



Six captive insurance veterans have been inducted to the *Captive Review* Hall of Fame.

The Hall of Fame, recognising the most influential individuals the captive insurance industry has produced, or been served by, over the past 50 years, was launched in December 2016 with 13 inaugural inductees (*listed on pages 25 and 26*).

The captive industry, innovative in nature, has been fortunate to be home to many talented and hard-working individ-

uals. A further six professionals have been added this year, taking the total Hall of Fame count to 19, and they can be found on page 24.

"After launching our Hall of Fame more than a year ago, we were approached by multiple stakeholders in the industry who wanted to put other names forward," Richard Cutcher, editor of *Captive Review*, said.

"The following inductees reflect some

of those suggestions and after performing due diligence, we have decided to add them this year. As ever, it is pleasing to recognise such talented and hardworking advocates of this industry."

"We are keen to involve and consult with the industry as the Hall of Fame evolves to ensure all deserving individuals are considered. Please get in touch with me with any suggestions or comments."



FEATURE | CAPTIVE REVIEW HALL OF FAME

STEVE BUTTERWORTH

Guernsey's first dedicated insurance regulator, Steve Butterworth, was the driving force behind the introduction of the formalised rent-a-captive - the protected cell company (PCC). Already experienced in insurance and captive regulation from time spent in the Cayman Islands, he moved to Guernsey in 1986 and on 1 February 11 years later the Protected Cell Companies Ordinance, 1997 went live. There are now thousands of individual cells and cell companies operating around the world, in domiciles from Hawaii to the Cayman Islands, from Malta to Labuan, providing a lower-cost, more informal option to prospective captive owners. The cell company concept has taken on a life of its own, facilitating captive structures for the middle market, insurance-linked securities transactions, run-off facilities and fronting platforms.



BRIAN HALL

Described by one former colleague as the "forgotten partner to Fred Reiss," Brian Hall was an instrumental figure in the early days of captive evolution and growth, helping to define the industry proposition in the '70s, '80s and '90s. He established InterOcean Management in Bermuda, which later became a joint venture with Johnson & Higgins. Hall retired in 1997 when J&H was bought by Marsh & McLennan, but his influence lives on through the structures and best practices he put in place and the future industry leaders he trained, including fellow Hall of Famers Malcolm Cutts-Watson and Arthur Koritzinsky. His footprint is not limited to Bermuda and the US, however, having established operations in the Cayman Islands, Barbados and Luxembourg. His name may appear less often in the textbooks of captive history, but his legacy continues and he is remembered by some of the most important players in the industry.



LINC MILLER

Founder of Vermont Insurance Management in 1981, later becoming USA Risk Group, H Lincoln Miller, Jr is recognised as one of the founding fathers of Vermont's captive insurance journey. Heavily involved alongside Al Moulton, and encouraged by RIMS, in the campaign to push through Vermont's first captive law in 1981, Miller was also the creative force behind the growth of USA Risk for more than 30 years and his legacy lives on in one of the largest captive management firms in the world, spanning domiciles across the United States, Bermuda and the Caribbean and Europe. He remains in touch with captive leaders today and is highly valued by his peers in Vermont and beyond.



JOHN MORREY

Among the most passionate advocates of captive insurance in Europe, John Morrey has built a reputation from innovating first as a captive owner and now as a manager. Self-managing the HOCHTIEF Luxembourg captives since 2002, he has grown it into a group of nine companies with assets reaching \$1bn and has now spun-off an independent captive management business, IRIS, for good measure. His endless enthusiasm and vision for utilising alternative risk transfer techniques has proved an invaluable asset to Builders Re and he has become a true asset to the captive industry on the continent. Never afraid to speak his mind, Morrey is a fierce defender and advocate of the captive insurance concept. He has gained a reputation as an engaging and informative speaker and can still be found contributing to captive conferences around Europe.



GEORGE RUSU

Described by his peer and fellow Hall of Famer Tom Jones as carving out "virtually single-handedly, a major sector of the captive world", George Rusu is seen by many as the godfather of America's group captives. Rusu was already involved in captive solutions when he helped to form Raffles Insurance Limited, in the Cayman Islands, in the early 1980s. Raffles has since grown into one of the largest heterogeneous group captives in the world and Rusu went on to focus solely on groups. Shortly after, he established Captive Resources, which today acts as consultant to 34 Cayman-domiciled group captives comprising \$2.2bn in annual premium. One measure of Rusu's and Captive Resources' success is the clamouring of other service providers to work, or partner, with them on formations and projects.



KATE WESTOVER

A host of leading captive professionals still point to *Captives and the Management of Risk*, written by Kate Westover and published by the International Risk Management Institute in 2002, as the go-to educational book on captives. Her vast industry experience has taken her through several well thought-of captive managers and consultants, including spells as chief operating officer at Strategic Risk Solutions Vermont and as president of American Risk Management, now part of Aon. Westover has also been a board member at the Vermont Captive Insurance Association (VCIA) and an adviser to Washington DC's Department of Insurance and Securities. She is also an active member of ICCIE and has taught insurance courses for the Vermont Insurance Institute at Champlain College.

**LEONARD D CROUSE**

Len Crouse is synonymous with the State of Vermont and its crucial growth period through the 1990s and beyond. Arriving in Vermont from Massachusetts in 1990, Crouse began work in the Green Mountain State as Director of Captive Insurance before being made Deputy Commissioner of Captive Insurance in 2003. He retired in June 2008. More than 600 new captives were licensed during his 18 years at the department, overseeing a period that firmly established the state as the leading onshore American domicile and a strong competitor to Bermuda and the Cayman Islands. The headcount within the captive division also grew from four to 28 during his tenure. After retiring, he joined JLT Towner Insurance Management USA as a partner where he remains today.

**MALCOLM CUTTS-WATSON**

A career that spans three decades and three of the leading captive insurance domiciles has given Malcolm Cutts-Watson a broad perspective on the past and a sophisticated outlook on the future of the alternative risk industry. He worked for Johnson & Higgins from 1982 to 1993, first in Bermuda and then Vermont, before joining the Willis captive practice in Guernsey in 1994. He retired as chairman of Willis' international captive practice in 2014. He won the coveted Outstanding Contribution by an Individual award at the UK Captive Services Awards in 2015. Cutts-Watson's consulting practice in Guernsey is proving successful, providing him with the opportunity to share his expertise with a range of service providers and emerging domiciles while still engaging with the industry that he loves.

**GUENTER DROESE**

One of the staunchest protectors and outspoken advocates of captive insurance of the past two decades, Guenter Droeze was the driving force behind the foundation and management of the European Captive Insurance and Reinsurance Owners' Association (ECIROA) in August, 2008. The Association lobbied the European Insurance and Occupational Pensions Authority (EIOPA) during the design of Solvency II and while captives were not carved out, the principle of proportionality was put in place. While still heavily involved with ECIROA, Droeze has stepped down as chairman with Udo Kappes taking on the role. Another key development at ECIROA during his tenure has been the revitalisation of the European Captive Forum as a must-attend biennial event for the continent's captive insurance industry. Droeze also enjoyed a long and influential time at Deutsche Bank, establishing its in-house broker; running the bank's four captives in Luxembourg, Vermont and Bermuda; and acting as Global Head of Corporate Insurance.

**ALAN FLEMING**

A former Chairman (2000-2001) and interim CEO (2007-2008) of Airmic in the United Kingdom, Alan Fleming has demonstrated a consistent passion for the captive insurance industry. He remains chair of the Captive Special Interest Group at Airmic. His former employees include Imperial Chemical Industries, Guinness PLC, Diageo and Railtrack Ltd. After working as an account manager for Aon, Fleming served the Guernsey Financial Services Commission from 2003 to 2006 as its director of insurance regulation. Fleming has continued to share his expertise and passion for captives with the risk management community in the UK and abroad and remains an influential voice within Airmic. He has been one of the driving forces behind Captive Review's Basic Workshop series over the years and is generous with his time and knowledge.

**JULIA GRAHAM**

A passionate and innovative thinker on captive insurance in the United Kingdom and Europe, Graham has become a strong leader for the industry and dedicated serious time and effort to spread the word on good risk and insurance management. A director of risk management at DLA Piper for more than 10 years, Graham oversaw the running of its Guernsey captive and sits on three further captive boards today. She was president of the Federation of European Risk Management Associations (FERMA) from 2013 to 2015 and is now technical director of Airmic. In her current role, she is working to give captives a bigger profile and more attention within the risk management community. Combining her experience with FERMA and the domestic risk and insurance management scene in the United Kingdom, Graham is one of the industry's key influencers in its battle against the OECD's Beps project.

**TOM JONES**

An invaluable aid to giant multinationals and American domestic companies on all things captive concerning both state and federal tax, Tom Jones is respected and trusted across the US captive industry. Although still practising today, Jones' contribution and commitment across a range of North American and Caribbean domiciles will leave a lasting impact and his dedication and commitment to presenting on tax across the region will be missed badly once he retires. Jones has also made the US healthcare industry a particular specialism and has received numerous captive industry awards, including number one on the 2014 Power 50 and the Outstanding Contribution by an Individual award at the US Captive Services Awards in the same year. He also received the 2005 Industry Service Award from VCIA and 2008 Distinguished Service Award from CICA.



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ARTHUR KORITZINSKY

A captive veteran of more than 30 years, Art Koritzinsky is recognised as being among the leading captive consultants in the global alternative risk financing space. Still serving multinationals already owning or considering a captive, Koritzinsky remains a key resource in the Marsh machine. A recipient of the Outstanding Contribution by an Individual award at the 2016 US Captive Services Awards, he joined Marsh from Johnson & Higgins in the 1980s and in recent years has focused on taking Marsh into new markets. He has been particularly involved in the enterprise risk captive space, those captives taking the 831(b) tax election, and was working with a number of real estate investment trusts (REITs) before the Federal Housing Finance Agency banned captives from joining Federal Home Loan Banks.



EDWARD MEEHAN

Appointed by Governor Richard Sneling as Vermont's first captive insurance director in the 1980s, Edward Meehan was one of the early pioneers and architects of onshore captive insurance in the United States. Prior to moving to Vermont, Meehan worked in the Massachusetts Division of Insurance and brought Len Crouse, another Hall of Fame inductee, to Vermont in 1990. Meehan is widely regarded as the man to kick-start Vermont's captive insurance journey and set it on the road to the 'Gold Standard' status it holds today. Upon his retirement from the State of Vermont, Ed entered the private sector and remained active in the captive industry, working with USA Risk Group until 1999. Ed passed away in May 2014.



ROBERT 'SKIP' MYERS

A managing partner at DC law firm Morris, Manning & Martin for more than 20 years, Skip Myers is one of the most recognisable faces in the global captive industry. General Counsel to the National Risk Retention Association (NRRA) and a board member at CICA, Myers is arguably the most important and influential captive insurance advocate in Washington and was instrumental in the drafting and passing of the Liability Risk Retention Act of 1986. He has been a regular member on a number of captive associations boards and committees and also had input into the design of the Terrorism Risk Insurance Act in 2002.



DAVID PROVOST

Arriving at Vermont's Department of Insurance in 2001 after more than 10 years of captive management experience, more than 500 new captives have been licensed during David Provost's time at the State. After working

as an examiner within the Department, Provost took the reins from Len Crouse in June 2008. Prior to joining the State he worked for Johnson & Higgins, Sedgewick and AIG. Provost actively engages with the National Association of Insurance Commissioners (NAIC) and is not afraid to voice an opinion when captives are under threat. He is also a confident and engaging speaker, contributing to conferences around the United States and in Europe. Vermont licensed its 1,000th captive in October 2013, under Provost's watch.



FREDERIC M. REISS

Widely regarded as the father of the captive movement and the man to coin the term 'captive', Fred Reiss formed the first captive - Steel Insurance Company of America - for Youngstown Sheet & Tube Company in 1953. He then established up American Risk Management in Bermuda, the first management firm in the jurisdiction, and began setting up captives. He is credited with setting Bermuda on its way to the dominant captive domicile it is today. Reiss passed away in 1993.



HUGH ROSENBAUM

Hugh Rosenbaum is one of the few captive practitioners to be equally well known on both sides of the Atlantic. Now retired, Rosenbaum worked for Towers Watson (and its predecessors) for more than 20 years having begun his tenure in 1977 and leaving in 1999. He then enjoyed a successful career as an independent consultant and remains involved in a number of contemporary projects including Builders Re's venture into captive management. Known for his forthright opinions, he is particularly passionate about the group captive concept and is never afraid to ruffle a few feathers.



BRUCE WRIGHT

One of the leading captive experts on tax, Bruce Wright is an active partner at Sutherland Asbill & Brennan. With more than four decades of experience in the insurance industry, Wright is among a small group of universally respected tax experts equally at home advising on pure captives, cell companies or risk retention groups (RRGs). A winner of the 2012 Outstanding Contribution by an Individual award at the US Captive Services Awards, Wright has been recognised by a number of captive associations including receiving the Distinguished Service Award from CICA earlier this year. Wright's firm also represented R.V.I. Guaranty in its 2015 US Tax Court victory over the Internal Revenue Service (IRS) that concerned whether residual value insurance counts as insurance for tax purposes. The case was seen as crucial to the captive industry as a win for the IRS may have threatened captives' future ability to write emerging or non-traditional risks.