



News Release

Thursday 21st May, 2009

Isle of Man Captive industry “bullish” regarding the prospects for the captive sector

The Manx Insurance Managers Association (MIMA) recently held a one-day captive seminar at the Villa Marina, Douglas. The seminar featured both local and international speakers and was attended by over 100 delegates and covered a variety of topics currently affecting the captive sector.

In a survey of the delegates attending, over 80% believed the current economic climate would create opportunities for the expanded use of Captives. Additionally, more than two-thirds felt that Captives could play a role on credit insurance programmes, assisting their parents during crisis in the credit insurance market.

Despite the removal of the UK ADP exemption for CFCs, more than 50% of delegates felt this would not adversely affect Captives and that they would continue to be effective insurance vehicles. In fact, many delegates felt that this change would actually benefit Captives as it may result in successful captives retaining surpluses and becoming an even more effective risk management tool.

Derek Patience, Chairman of MIMA, commented: "The feedback we have received from the sector on the prospects for the captive sector were very positive. It is clear that the industry feels there are opportunities in this environment and that we are now seeing new benefits.

"Our strong regulatory regime and our inclusion on the G20's 'whitelist' of co-operative and transparent jurisdictions, is testament to the work of the sector and the Island as a whole."

John Batty, Business Development Manager of Life and Captives for Isle of Man Finance, commented: "The event was a great success and good opportunity to get the Island's industry together to discuss some of the challenges we face and where the new opportunities are. Isle of Man Finance looks forward to next year's event and its continued work with MIMA in the future."

Speakers at the event

Derek Patience opened the conference by highlighting the main issues currently affecting the captive sector and the Isle of Man in general.

Bob Quane, Regional Head of Risk Management at AIG UK, reviewed the restructuring at AIG and discussed fronting and collateral requirements in the current market.

David Vick, Chief Executive of the Isle of Man Insurance and Pensions Authority (IPA), provided a regulatory update and commented on a number of developments and initiatives being worked on by the IPA.

Erik Johnson, Assistant Director within Deloitte's Corporate Finance Insurance Practice in London, gave a lively presentation on global issues affecting captives, including the "risk based" approach being adopted by many domiciles.

Matthew Hills, Insurance Officer at Marsh Management Services Isle of Man, focussed on feasibility and strategy reviews and also highlighted a few key features from Marsh's 2009 Captive Benchmarking report.

Ian Lloyd, Director of Blackrock UK, steered delegates through the recent economic turmoil and outlined the challenges facing captive owners regarding the investment of surplus funds.

Dr Grant Johnson from Aon's Global Risk Consulting unit, explained the concept of Enterprise Risk Management (ERM) and provided a number of examples of the interface between captives and ERM.

Ian Clague, senior partner at PriceWaterhouseCoopers, introduced PWC's award winning film "Risking It All" which looks at how a company and its advisers should respond to allegations that senior management have been involved in fraud, bribery or corruption.

Gaynor Brough, Deputy Chairman of MIMA, then chaired a Questions and Answer session which created interesting debate.

Notes to editors

For more details or to arrange an interview with one of the speakers, please visit the MIMA website at www.mima.org.im, or contact

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