended in 2006
NAME OF CELL CAPTIVE LAW	Kentucky Revised Statutes (KRS) 304, Subtitle 49, Captive Insurers
TOTAL NUMBER OF CELL COMPANIES	0
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	0
TOTAL CELL PREMIUM	0
ASSETS UNDER MANAGEMENT (AUM)	0
CAPITALISATION REQUIREMENTS	Sponsored cell company is US$1m
TAX REGIME FOR CELL COMPANIES/CELLS	Fees and taxes, standard for all captives; Captive Insurer Premium Taxes (due 1 March and paid in lieu of all other state taxes); US$m direct premium tax rate % assumed: 0-20 0.4 0.225; 20-40 0.3 0.15; 40-60 0.2 0.05; 60+ 0.075 0.025
LICENSING FEES	Total admission fees: US$600, total renewal fees: US$300
REGULATORY CONTACT NAME AND DETAILS	Russell Coy II, Tel: +1 502 564 6082; Toll-free: +1 800 595 6053; Fax: +1 502 564 4604; Email: Russell.Coy@ky.gov; Web: http://captive.insurance.ky.gov, Address: PO Box 517, Frankfort, KY 40602

MAINE

LOCAL NAME FOR THE SERVICE	Sponsored Captive Insurance Companies
DATE CELL LEGISLATION WAS PASSED	2009
NAME OF CELL CAPTIVE LAW	Title 24-A M.S.R.A, Chapter 83: Captive Insurance Companies
TOTAL NUMBER OF CELL COMPANIES	0
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	0
TOTAL CELL PREMIUM	0
ASSETS UNDER MANAGEMENT (AUM)	0
CAPITALISATION REQUIREMENTS	Sponsored Captive – not less than US$500,000
TAX REGIME FOR CELL COMPANIES/CELLS	Captives now pay corporate tax and are eligible for Pine Tree Zone benefits
LICENSING FEES	Application Fee - US$1,000; Licence Fee - US$100; Annual Statement Fee - US$100; Reinstatement Fee - US$350; Redomestication Fee - US$500
REGULATORY CONTACT NAME AND DETAILS	Stuart Turney, State of Maine Bureau of Insurance, 34 State House Station, Augusta, ME, 04333-0034

MICHIGAN

LOCAL NAME FOR THE SERVICE	Protected Cell Companies (PCCs)
DATE CELL LEGISLATION WAS PASSED	13 March 2008
NAME OF CELL CAPTIVE LAW	Public Act 29 of 2008 adding Chapters 46, 47 and 48 to the Michigan Insurance Code
TOTAL NUMBER OF CELL COMPANIES	Not disclosed
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	Not disclosed
TOTAL CELL PREMIUM	Not disclosed
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	Note that any type of licensed Michigan captive may set up a cell with prior approval. Pure captive: US$150,000; Association captive insurance company incorporated as a stock insurer or organized as a limited liability company: US$400,000; Association captive insurance company incorporated as a mutual insurer: US$750,000; Industrial insured captive insurance company incorporated as a stock insurer or organized as a limited liability company: US$300,000; Sponsored captive insurance company: US$500,000; Non-profit pure captive insurance company: US$250,000; Special Purpose Financial Captive: US$250,000
TAX REGIME FOR CELL COMPANIES/CELLS	Not disclosed
LICENSING FEES	Michigan has an annual renewal fee that is based upon premium volume
REGULATORY CONTACT NAME AND DETAILS	David Piner, director of captives; 611 W. Ottawa, 3rd Floor, Lansing, MI 48909 Email: pinerd@michigan.gov; Tel: +1 517 335 1734; Fax: +1 517 241 4610

MONTANA

LOCAL NAME FOR THE SERVICE	Protected Cell Captive (PCC)
DATE CELL LEGISLATION WAS PASSED	April 2003, but updated in 2011 and 2013. Now have incorporated cells and series LLC capability
NAME OF CELL CAPTIVE LAW	Not disclosed
TOTAL NUMBER OF CELL COMPANIES	7
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	27
TOTAL CELL PREMIUM	Not disclosed
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	Core Company US$250,000 or US$5,000,000 depending upon number of cells and homogeneity of risk. No specific capitalisation requirement for individual cells.
TAX REGIME FOR CELL COMPANIES/CELLS	Cells are not taxed individually. Tax to core company is capped at US$100,000 with a minimum of US$5,000.
LICENSING FEES	Fees apply to core company only; application fee US$200; licensing fee US$300
REGULATORY CONTACT NAME AND DETAILS	Steve Matthews, captive co-ordinator, Office of the Commissioner of Securities and Insurance, Montana State Auditor, Tel: +1 406 444 4372, Email: SMatthews@mt.gov

NEVADA

LOCAL NAME FOR THE SERVICE	Sponsored captives
DATE CELL LEGISLATION WAS PASSED	2005
NAME OF CELL CAPTIVE LAW	Added to the Captive Insurance Legislative statutes which were originally passed in 1999
TOTAL NUMBER OF CELL COMPANIES	7 sponsored captives with or without cells
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	19
TOTAL CELL PREMIUM	Not disclosed
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	The sponsored captive must maintain US$500,000 in capital and surplus. The protected cells utilise the sponsored capital
TAX REGIME FOR CELL COMPANIES/CELLS	US$m: 0-20; 20-40; Over 40; US$5,000 minimum and US$175,000 maximum
LICENSING FEES	Initial licensing fee – US$300; annual renewal fee US$300. Annual administration & enforcement fee (per NRS 680C) – US$250
REGULATORY CONTACT NAME AND DETAILS	Division of Insurance, Tel: +1 775 687 0700, Fax: +1 775 687 0787, Email: mlynch@doi.state.nv.us

OHIO

NEW FOR 2014

LOCAL NAME FOR THE SERVICE	Ohio Department of Insurance
DATE CELL LEGISLATION WAS PASSED	The legislation was passed on 04/06/2014, signed into law by Governor John R. Kasich on 17/06/2014 and will become effective on 25/09/2014.
NAME OF CELL CAPTIVE LAW	Substitute House Bill Number 117
TOTAL NUMBER OF CELL COMPANIES	N/A
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	N/A
TOTAL CELL PREMIUM	N/A
ASSETS UNDER MANAGEMENT (AUM)	N/A
CAPITALISATION REQUIREMENTS	Pure captives are set at US$250,000 and protected cell captives are set at US$500,000. Both are subjected to risk-based capital (RBC) requirements.
TAX REGIME FOR CELL COMPANIES/CELLS	Tax is calculated at 0.35% on direct premiums and 0.15% on revenue from assured reinsurance premiums. The annual minimum is US$7,500 and a maximum of US$250,000
LICENSING FEES	The fee for licensure for both initial and renewal is US$500.00
REGULATORY CONTACT NAME AND DETAILS	The Ohio Department of Insurance 50 W. Town Street Columbus, Ohio 43215. Tel: +1 614 644 2658

OKLAHOMA

LOCAL NAME FOR THE SERVICE	Protected Cell Company (PCC), Incorporated Cell Company (ICC), SAC
DATE CELL LEGISLATION WAS PASSED	Not disclosed
NAME OF CELL CAPTIVE LAW	Captive Insurance Company Act
TOTAL NUMBER OF CELL COMPANIES	1
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	1
TOTAL CELL PREMIUM	Not disclosed
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	Depends on the type of captive formed. See Captive Insurance Company Act (36 Okl.St.Ann. 6470.6) – sponsored captives are required to have no less than US$500,000 in unimpaired aggregate paid-in capital and surplus
TAX REGIME FOR CELL COMPANIES/CELLS	See the Oklahoma Captive Insurance Company Act (36 Okl.St.Ann. 6470.19)
LICENSING FEES	US$500 the first year, US$300 annually thereafter
REGULATORY CONTACT NAME AND DETAILS	Lauren Bouse, Email: lauren.bouse@oid.ok.gov

SOUTH CAROLINA

LOCAL NAME FOR THE SERVICE	Protected Cell Insurance Company
DATE CELL LEGISLATION WAS PASSED	2000
NAME OF CELL CAPTIVE LAW	Sponsored Captives
TOTAL NUMBER OF CELL COMPANIES	2
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	27
TOTAL CELL PREMIUM	Not disclosed
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	Minimum US$1,000,000. Director may reduce to US$300,000 under certain circumstances
TAX REGIME FOR CELL COMPANIES/CELLS	Tax to be paid to the department by 1 March of each year, at the rate of 4/10s of 1% on the first US$20m and 3/10s of 1% on each dollar after that, up to a maximum tax of US$100,000. Taxes are based on the direct premiums written or contracted for on policies or contracts of insurance written by the captive during the year ending 31 December next preceding, after deducting from the direct premiums subject to the tax the amounts paid to policyholders as return premiums
LICENSING FEES	US$300 first year, US$500 renewal
REGULATORY CONTACT NAME AND DETAILS	Jeff K. Kehler, South Carolina Captive Insurance Division, Tel: +1 803 737 6118, Email: jkehler@doi.sc.gov, Web: www.doi.sc.gov

TENNESSEE

LOCAL NAME FOR THE SERVICE	Protected Cell Company (PCC)
DATE CELL LEGISLATION WAS PASSED	Effective date of Statute is September 1, 2011
NAME OF CELL CAPTIVE LAW	Revised Tennessee Captive Insurance Act
TOTAL NUMBER OF CELL COMPANIES	12
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	74
TOTAL CELL PREMIUM	Not disclosed
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	US$250,000
TAX REGIME FOR CELL COMPANIES/CELLS	Direct Premiums: 0.04% for the first US$20,000,000; 0.03% thereafter. Reinsurance Premiums: 0.225% for the first US$20,000,000; 0.15% for the next US$20,000,000; 0.05% for the next US$20,000,000; and 0.025% thereafter
LICENSING FEES	US$675
REGULATORY CONTACT NAME AND DETAILS	Michael A. Corbett – Director Captive Insurance Section, Tel: +1 615 741 3805, Email: captive.insurance@tn.gov

UTAH

LOCAL NAME FOR THE SERVICE	Captive insurance
DATE CELL LEGISLATION WAS PASSED	1 July 2003
NAME OF CELL CAPTIVE LAW	Captive Insurance Companies Act
TOTAL NUMBER OF CELL COMPANIES	3
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	55
TOTAL CELL PREMIUM	Not disclosed
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	US$500,000 capital, US$500,000 surplus for sponsor
TAX REGIME FOR CELL COMPANIES/CELLS	No state premium tax
LICENSING FEES	US$200 application fee
REGULATORY CONTACT NAME AND DETAILS	David J. Snowball – Captive Insurance Director, Utah Insurance Department, State Office Building, Suite 3100, Salt Lake City, UT 84114, Tel: +1 801 538 3817, Email: djsnowball@utah.gov

VERMONT

LOCAL NAME FOR THE SERVICE	Sponsored Captive
DATE CELL LEGISLATION WAS PASSED	1 July 1999, revised 2000, 2003, 2011
NAME OF CELL CAPTIVE LAW	V.S A. Title 8 Chapter 141, subchapter 2 (section 6031-6038)
TOTAL NUMBER OF CELL COMPANIES	20
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	64
TOTAL CELL PREMIUM	US$169,349,000
ASSETS UNDER MANAGEMENT (AUM)	US$1,217,744,000
CAPITALISATION REQUIREMENTS	US$500,000
TAX REGIME FOR CELL COMPANIES/CELLS	See V.S.A Title 8, Chapter 141, §6014
LICENSING FEES	US$500 initial licence fee; US$5,000 actuarial review of application; US$500 yearly licence renewal fee.
REGULATORY CONTACT NAME AND DETAILS	David Provost – deputy commissioner – Captive Insurance, 89 Main Street, Montpelier, VT 05620-3101, Tel: +1 802 828 3304 / +1 802 828 3460, Email: captivemail@state.vt.us

MIDDLE EAST & AFRICA

DUBAI

LOCAL NAME FOR THE SERVICE	Protected Cell Company (PCC)
DATE CELL LEGISLATION WAS PASSED	September 2004
NAME OF CELL CAPTIVE LAW	Not disclosed
TOTAL NUMBER OF CELL COMPANIES	1
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	Not disclosed
TOTAL CELL PREMIUM	Not disclosed
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	Non-cellular assets: US$50,000. Cellular assets: US$50,000. PCCs are subject to a risk-based capital requirement. If this leads to a higher figure than the minimum, then this higher figure will apply.
TAX REGIME FOR CELL COMPANIES/CELLS	0% tax rate on income and profits
LICENSING FEES	Application fee of US$200 and a US$2,500 licensing fee
REGULATORY CONTACT NAME AND DETAILS	Reinsurance and Captives Department, Tel: +971 (0)4 362 2222; Email: captives@difc.ae. For information on legislation, applications or registration, contact the Dubai Financial Services Authority, Tel: +971 (0)4 362 1500 Web: www.difc.ae

Dubai declined an invitation to update this data

MAURITIUS

LOCAL NAME FOR THE SERVICE	Protected Cell Company (PCC)
DATE CELL LEGISLATION WAS PASSED	THE PROTECTED CELL COMPANIES ACT 1999 – 1 January 2000 (Consolidated version with amendments as at 01 November 2012)
NAME OF CELL CAPTIVE LAW	The Protected Cell Companies Act
TOTAL NUMBER OF CELL COMPANIES	Not disclosed
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	Not disclosed
TOTAL CELL PREMIUM	Not disclosed
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	The capitalisation requirements will depend on the activities of the Protected Cell Companies. CIS (expert fund): minimum capital requirement = US$100,000; Insurance: A stated capital equivalent to not less than 25 million rupees; Asset holding/investment holding: no prescribed capital requirement
TAX REGIME FOR CELL COMPANIES/CELLS	Corporate tax in Mauritius is at 15%. GBC1 is entitled to a tax credit equivalent to the higher of the actual foreign tax suffered (underlying tax) or 80% of the Mauritius tax on its foreign source income. Effective tax rate: 3%.
LICENSING FEES	For Closed End Fund or Collective Investment Scheme structured as a PCC: *Processing fees: US$1,000 which includes the first cell and US$300 for each additional cell. *Annual fees: US$2,500 which includes the first cell and US$500 for each additional cell.
REGULATORY CONTACT NAME AND DETAILS	Financial Services Commission, FSC House, 54, Cybercity, Ebene, Republic of Mauritius, Tel: +230 403 7000, Fax: +230 467 7172, Email: fscmauritius@intnet.mu, Web: www.fscmauritius.org

Mauritius declined an invitation to update this data

NAMIBIA

LOCAL NAME FOR THE SERVICE	Contractual Cell Company
DATE CELL LEGISLATION WAS PASSED	1998
NAME OF CELL CAPTIVE LAW	Long Term Insurance Act (Act No. 5 of 1998), Short Term Insurance Act (Act No. 4 of 1998)
TOTAL NUMBER OF CELL COMPANIES	Not disclosed
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	Not disclosed
TOTAL CELL PREMIUM	Not disclosed
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	Capital - long-term insurance: N$100,000 for funeral, N$1m for single class of business, N$4m for any two or more classes of business. Capital - short-term insurance: N$1m for single class of business, N$4m for any two or more classes of business. Capital - reinsurance business (both long-term and short-term reinsurance): N$5m for single class of business, N$10m for any two or more classes of business. Treasury bills - long-term insurance: N$50,000 for funeral, N$100,000 for single class of business, N$200,000 for any two or more classes of business. Treasury bills - short-term insurance: N$50,000 for single class of business, N$100,000 for any two or more classes of business. Treasury bills – reinsurance (both long-term and short-term reinsurance): N$500,000 for single class of business, N$1m for any two or more classes of business.
TAX REGIME FOR CELL COMPANIES/CELLS	The rate applicable to traditional insurers. In Namibia, only income derived, or deemed to be derived, from sources within Namibia is subject to tax
LICENSING FEES	Registration fees: Intermediaries N$200 per application, N$200 per class of insurance business for insurance and reinsurance business Long-term insurance levies: Annual levy of 0.1% on un-matured policyholders liabilities Short-term insurance levies: Annual levy of 1% on gross written premium Intermediaries: Annual levy of N$1,000
REGULATORY CONTACT NAME AND DETAILS	Namibia Financial Institutions' Supervisory Authority, 154 Independence Avenue, Sanlam Centre, 1st Floor, Windhoek, NAMIBIA, Tel: +264 290 5000, Email: info@ namfisa.com.na

SOUTH AFRICA

LOCAL NAME FOR THE SERVICE	Cell Captive Insurance Companies
DATE CELL LEGISLATION WAS PASSED	No dedicated "cell" legislation. Cell captive insurers regulated by the Long-term Insurance Act No 52 of 1998 (life insurers) and the Short-term Insurance Act No 53 of 1998 (non-life insurers).
NAME OF CELL CAPTIVE LAW	See above
TOTAL NUMBER OF CELL COMPANIES	Not disclosed
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	Not disclosed
TOTAL CELL PREMIUM	Short-term insurers R12.5 bn, Long-term insurers R5.2bn
ASSETS UNDER MANAGEMENT (AUM)	Short-term insurers: R16.8bn, Long-term insurers: R7.9bn
CAPITALISATION REQUIREMENTS	Long term: The higher of either R10m or an amount representing operating expenses, multiplied by 13 and divided by 52 or, if different, the number of weeks included in the reporting period; or an amount equal to 0.3% of its gross contingent liabilities under unmatured policies. Short-term: The higher of R10m or an amount representing operating expenses, multiplied by 13 and divided by 52 or, if applicable, the number of weeks included in the reporting period; or 15% of the greater of the amount of the premium income of the insurer after deduction of all premiums payable by it in terms of any reinsurance policies entered into by it in respect of any policies during the period of 12 months immediately preceding the day on which the previous financial year ended or during the period of 12 months immediately preceding the day on which the calculation is made.
TAX REGIME FOR CELL COMPANIES/CELLS	Not disclosed
LICENSING FEES	A non-refundable application fee of R90,000 plus a registration fee of R80,000
REGULATORY CONTACT NAME AND DETAILS	Jonathan Dixon, deputy executive officer: Insurance, Financial Services Board Tel: +27 012 428 8050, Email: jonathan.dixon@fsb.co.za

ASIA PACIFIC

58 GUAM & VANUATU

GUAM

LOCAL NAME FOR THE SERVICE	Protected Cell Company (PCC)
DATE CELL LEGISLATION WAS PASSED	1997
NAME OF CELL CAPTIVE LAW	Within the Title 22, there is a Chapter 23 Captive Insurance Companies. Within Chapter 23, there are various captive company definitions which include "Protected Cell Company"
TOTAL NUMBER OF CELL COMPANIES	Not disclosed
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	Not disclosed
TOTAL CELL PREMIUM	Not disclosed
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	US$150,000
TAX REGIME FOR CELL COMPANIES/CELLS	No premium
LICENSING FEES	Application fee of US$200 and a US$2,500 licensing fee
REGULATORY CONTACT NAME AND DETAILS	PO Box 23607, GMF Guam, Tel: +671 635 1846, Fax: +671 633 2643, Email: jqcarlos@revtax.gov.gu

Guam declined an invitation to update this data

VANUATU

LOCAL NAME FOR THE SERVICE	Protected Cell Company (PCC), Incorporated Cell Company (ICC)
DATE CELL LEGISLATION WAS PASSED	PCC 2005, ICC 2009
NAME OF CELL CAPTIVE LAW	Protected Cell Companies Act No.37 of 2005. Incorporated cell companies. Act No. 25 of 2009
TOTAL NUMBER OF CELL COMPANIES	2
TOTAL NUMBER OF INDIVIDUAL ACTIVE CELLS	6
TOTAL CELL PREMIUM	US$1,273,880
ASSETS UNDER MANAGEMENT (AUM)	Not disclosed
CAPITALISATION REQUIREMENTS	Minimum capital of US$100,000 – general classes; US$200,000 – life and long-term
TAX REGIME FOR CELL COMPANIES/CELLS	Nil
LICENSING FEES	US$2,000 insurance licence. No licence fee for individual cells
REGULATORY CONTACT NAME AND DETAILS	Marinette Abbil, Reserve Bank of Vanuatu, PMB 9062, Port Vila, Vanuatu, Tel: +678 23333/23110, Fax: +678 28799, Email: mabbil@rbv.gov.vu, resrvbnk@vanuatu.com.vu

EUROPE

GIBRALTAR
Brit Insurance PCC
Euroguard Insurance Company PCC
PEL AltraplanPCC
STM Life Assurance PCC
White Rock Insurance PCC

GUERNSEY
ABTA Insurance PCC Limited
Affinity Insurance PCC Limited
Agricola Insurance PCC Limited
AIG Insurance (Guernsey) PCC Limited
Alsecure Life Insurance PCC Limited
Alsecure US Life Insurance PCC Limited
Amey Insurance Company PCC Limited
Anfré Insurance PCC Limited
Avantage Insurance PCC Limited
Axe Insurance PCC Limited
Barclays Insurance Guernsey PCC Limited
Berkeley Berry Birch Insurance PCC Limited
Blue Box Insurance PCC Limited
Bovis Homes Insurance PCC Limited
Brokers Club PCC Limited
BTPS Insurance ICC Limited
Building Block Insurance PCC Limited
Capita Group Insurance PCC Limited
Cedar Credit Insurance PCC Limited
Channel Life PCC Limited
City & Commercial Insurance Company PCC Limited
CMP Insurance PCC Limited
Compatriot Insurance PCC Limited
Confiance Insurance PCC Limited
Consolidated Provident Insurance PCC Limited
Covamore Insurance PCC Limited
Evolution Insurance PCC Limited
Falcon Insurance PCC Limited
Fiablé Insurance PCC Limited
Financial Insurance Guernsey PCC Limited
Flightcrew Risk Solutions PCC Limited
Furnival Insurance Company PCC Limited
Gunnersbury Re PCC Limited
Hampden Insurance PCC (Guernsey) Limited
Hannover Re (Guernsey) PCC Limited
Harlequin Insurance PCC Limited
HBF Insurance PCC Limited
Hector Insurance PCC Limited
Heritage Insurance ICC Limited
Hexagon Insurance PCC Limited
Icecap Insurance PCC Limited
Igloo Insurance PCC Limited
Infront Insurance PCC Limited
International Investments & Annuities PCC Limited
Isosceles PCC Limited
Kane PCC Limited
Kingsbridge Insurance PCC Limited
Kleinwort Benson International Insurance PCC Limited
KSL Insurance ICC Limited
La Coupe Insurance PCC Limited
Lincolnshire Insurance Company PCC Limited
Lloyds Banking Group Insurance PCC Limited
Lombard International PCC Limited
Mallory Insurance Services PCC Limited
Managed Risk Insurance PCC Limited
Mannequin Insurance PCC Limited
Manzillo Insurance (PCC) Limited
Marlow Insurance PCC Limited
MI New Home Insurance PCC Limited
Minories Insurance PCC Limited
Momentum International Insurance PCC Limited
Morar ICC Insurance Limited
Nomura Reinsurance ICC Limited
Peterborough Insurance PCC Limited
Pioneer Underwriting Guernsey ICC Limited
Qinetiq Insurance PCC Limited
Queen Street Mutual Company PCC Limited
Salam ATL Re ICC Limited
Septagon Insurance PCC Limited
Secquaero Re (Guernsey) ICC Limited
SHUS Insurance PCC Limited
Sitex Insurance PCC Limited
Sixt Insurance Services PCC Limited
Solidum Re (Guernsey) ICC Limited
Special Risks Solutions PCC Limited
Terrace Insurances PCC Limited
Themis Insurance PCC Limited
Universal Insurances PCC Limited
Vulcan Insurance PCC Limited
White Rock Insurance Company PCC Limited
White Rock Insurance (Guernsey) ICC Limited
Windward Insurance PCC Limited

ISLE OF MAN
Mangrove Insurance Solutions PCC Limited
Tynwald Insurance PCC Limited
White Rock Insurance PCC(Isle of Man) Limited

JERSEY
Black Pearl Insurance (Jersey) PCC
R&Q Jersey PCC

MALTA
Abbey International Insurance PCC Limited
Atlas Insurance PCC
Building Block Insurance (Malta) PCC Limited
European Insurance Solutions PCC Ltd
Genghis Insurance PCC Ltd
HighDome PCC
Lime Street Insurance PCC
Oney Insurance (PCC) Limited
Oney Life (PCC) Limited
White Rock Insurance(Europe) PCC
White Rock Insurance (Netherlands) PCC Limited

CARIBBEAN & BARBADOS

ANGUILLA
Adair Insurance PCC

ADR Insurance PCC
Aesthetics Concepts Insurance PCC
All American Reinsurance Company PCC
Coral Beauty Insurance PCC
Cordova Insurance Company PCC
Everlasting Captive Insurance PCC
Friday Insurance Co. PCC
LDH Property & Casualty PCC
Island Harbour Insurance Company (PCC)
M.A. Woodbridge Insurance Co. PCC
Newport Casualty PCC
Noram Risk Management PCC
North West Providers Insurance PCC
Oxford Business Insurance
Pamilo Insurance PCC
Provincial Insurance PCC
Rio Salado Indemnity PCC
Risk Management Insurance Company PCC
Security Insurance PCC
Shalimar Business Insurance PCC
Silverado Insurance PCC
Summit Insurance Company PCC
The Optimal Insurance Group PCC
Treadstone Insurance PCC
USA Doctors Insurance Company PCC
VG Assurance PCC
Western Pacific PCC-(ESCI)

BARBADOS

AIM Insurance (Barbados) SCC
Alieso Reinsurance SCC
Canadian Dentists' Insurance Company SCC
CCC 550 Insurance SCC
CCC Insurance SCC
Cygnet Property & casualty SCC
EMP RE SCC
Fidelity Fudiciary Insurance Company, SCC
Global Re SCC
Imagine Reinsurance SCC
Mohawk River Insurance SCC
Octave Insurance Company, SCC
Old American Offshore Re SCC
Sylvite Financial Insurance SCC

BERMUDA

Accountants Liability Assurance Company
Ace Tempest Life Reinsurance
Adg Absolute Diversified Growth Fund
Adhealth
Aegis Electric & Gas Insurance Solutions (Sac)
Aeolus Re
Aetna Life & Casualty
Africa Opportunities Fund Sac
Agency Program Insurance Company (Sac)
Aggcap Insurance
Ahl Feeder
Aig Life Of Bermuda
Ais Funds
Alchemy Funds (Bermuda) (The)
Alcyone International Investments
Allianz Global Corporate & Specialty Of Bermuda
Alpha Asset Managers
Alpha Investments
Alternative Re
Alternative Underwriting Services
Altraplan Bermuda
American Fidelity
International
American Safety Assurance
Amerisure Re (Bermuda)
Appalachian Reinsurance(Bermuda)
Argo Capital Group
Aria (Sac)
Arlington Insurance Company
Arm Insurance
Arrow Reinsurance Company
Ascendant Reinsurance
Assurex Global Reinsurance
Athena Diversified Fund
Atlantic Gateway International (Sac)
Awci Insurance Company
Axia Insurance
Bb&T Assurance Company
Bbp Insurance
Bejar Indemnity (Bermuda)
Bermuda International Insurance Services
Bermuda Life Insurance Company
Bf&M Life Insurance Company
Big Red Insurance Company
Bluewell Reinsurance Company (Bermuda)
British Indemnity
Cai Allocation Fund
Cai Master Allocation Fund
Cal International Investments
Cape Ventures Sac
Capital Security
Cassatt Insurance Company
Castle Re Insurance Company
Catco Reinsurance Fund
Catco-Re
Cdk Capital (Bermuda)
Citadel International Reinsurance Company
Corona Capital
Credit Suisse Life(Bermuda)
Cross Bay Capital Re
Crown Global Life Insurance
Crown Global Life Insurance (Bermuda)
Crown Global Titan Life Insurance
Curzon Alternative Investments
Custody Equity Management
Cvi Bermuda Re
Dacharan Capital Fund
DE Shaw Re (Bermuda)
Decart Re
Devonshire Fund Platform
Diamond Financial Solutions
Diversification Fund
Dsf Diversified Strategies Fund
E D & F Man Holdings Insurances
East Isles Reinsurance
Emerging Manager Platform
Eterna Insurance Company
Exeter Reassurance Company
Explorer Am Master
Fidvest
Fitzwilliam Insurance
Focus Managed Accounts Fund
Forfaiting Trading(Bermuda)

Front Street Re
Futuro Insurance Company
Fx Concepts (Sac)
Gai Insurance Company
Gauntlet Standard Insurance Company
Gemini Funds
General Agency Services Captive
General Professional Indemnity
Geode Capital Master Fund
Geode Capital Offshore Fund
Gettysburg National Indemnity (Sac)
Gibbs Hill Insurance Company (Sac)
Ginsen Reinsurance Co
Glacier Bermuda
Glenwood Style Products
Glenwood Styles And Strategies
Global Credit Reinsurance
Global Dynamic Opportunities Fund
Global Emerging Strategies Fund
Global Equity Risk Protection
Globex Fund
Gmac International Insurance Company
Gmo Offshore Funds Ii
Great American Insurance Exchange
Great Republic Assurance(Sac)
Great Republic Indemnity(Sac)
Green Way Managed Account Series
Green Way Managed Holdings Series
Green Way Managed Holdings Series Ii
Green Way Managed Holdings Series Iii
Harbor Island Indemnity
Harmony Multi-Manager Funds
Hartford Insurance
Haute Route Fund
Hedge Portfolio
Henderson Global Managed Absolute Return Fund
Highmark
Horseshoe Re
Hurst Holme Insurance Company
Hydra Insurance Company
Iecd (Sac)
Independent Risk Solutions
Indigo Reinsurance
Institutional Benchmarks Series (Master Feeder)
Institutional Capital Fund
Insurance Solutions
Inter-Ocean Reinsurance Company
Investors GuarantyAssurance
Investors Guaranty Fund
Iris Reinsurance
Isa Sentinel Funds (The)
Jackson National Life(Bermuda)
Jc Re
Kaith Re
Kane Sac
Keystone Advantage
Kfg Bermuda
Khronos Group
Kuva
Lansdowne InsuranceCompany
Lariat Insurance Company
Latitude Insurance
Leeward InsuranceCompany
Leveraged Man Styles
Libre Insurance Company
Lockhart InsuranceCompany
London Nominees Fund
Macquarie Absolute Return Strategies Global
Macquarie Commodities Fund
Macquarie Infrastructure Reinsurance Company
Magna Carta Life Insurance
Man Ahl Diversified Guaranteed
Man Ahl Diversified Strategies
Man Ahl Diversified Strategies Series 2
Man Ap Enhanced Series 3
Man Ap Enhanced Series 4
Man Ap Spectrum
Man Ap Spectrum Series 2
Man Ap Stratum Series 2
Man Bluecrest
Man Bluecrest Investment Strategies
Man Directional
Man Directional Series 2
Man Glenwood Focus 2 Holdings
Man Global Strategies Investment Strategies
Man Increased Leverage Trading Series 7
Man Index Series
Man Investments Sac
Man Ip 220 Glg
Man Ip 220 International
Man Ip 220 Series 5
Man Ip 220 Series 6
Man Mgs Access
Man Mgs Access Series 2
Man Summit Series
Man Synergy
Man Synergy Series A
Man Vision
Marchmont Insurance Company
Martin Currie Absolute Return Funds Series Ii
Matrix Alternative Investment Strategies Fund
Maumee Valley Re
Mazuma Capital Funds
Meridian Insurance Company
Merton Re
Mgq Fund 1
Mgq Fund 2
Mgs Diversified Opportunities
Mgs Founders Fund
Mgs Multi Nf Style
Mgs Multi Style
Micrpg Insurance Group
Mill River Re
Millennium Global Alpha Fund
Minuteman Insurance Company
Mont Fort Re
Muni Spectrum Fund
Muni Spectrum Master Fund
New Providence Mutual
Newgt Reinsurance Company
Nordica Life (Bermuda)
Norfolk Reinsurance Company
Northstar Financial Services (Bermuda)
Oasis Risk Exchange
Obex Parity Arbitrage Fund
Old Fort Insurance Company
Old Mutual (Bermuda)
Orn Funds Sac

P² Group (Bermuda)
Park Towers Investment
Pentelia Re Ii
Pillar Insurance Company (Bermuda)
Pramerica Of Bermuda Life Assurance Company
Premier Health Partners International Insurance
Prime Investments Managed Account Master
Princeton Eagle Insurance Company
Princeton Eagle West Insurance Company
Prism Re (Bermuda)
Proassurance General Insurance Company
Property And Casualty
Reinsurance Company Of Bermuda (The)
Protected Insurance Company
Qli
Quinte
R&Q Quest (Sac)
Rbs Fx Notes (Series 3)
Rbs Notes (Series Asia)
Rcg Absolute Return Fund
Richmond Global Tactical Opportunities
Rk Mine Finance Fund I
Roundstone Insurance
Royal American Insurance
Russell Re
Sage Life
Sefton Captives (Sac)
Seg Insurance
Seigneur
Signina Fund
Sitnal Insurance Company
Solidum Event Linked
Securities Fund
Spac Insurance (Bermuda)
Sparx Max
Spitfire Funds (Bermuda)
St John's Insurance Company
Stark Re (Bermuda)
Stark Strategic Cat Fund
Starvest Dislocation Fund
Starvest Dislocation Fund Ii
Starvest Dislocation Sub- Fund
Starvest Dislocation Sub-Fund Ii
Stronghold Insurance Company
Sumit Insurance Company Con't
Sun Life Financial Insurance And Annuity Company (Bermuda)
System And Affiliate Members
Taylor Investment Series
Thomaslloyd Funds Platform
Thomaslloyd Investment Funds
Tni Funds
Tower Managed Account Platform
Transamerica International Re (Bermuda)
Transamerica Life International (Bermuda)
Tricon Forfaiting Fund
Tricor Reinsurance Company
Trupro Capital
Twin Oaks Insurance Company
Tykhe Portfolios
Uberrimae Fidei Insurance Company
Uni-Ter International Insurance Company
Vantage Reinsurance
Via Portfolio Services
Welton Capital Markets Fund
Welton Global Capital Markets Fund
White Morph Financing 2
White Mountains Life Reinsurance (Bermuda)
White Rock Insurance (Sac)
Windward Art Fund
Winterthur Integra
Wyndham Insurance Company (Sac)
Zurich International (Bermuda)

CAYMAN ISLANDS

Actis Assurance Segregated Portfolio Company
Advantage Life & Annuity Company SPC
Advantage Life Reinsurance Company SPC
Advantage Property & Casualty Company SPC
Advocate Insurance SPC
All Saints Insurance Company SPC
Apine Re, SPC
Alternative Solutions Insurance Company, Ltd, SPC
Ancora Re SPC
Angel Oak Reinsurance (SPC) Ltd
ARU SPC
Atlas Re
BankersRe Insurance Group SPC
Batan Insurance Company
Beach Park Insurance Company SPC
Beneco Risk Management (SPC)
Benedictine Health System Insurance Services SPC
Berkshire Indemnity Company SPC
Best Meridian International Insurance Company SPC
Bridge Reinsurance Company SPC
Caisson Indemnity SPC
Caledonian Indemnity SPC
Cape Fear Insurance SPC
Capital Risk Solutions A Segregated Portfolio Company
CareNext Insurance SPC
Caribbean Fidelity Reinsurance SPC
Centra Professional Indemnity (SPC)
CentraState Captive Insurance Company, SPC
Cherokee Reinsurance SPC
CHP Insurance (SPC)
Cliff Company SPC
Coastal Insurance SPC
Community Health Assurance SPC
Community Insurance Group SPC
Comp Control Insurance Company SPC
Concordis Insurance SPC
Continuous Quality insurance SPC
Creative Solutions SPC
DC Risk Solutions SPC
Diadem Insurance Company, SPC
DiffRins Insurance Company SPC
Dogwood Insurance Company SPC
Eastern Re SPC
Edgewater Re SPC
EEH, SPC
Emerald Bay Reinsurance SPC
Empire Insurance SPC
Endeavour Re SPC
Essentia Health Insurance Services SPC
Ethanol Risk Management SPC
European Underwriters Insurance Company SPC
Evermont Insurance Company SPC
First Atlantic Reinsurance SPC

First Employers Insurance Company SPC
Four Points Re SPC
Front Street Life and Annuity SPC
Galena Insurance Corporation SPC
Geneva Insurance Corporation SPC
Georgia Health Care Insurance Company SPC
Green Oak Re SPC
GRMC-GRMA, SPC
GS Re Ltd SPC
H & W Indemnity SPC
Hawkeye Re, SPC
Health Insurance Processors SPC
Horsemen's Insurance Alliance SPC
IAP Insurance SPC
Intrepid Re SPC
Investors Trust Assurance SPC
IPT Cayman Segregated Portfolio Company
JKI Indemnity SPC
Kane (Cayman) SPC
L Gilbraith Insurance SPC
LTC Insurance A Segregated Portfolio Company
McKinley Assurance SPC
Mecacem Insurance SPC
Medical Risk Indemnity SPC
Miami Children's Insurance Company SPC
Mid-America Captive Solutions SPC
MT Health Care Insurance SPC
NCH Casualty Insurance SPC
NDS Insurance SPC
Nexus Indemnity SPC
North Bay Reinsurance SPC
Oasis Mutual Assurance SPC
Old Dominion Re, SPC
Old Head Re SPC
Ontario Indemnity Group SPC
Ormaryd Insurance Company, SPC
Oxford Insurance SPC
Panamerican Re, Ltd. SPC
Physicians' Guarantee Insurance Company SPC Ltd
Pinnacle Medical Protective SPC
Provena Health Assurance SPC
PIPCO
PMA Insurance SPC Cayman
Practice Security Insurance Company SPC Limited
Preferred Commercial Insurance SPC
Preferred Healthcare Liability Insurance Program SPC
Premier Assurance Group SPC
Professional Liability Underwriting Services SPC
Provena Health Assurance SPC
Provident Assurance SPC
Providers Re SPC
Provincial Lake SPC
Reaseguradora America SPC Ltd
Red Hawk Re SPC
Redwood Reinsurance SPC
ReliaMax Global SPC
Rembrandt SPC
S.I.R Insurance SPC
Safety National Re SPC
Sapphire Insurance Company SPC
Saratoga Atlantic Insurance Company SPC
Sentinel P&C Insurance SPC
SHO SPC
SIH Cayman SPC Group
SIR Insurance
Sitnal Insurance Company (Cayman) SPC
Southeastern Casualty SPC
Southern Co-Operative Insurance Company SPC
Sovereign Insurance Company SPC
Specialty Insurance Company SPC
St Blaise Insurance Company SPC
Star Indemnity SPC
Sterling Reinsurance Company SPC
Sunland Insurance SPC
Superior Providers Insurance Company SPC
Surety International SPC
Swisspartners Insurance Company SPC
TanCayman Insurance Company SPC
The University of Toledo Assurance Company SPC
TRG Risk Services SPC
TriCap Assurance United SPC
Trident Re, SPC
Triple M II Re, SPC
Triple M Re, SPC
Turquoise Transportation Insurance, SPC
University Community Health Insurance Company
Unicorn Insurance and Benefit Services, Inc., SPC
United SPC
Universal General Assurance Re, SPC
ValorMD Insurance, SPC
VFL International Life Company SPC
Virginia Re SPC
Virginia Solution SPC
Walton Way Indemnity SPC
Washington Pacific Insurance SPC
Waterville Re, SPC
Wellmont Insurance Company SPC
Western Reserve Assurance Co SPC
Y-Bridge Insurance SPC
Yukon Re, SPC

ST LUCIA
ABSI Insurance Company IC
Bancroft Life and Casualty ICC
Globe Insurance ICC Co
Telebrands Insurance Co IC
United Reinsurance ICC Inc

NORTH AMERICA

ALABAMA
Vital Insurance Protection

ARIZONA
Charter Life Insurance Company

DISTRICT OF COLUMBIA
Ag States Reinsurance Company IC
American Staffing
Assurance Company of Washington DC1C
ASAC Inc PCC
ASAE Insurance Company IC AOP-01
ASAE Insurance Company Inc

ASAE Insurnace Company IC DO-02
Bancroft Insurance Group PCC Inc
Bexar Assurance PCC
Biltmore Insurance Company PCC
Brewster Indemnity IC
Chesapeake Bay Insurance Company
Chesapeake Bay Insured Participation Segregated Cell
DS G Imaging Inc IC Government Entities Mutual Inc PCC
Greenwich Global Insurance IC
Impact Risk Funding Inc PCC
JELCO Cell A IC
JELCO Cell B IC
JELCO Cell C IC
JELCO Cell D IC
JELCO Insurance Company PCC
Kirtland Healthcare Cell Company IC
Liberty IC Casualty II LLC
Liberty IC Casualty LLC
Mangrove Cell 1 PC
Mangrove Cell 2 PC
Mangrove Insurance Solutions PCC
Northern Lights Insurance Company
Preservation Insurance
PCC LLC
Procentury Risk Partners Insurance Company
Saber Cell Company IC
Signatory Advantage Mutual Insurance Company IC
Spears Insurance Company Incorporated Cell Inc
Target Markets Mutual Insurance Company IC
Ullico Captive PCC
Vantage Re PCC , LLC

HAWAII
Bexar Assurance PCC
Vantage Re PCC LLC

MONTANA
EBMS Re, Inc
Fringe Re, LLC
Harvest Reinsurance Services, Inc.
Jai Alai Insurance, Inc.
NWSM Insurance, Inc.
Pacific Re, Inc.
VTIC, Inc.

NEVADA
Capital Risk Management Ins Co
Captive InsuranceSolutions Inc
Endeavor IndemnityCompany
Greenside Insurance Company (fka:Greenside Insurance Exchange)
Talisman Casualty Insurance Company, LLC
Whitestone Keep Sponsored Captive Inc

OKLAHOMA
PLICO Sponsored Captive Ins Co

SOUTH CAROLINA
Companion Captive
Energy Insurance Services

UTAH
Contego Insurance, Inc.
Physicians Insurance
Roebling National Assurance Company

VERMONT
AFP Risk
Agrisurance
Catholic Relief Insurance
Co. of America II, The
Ceres Reinsurance
Cooperative Partnership Insurance Company
Green Mountain Sponsored Captive Insurance Company
HM Captive Insurance Company
John Hancock Insurance Company Of Vermont
Kane (Vermont) SCC
Liberty Sponsored Insurance
Metlife Erinsuraqnce Company Of Vermont
Mgic Reinsurance Corporation Of Vermont
National Union Fire Insurance Company Of Vermont
Northgroup Sponsored Captive Insurance
Promutual Solutions Insurance Company
Sponsored Captive Re
Systemsplus Mutual Insurance Company
United Guaranty Partners Insurance
United Insurance Company USA
Watch Hill Insurance Company

MIDDLE EAST & AFRICA

MAURITIUS
Guardrisk International PCC

SOUTH AFRICA
AIG Life South Africa Limited
Centriq Life Insurance Company Limited
Guardrisk Life Limited
Momentum Ability Limited
Old Mutual Alternative Risk Transfer Limited
Sanlam Customised Insurance Limited (Deregistered 30 April 2014)
Zurich Life SA Limited
ABSA Insurance Risk Management Services Limited
Centriq Insurance Company Limited
ESCAP Limited
Guardrisk Insurance Company Limited
Momentum Structured Insurance Limited
Mutual & Federal Risk Financing Limited
Nova Risk Partners Limited
Unitrans Insurance Limited

ASIA PACIFIC

VANUATU
Orbit International Insurance PCC

www.atlaspcc.eu

ATLAS INSURANCE PCC LIMITED

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www.bdo.ky

BDO

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www.buildingblockpcc.com

BUILDING BLOCK INSURANCE (MALTA) PCC LIMITED

Simon Rhoades, Tel: 0844 391 3371, email: info@buildingblockpcc.com
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www.eis-pcc.com

EUROPEAN INSURANCE SOLUTION PCC

Josef Tapper, Tel: +46 707 61 73 46, email: josef.tapper@eis-pcc.com
4th Floor, Development House, St Anne Street, Floriana, FRN 9010, Malta
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www.gibraltarfinance.gi

GIBRALTAR FINANCE, HM GOVERNMENT OF GIBRALTAR

Suite 761, Europort, Gibraltar
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Gibraltar has a vibrant and growing insurance sector with over 50 active insurance companies. In 2012 gross premium income for all Gibraltar insurers exceeded US$6 billion and motor insurers had a 16% share of the UK motor market. Gibraltar's Insurance Companies (Special Purpose Vehicles) Regulations 2009 will be the primary legislation to enter the ILS market and its 2001 protected cell companies legislation will be an attractive part of Gibraltar's ILS offering.

www.guardrisk.com
www.guernseyfinance.com

GUARDRISK HOLDINGS LIMITED

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MANGROVE INSURANCE SOLUTIONS PCC AND MANGROVE INSURANCE SOLUTIONS PCC LIMITED

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