

CAPTIVE INSURANCE IN THE CAYMAN ISLANDS



CAYMAN INTERNATIONAL INSURANCE
THE BETTER ALTERNATIVE

KPMG

Cayman International Insurance

The Better Alternative

Following a number of years where the insurance market has remained soft, after some significant catastrophe claims in the past year, the market is showing signs of hardening. Coupled with the rising interest rates environment, these are promising times for the captive insurance industry as corporations increasingly look at alternative risk transfer financing options.

Starting and operating a captive insurer has never been easier, particularly in the Cayman Islands.

With almost 50 years of experience in the industry, an internationally-recognized regulatory and legal framework continuously catering for evolving business needs and a world-class talent pool of captive insurance managers, auditors, bankers and lawyers, the Cayman Islands has emerged as the leading jurisdiction for captive insurers.

Currently boasting over 703 captives, including 145 segregated portfolio companies each comprising a number of autonomous segregated portfolios, writing an aggregate of US\$15.6 billion in premiums and managing US\$66.2 billion in assets, the Cayman Islands are clearly better for business.

KPMG in the Cayman Islands, the leading provider of captive insurance audit and tax services as well as an investor in the development of the captive industry, has teamed up with the Insurance Managers Association of Cayman (Cayman International Insurance) to bring you this comprehensive publication which includes a collection of relevant articles.

Cayman International Insurance in the Cayman Islands is designed not only to provide general and useful information about captive formation, ownership and ongoing management, but also to share with you specifics of the Cayman Islands as a jurisdiction for entities looking to establish or re-domicile a captive insurer.

We hope you find our publication both interesting and helpful, but please do feel free to contact us if you need any additional information or clarification.

We look forward to discussing with you the opportunities captive ownership in the Cayman Islands can bring to your business.

Erin Brosnihan
Chairperson, IMAC

David Watt
Partner, KPMG



Contents

Captive Purposes and Benefits	4
Types of Captives	6
Cayman Business Environment	8
Setting up a Captive	10
Annual Processes	12
Cayman Islands Insurance Law 2010 and Associated Regulations	14
Taxation of Cayman Captives	18
Hedge Funds Reinsurers	20
Conclusion: Cayman International Insurance. The Better Alternative	22
Insurance Managers Contact List	24

Captive Purposes and Benefits

True to its name, risk management is the process of managing each and every risk an organization faces; and is often a daunting task. While for many, the decision to purchase insurance in the traditional market may be appropriate, for others, formal self-insurance through the creation of a captive insurance company may more effectively meet a company's strategic goals.

In fact, the use of captives to insure parent group risks has grown steadily in popularity. Currently, about 90% of Fortune 500 companies actively finance utilizing a captive structure¹.

A captive: The right choice?

Perhaps most useful for businesses with unique or hard-to-place risks, or with risks that are priced too high by the traditional market, captives can be used to provide a bespoke insurance solution that can form a major component of an organization's risk management program and can support the parent company's overall risk management strategy.

For a captive to be effective, management must be actively involved. This includes being able to understand and quantify the potential benefits and risks of putting a captive in place, as well as setting policy and ensuring governance at a Board level so that the captive can continue to run successfully into the future.



"As one of the current Co-Presidents of Raffles Insurance Ltd, the largest heterogeneous captive insurance company in the world, I can attest to the incredibly effective, efficient, professional and friendly support we have received in the Cayman Islands over almost 30 years. Beyond the tangible substantial financial rewards we have realized, including significant reductions in our annual insurance premiums, we have witnessed the culture of our company evolve to a truly 'safety first' orientation, in all aspects of our business. A very important part of that success has come from the great regulatory support, ongoing education, and expert counsel from the varied support components that comprise the Cayman Islands insurance industry."

Mort F. Zifferer, Jr., Chairman/CEO,
New Standard Corporation – A member of Raffles Insurance Ltd.

The benefits

Interestingly, cost is often not the primary driver for establishing a captive. Rather, the benefits are varied and numerous and depend upon a range of factors including the company's needs and circumstances, its size, risk appetite and risk exposure.

Some of the most common benefits of captive ownership include the ability to:

- **Insure the uninsurable:** captives can provide tailored insurance or coverage that is either not readily available in the commercial market or is prohibitively priced.
- **Reduce costs:** a captive insurance company escapes the high sales, marketing and administration costs usually associated with commercial insurance companies.
- **Retain and manage risk and control losses:** captive owners can achieve lower premiums by retaining their own risk when maintaining a history that is better than the industry average.
- **Improve cash flow:** a captive allows for the earning of investment income, which enables the use of more flexible premium payment plans and can assist the parent company with cash flow budgeting and planning.

- **Access the reinsurance market:** directly accessing the reinsurance market through a captive can be less expensive than conventional direct excess and umbrella coverage.
- **Diversify into a profit center:** captives can diversify into open market insurance operations and can operate as a separate commercial profit center, thereby potentially generating profits from third party unrelated business.
- **Access to proportional regulation:** captives generally are involved with related party risks, and yet can be subject to similar regulation or commercial insurance companies.

The creation of a captive offers the opportunity to domicile in a professional, yet business-friendly regulatory environment.

Captives are one of the many tools risk managers have at their disposal. And while they are most often established to provide bespoke insurance coverage, they can also be a means for incentivizing risk managers towards extra diligence as claim payments move in-house.

So, for the many benefits outlined above including the likelihood of an enhanced risk management program, perhaps now is the time to consider a captive?

¹ Source: Captives Experts (2016).

Types of Captive

There are 703 captive insurance companies licensed by the Insurance Supervision Division of the Cayman Islands Monetary Authority (“CIMA”).

Single Parent Captives (also known as Pure Captives) and Segregated Portfolio Companies represent the two main categories, with 314 and 145 companies respectively.

Though pure captives and segregated portfolio companies are the main captives formed in the Cayman Islands, there are other types which are outlined in the table opposite.

Industry Sectors and Insurance Business Classes

The Cayman Islands is the leading jurisdiction for healthcare captives, representing almost half of all Cayman captives. Medical Malpractice Liability continues to be the largest primary line of business with 32% companies, and workers’ compensation the second largest with 21% companies.

A list of insurance business classes along with the related gross premiums, total assets and total licenses issued are available in the table on page 4.

Region

The Cayman Islands captive insurance industry is composed mainly of companies insuring risks in North America (90%). The other geographical regions with captives in the Cayman Islands include the United Kingdom, Canada, South America, Asia and other parts of the Caribbean.

Single Parent Captive

Also called a single-owner or pure captive, this structure is most appropriate for a single shareholder that insures or reinsures either shareholder or non-shareholder risks.

Group Captive

Ideal for a group of non-related organizations, a group captive is an insurance or reinsurance company, with two or more shareholders, which insures similar risks of its shareholders or members.

Association Captive

As the name suggests, an association captive is owned by a trade, service or industry association and is used to meet the insurance or reinsurance needs of its members.

Agency Captive

An agency captive is an insurance or reinsurance company owned by one or more licensed insurance agencies, which in turn insures the risks of the agency or agencies’ clients.

Segregated Portfolio Company (“SPC”)

Also known as a Protected Cell Company or a Segregated Account Company, SPCs are a useful vehicle for those programs not large enough to set up their own captive or who do not wish to manage their own captive. Established with a “core” that usually does not take risk and various segregated cells that do, the fundamental characteristic of a SPC is that the assets and liabilities of each cell are segregated from one another. Ownership of the assets in the portfolios can be by way of either a non-voting preferred share or through a participation agreement.

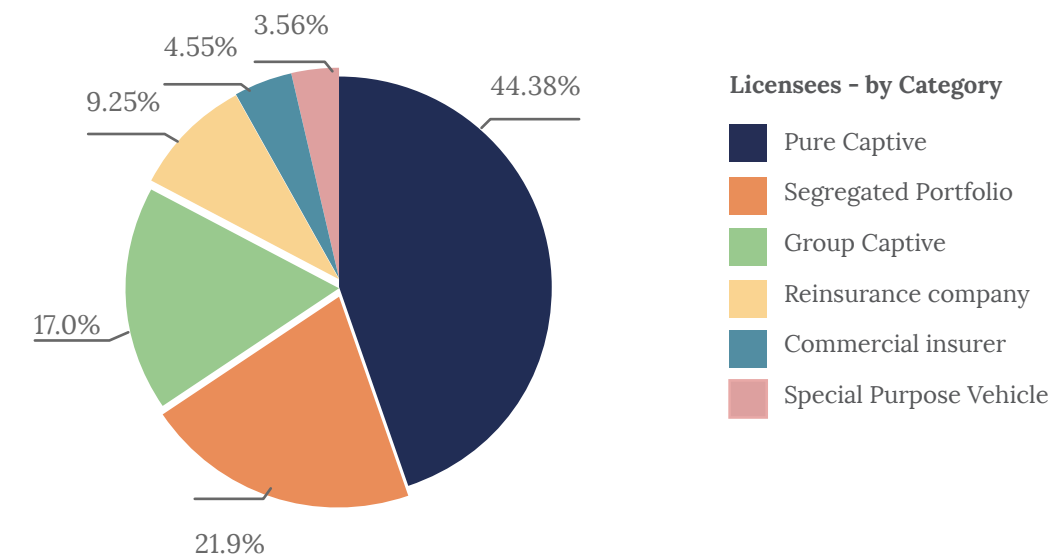
Portfolio Insurance Company (“PIC”)

A PIC is similar to a SPC, except that its cells are considered to be separate legal entities. This means that the PIC may have greater ease in dealing with counterparties and can contract with other cells, unlike a SPC.

Primary Business Classes of Cayman Insurance Companies (class “B”, “C” and “D”)

Primary Class of Business	Total Licensees	Written Premium (US\$ Billions)	Total Assets (US\$ Billions)
Hospital & Medical Malpractice Liability	227	\$3.2	\$14.3
Workers’ Compensation	152	\$3.8	\$11.4
Professional & General Liability	139	\$2.8	\$9.9
Property	69	\$1.4	\$7.5
Life & Annuity	28	\$3.7	\$20.2
Automobile P.D. & Liability	22	\$0.5	\$1.8
Accident & Health	18	\$0.1	\$0.7
Marine and Aviation	9	\$0.1	\$0.4
Grand Total	698	\$15.6	\$66.2

Types of Cayman Captives



¹ Source: Cayman Islands Monetary Authority website, July 19, 2018

Cayman Business Environment

The Cayman Islands is one of the world's most efficient and well-recognized international financial centers. With an enviable infrastructure that supports high-caliber international finance transactions, a firm commitment to stability, integrity and professionalism, and a deep bench of talented industry professionals, the Cayman Islands has grown to be one of the world's largest captive domiciles, both in terms of the number of captive companies and total assets under management.

Of particular significance is that the Cayman Islands' regulatory environment, its legal framework, its banking system, its resident insurance managers and other talented service providers combine to make this country a captive jurisdiction of distinction.

Regulation

The Cayman Islands operates a business-friendly and well-regulated financial system underpinned not only by the philosophy of integrity and transparency, but also by the belief that appropriate regulation and international cooperation drive commercial success. The Cayman Islands is a strong proponent of proportionate, risk-based-regulation. The regulatory body, CIMA, is a founding member of the International Association of Insurance Supervisors ("IAIS") and sits on the Market Conduct sub-committee and the Pension Reform sub-committee. It is also a lead validator on the international Multilateral Memorandum of Understanding ("MMoU"). In addition, CIMA is an active member in the Offshore Group of Insurance Supervisors ("OGIS") and participates in the development of international standards based on a level playing field.

One of the differentiating strengths of the Cayman Islands is the healthy culture of consultation that has been fostered between the regulator and the industry. This open approach results in the maintenance of an appropriate, yet business-friendly, regulatory environment that is risk-based and responsive to the needs of a demanding and highly mobile market.

Legal framework

The Cayman Islands has a sophisticated legal regime that is based on English Common Law, with the final court of appeal being the Privy Council in London. It holds respect for Rule of Law and due process. In addition, a highly efficient and respected court system upholds the jurisdiction's framework of legislation.

Cayman Islands law maintains a legitimate right to privacy, but its confidentiality statute provides a clear gateway for tax transparency and there are no inhibitors for the effective operation of its many international cooperation agreements. For example, Cayman has entered into over 36 Tax Information Exchange Agreements ("TIEA") with other countries such as the United States, the United Kingdom, Canada and other G20 countries.

The Cayman Islands promotes legal and commercial certainty to control reputational risk for both the Cayman Islands and its business partners. It is committed to providing a stable, responsible and responsive business environment and therefore does not condone money laundering, tax evasion or any other criminal activity.

To this day, the Cayman Islands has complied with all international regulatory initiatives, and has been recognized by the International Monetary Fund ("IMF") Financial Action Task Force ("FATF"), Organization for Economic Cooperation and Development ("OECD") and the Caribbean Financial Action Task Force ("CFATF") as being a standard-setter.

Insurance managers

Insurance management is a thriving business in the Cayman Islands, with over 25 licensed insurance managers that provide management services for captives.

These managers offer services that range from the feasibility studies and establishment of a captive, to on-going management of the entity and, finally, through the wind-up phase at the end of the entity's life cycle.

The Insurance Managers Association of Cayman (Cayman International Insurance) organizes and hosts the world's largest captive conference, the Cayman Captive Forum, where industry leaders gather annually to discuss the major issues affecting the industry.

Banking

Over 40 of the world's top 50 banks hold licenses in the Cayman Islands. This includes major Canadian banks.

Interbank bookings through the Cayman Islands enable banks to access international markets for credit and deposits, and the depository sweep function enables banks to pay interest on deposits where most other jurisdictions' laws or regulations may restrict the payment of such interest.

To protect corporate and individual deposit holders, bank branches and subsidiaries are regulated by CIMA on the basis of consolidated supervision in connection with the onshore home regulator.

Service providers

The Cayman Islands also has a global client base of major international companies, financial institutions and governments. This success is due in no small part to the lawyers, auditors, actuaries and investment service providers who choose to work in the Cayman Islands because of the high quality work and lifestyle.

All of the "Big 4" audit firms maintain a substantial presence in the jurisdiction and provide accounting, audit and actuarial services for the insurance industry. Numerous offshore legal firms, including some of the world's largest, are staffed with Common Law lawyers who come from the leading firms from around the world.

Given all of the above it is no wonder that the Cayman Islands was awarded with the "Offshore Domicile of the Year" at the 2015 US Captive Services Awards in Vermont, and why so many captives find the Cayman Islands the ideal place to domicile and do business.



Cayman Corporate Centre

"Among the most important considerations arising during the planning stages for our captive was choosing a domicile. We chose the Cayman Islands because of the strong committed regulatory environment staffed by qualified and experienced professionals and leaders. The regulators are very accessible to the captive managers, insurance company principals and directors. The Cayman Islands continues to develop strong working relationships between owners, managers and regulators, all supported by a world class association that has evolved with IMAC. Added together the Cayman Islands represents a most welcome environment for captives."

James Caldwell, CEO, Caring Communities

Setting up a Captive

Setting up a captive in the Cayman Islands is a clear-cut process: create a business plan; visit the regulator; hire service providers; file for a license; and incorporate. With a large talent pool of professionals on hand to help along the way, captive set up in the Cayman Islands could not be more straightforward.

Step 1: Feasibility study/business plan

A feasibility study's main goal is to assess the economic viability of the proposed programs. The study should provide a thorough analysis of the business opportunity, including a look at all the possible roadblocks that may stand in the way of these programs success. The outcome of the feasibility study will determine whether or not it is appropriate to proceed with the development of a business plan. If the results of the feasibility study are positive, then proceed to develop a business plan.

To maximize effectiveness and use of time when setting up a captive, business plan creation should be part of the first step. Pulling the business plan together will clarify the purpose and mechanics of owning a captive.

It should include:

- **Mission statement:** the purpose and type of captive being established (i.e. single parent, group, segregated portfolio company, etc.)
- **Insurance program:** the coverage the captive will provide and, therefore, how much risk needs to be retained as a result of defined claim limits, deductibles or outward reinsurance for severe or excess claims.
- **Operations:** setting policy from board level through to day-to-day activity management. To support these policies, service organizations will need to be retained (e.g. insurance manager, legal, banking, actuarial, tax and audit).

Step 2: Visit Cayman and CIMA

It is normal for questions or uncertainties to arise as the business plan comes together. The most effective way to gain clarity and get answers is to visit the Cayman Islands and meet with local service providers and CIMA.

CIMA prides itself on being business-friendly and will provide valuable insight into the license application process.

Step 3: Engage service providers

The Law requires the appointment of a licensed captive manager and auditor as part of the insurance license application process. A legal advisor may be retained as part of the incorporation process. Finally, a bank for holding the capital and paying initial set up costs, may also be selected. As most services are rendered on an annual basis there should be very little initial outlay associated with engaging service providers unless any are advising on the incorporation or licensing processes.



Step 4: Apply for a license

The 2012 Cayman Islands Insurance Regulations set out the application requirements associated with a Class A, B, C or D entity. Captive insurance companies are required to apply for a Class B license.

The process, which normally results in an insurance license being issued from two to four weeks post application, involves submitting the following documents to CIMA:

- Name of applicant
- A business plan
- Three years' financial projection
- Personal details and reference for proposed directors and shareholders, along with a completed personal questionnaire and a police clearance certificate are required.
- Most recent two years' audited financial statements and/or notarized net worth statement of ultimate beneficial owners.
- Confirmation of appointment from a licensed insurance manager and approved auditor.

Delays normally arise only when required information or documentation is missing from application on submission.

The application fee is US\$10,366, US\$11,585, and US\$12,805 for classes B (i, ii, and iii) respectively¹.

In addition to applying for an insurance license, prospective captive owners are also encouraged to apply to the Cayman Islands Government for a tax concession certificate.

As the tax applied in the Cayman Islands is consumption-based and is levied through fees and import duties, it is advisable to obtain this certificate as it protects the captive from any changes to the Cayman Islands tax legislation for a period of 20 years.

Step 5: Incorporate

This part of the captive "set up" process includes establishing a memorandum and articles of association, issuing share(s), nominating directors, deciding upon the name and financial period of the captive and ultimately registering the new company. The cost of incorporating and registering companies in the Cayman Islands is approximately US\$2,500 to US\$3,000. To smooth the process further, a legal advisor can be engaged to help.

Finally: Write new business

Once the incorporation procedure is complete and the insurance license has been granted by CIMA, it is now time to start writing new business and enjoy the financial and risk management benefits a captive can bring.

¹Source: The Insurance (Applications and Fees) Regulations, 2012

"Investors Trust Assurance has been operating in the Cayman Islands since 2002. We originally went to the Cayman Islands because of the sophistication of the legal and regulatory environment; the Segregated Portfolio Company legislation is second to none. Additionally the Cayman Islands has a comprehensive complement of banking, accounting and legal expertise that is critical for an offshore financial services entity such as ours. More importantly the Cayman Islands has an extremely educated and knowledgeable base of professionals to work with, throughout the financial community."

John Zelaya, CEO,
Investors Trust Assurance SPC

Annual Processes

The typical processes associated with running a captive on an on-going basis do not differ greatly from running any insurance business: underwriting, claims management, treasury and administration. As captive parents are often not in the business of insurance, the below is designed to provide a succinct and high-level view of what is involved.

Underwriting

Underwriting, the mainstay of insurance, involves drafting and issuing contracts between the captive and the insured (where business is being assumed) or reinsurer (where business is being ceded).

The purpose and intentions outlined in the business plan (see the article on captive set up on page 7) needs to be considered when generating these contracts to ensure they are appropriate.

In addition, premiums, which are defined as compensation either assumed or received for transferring risk, need to be sufficient to cover the expected annual operating costs of the captive as well as any losses that arise as a result of claims.

Claims management

Once a contract is in place, the insured has a right to submit a claim for indemnity covered by the captive. These claims need to be managed.

Claims can be frequent and/or severe depending upon the nature of coverage that the captive provides and the loss limits it has in place. Normally, the claims department of an insured entity handles these claims, but this function can also be outsourced to a third party administrator (“TPA”).

A report known as a loss run is generated on a periodic basis by the TPA or claims department. It summarizes open and closed cases where claims have been reported.

The loss run is provided not only to the captive managers for record keeping, but also to the actuaries who use it to estimate any additional liability and statistically project an estimate for ultimate losses. The actuary, in turn, generates an actuarial report on a periodic basis, which is also used for record keeping and financial reporting.

Treasury

Treasury, or cash flow management is another critical and on-going function a captive needs to undertake.

As premiums are received on an annual basis and claim payments tend to lag, excess cash may build up within a year or two, triggering the need to make investment decisions.

In the early years, a captive’s investments are often quite liquid for regulatory or security reasons, but as the captive matures, investments often broaden into debt instruments that have a longer maturity term, into equity instruments, or funds.

Where investments are made, the captive will need to enlist the aid of an asset custodian and where the treasury process involves a large volume of investment decisions, the captive will need to secure investment management services.

Monthly statements, received from banks, custodians and investment managers, must be kept by the captive and used to appropriately account for these assets.

Administration

Day-to-day administration involves ensuring premiums are collected, claims are paid, and cash is available to meet obligations as they fall due. Additionally, administration involves ensuring that the captive is being run in accordance with regulations and with the policies set by the Board of Directors.

“The Cayman Islands has some of the most experienced and most trusted captive management organizations, audit firms, insurance advisors, and financial institutions available anywhere. There are probably more seasoned captive professionals “per square mile” who call the Cayman Islands their place of business than you’ll find any other place on the planet. Whether you are forming a new captive insurance company, re-domesticating one from another domicile, restructuring an existing captive, or simply managing a captive through the trials and tribulations of the changing litigation and healthcare environment, the Cayman Islands has all the professional resources you’ll need.”

Larry Smith, VP, MedStar Health

The Board of Directors

Like any incorporated entity, a Board of Directors is nominated by the shareholder(s) to govern the captive.

At Board meetings, the Directors set policies in relation to each of the above processes. They also approve engaging service providers, any changes to corporate documents, previous board minutes and the annual audited financial statements.

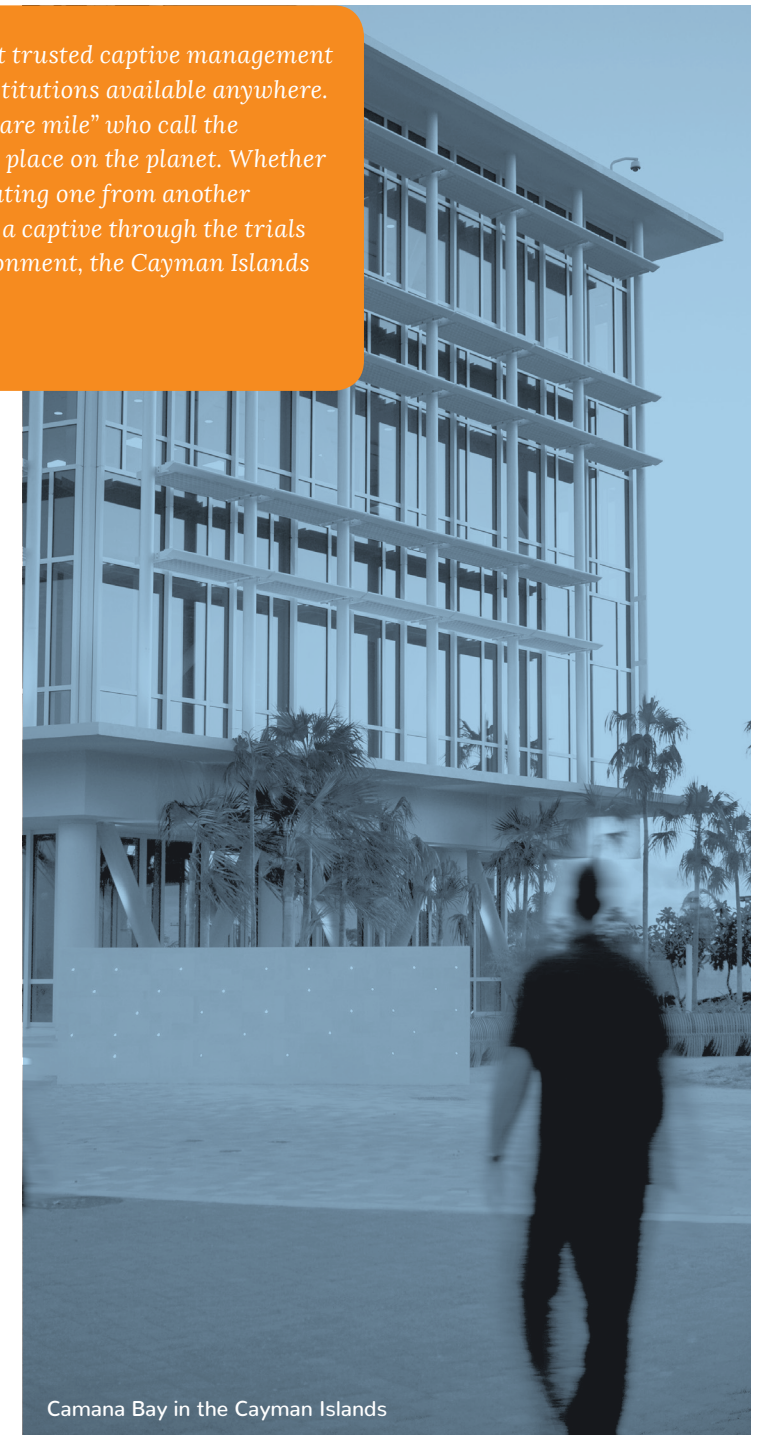
Often, these meetings are held in the Cayman Islands so that the Board can also meet with their various service providers, but there is no regulatory requirement to do so.

Management

An insurance manager is appointed by the Board to ensure that the above business processes are carried out on a day-to-day basis. The manager will follow policies set by the Board and are accountable through their reporting at the Board meetings. Additionally, the manager will ensure that the annual audit is complete and that any regulatory requirements are met.

Summary

The process of running a captive on an on-going basis is fairly straightforward, particularly when supported by the knowledge and experience of captive focused professionals. While the Board must keep a close eye on the running of the business and be actively involved in decision making, owners need not be insurance experts to maintain and benefit from an effective, efficient and successful captive.



Camana Bay in the Cayman Islands

Cayman Islands Insurance Law 2010 and Associated Regulations

Leveraging the strong relationship between the regulator and the private sector and acknowledging the needs of a highly mobile client base, the Cayman Islands has created a legislative environment that is sound, aligned with international standards, appropriate and practical while at the same time flexible enough to allow for innovation.

The Insurance Law 2010 (“The Law”) was a significant undertaking and has strengthened the regulatory powers of CIMA and formalized many of the practices already in place.

As it pertains to captives, The Law is simple, yet robust, and is expected to carry the Cayman Islands well into the future. The key, captive-relevant elements of The Law are outlined in this article.

Capitalization

Under The Law, the Class B insurance license pertains solely to captives and is sub-divided into Class B (i, ii and iii) categorizations which relate to the percentage of related business a captive writes by reference to net premiums (i.e. 95%, more than 50% and less than 50%, respectively).

“For Catholic Health East, there are several reasons we believe it is beneficial to have our captive domiciled in Cayman. The flexibility and receptiveness of the regulators is particularly crucial as we plan to address unprecedented changes in our industry. We also find the financial and political stability of the domicile supportive to the hundreds of captive companies domiciled there. Finally, the breadth of the expertise of the our partners in the auditing, captive management, banking and legal communities certainly permits comprehensive and sustainable operational effectiveness for our company.”

Ted Schlert, CRO & Jenny Barnett, CFO,
Catholic Health East

These subdivisions allow CIMA to differentiate among captives with regard to requirements for:

- Minimum capital: the minimum statutory capital that a captive must maintain in order to operate in accordance with The Law;
- Prescribed capital: the total risk based capital that an insurer must maintain in order to operate in a safe and sound manner; and
- Margin of solvency: the excess of the value of prescribed assets over prescribed liabilities.

Under The Law the minimum capital requirement for each Class B licensee writing general business (property and casualty business) is as follows:

- Class B(i): US\$100,000
- Class B(ii): US\$150,000
- Class B(iii): US\$200,000

For a Class B(i) licensee, the prescribed capital requirement is the same as the minimum capital requirement. For a Class B(ii) or Class B(iii) licensee, however, the prescribed capital requirement is determined by reference to net-earned premium.

The margin of solvency requirement for a captive, irrespective of which sub-class it falls into, is the same as the prescribed capital requirement.

Under The Law, there is no minimum capital requirement or prescribed capital requirement for a segregated portfolio within a segregated portfolio company insurer. However, regulations dictate that the margin of solvency requirement for a segregated portfolio meets both going concern and balance sheet (book value) tests.

Domicile	Cayman Islands	Bermuda	USA - Vermont	USA - Utah	USA - South Carolina	USA - Delaware
# of Captives (as of 10/22/18)	698	739	566	486	300	1,004
Minimum Capitalization	Class B(i) \$100,000 Class B(ii) \$150,000 Class B(iii) \$200,000	Class 1 - \$120,000 Class 2 - \$250,000 Class 3 - \$1,000,000	Pure captive: \$250,000 Association captive: \$500,000 Industrial insured captive: \$500,000 RRG: \$1,000,000 Sponsored captive: \$250,000	Pure captive: \$250,000 Association captive: \$750,000 Industrial insured captive: \$700,000 Sponsored captive: \$1,000,000	Pure captive: \$250,000 Association captive: \$750,000 RRG: \$500,000 Special Purpose Financial Captive (“SPFC”): \$250,000 Sponsored captive: \$1,000,000	Pure captive: \$250,000 Agency captive: \$250,000 Association captive: \$250,000 Special purpose captive insurance company (SPCI): \$250,000 Industrial insured captive: \$500,000 Sponsored captive: \$500,000
Solvency Requirements	Class B(i): \$100,000 Class B(ii): 10% of Net Earned Premium (“NEP”) to \$5M; 5% of additional NEP up to \$20M; 2.5% of additional NEP in excess of \$20M. Class B(iii): 15% of NEP up to \$5M; 7.5% of additional NEP up to \$20M; 5% of additional NEP in excess of \$20M.	Class 1/2: 20% of Net Premium Written (“NPW”) up to \$6M; 10% of additional NPW in excess of \$6M. Class 3: 20% NPW up to \$6M; 15% of additional NPW in excess of \$6M.	Pure captive: \$250,000 Association captive: \$500,000 Industrial insured captive: \$500,000 RRG: \$1,000,000 Sponsored captive: \$250,000	Pure captive: \$250,000 Association captive: \$750,000 Industrial insured captive: \$700,000 Sponsored captive: \$1,000,000	Pure captive: \$100,000 Association captive: \$400,000 RRG: \$500,000 Special Purpose Financial Captive (SPFC): \$250,000 Sponsored captive: \$1,000,000	Pure captive: \$250,000 Agency captive: \$250,000 Association captive: \$250,000 Special purpose captive insurance company (SPCI): \$250,000 Industrial insured captive: \$500,000 Sponsored captive: \$500,000
Registration and Incorporation Expenses	Annual license fees: Class B(i)-\$10,366 Class B(ii)-\$11,585 Class B(iii)-\$12,805	Annual license fees: Class 1: \$1,250 Class 2: \$2,800 Class 3: \$12,360-\$18,000 variable based on Gross Premiums Written.	Application fee: \$500 (\$5,000 for SPFCs) Annual license fee: \$500 (\$5,000 for SPFCs) Premium tax: applied to Gross Written Premiums at a rate of between 0.024% and 0.38%.	Application fee: \$200 Annual license fee: \$5,000 or \$1,000 for a cell. Annual e-Commerce fee: \$250	Application fee: \$200 (\$12,000 for SPFCs) Annual license fee: \$300 for first year; \$500 annual renewal Premium tax: applied to Gross Written Premiums at a rate of between 0.025% and 0.4% (\$100,000 max. \$5,000 min.).	Application fee: \$300 Processing fee: \$3,200 Annual license fee: \$400 Direct premium tax: 0.2% on Gross Premiums Written (\$200,000 max.) Reinsurance premium tax: 0.1% on reinsurance premiums assumed (\$110,000 max.) Minimum aggregate tax: \$5,000
Investment Restrictions	None.	None.	Pure captives and industrial insured captives: none. Association captives, sponsored captives and RRGs: required to comply with investment restrictions of the Vermont Investment Code.	Pure captives: none. Association captives, sponsored captives and industrial insured captives: required to comply with investment restrictions contained in Title 31A of the Utah Code.	Pure captives and sponsored captives: none. Association captives and RRGs: required to comply with the investment requirements contained within Title 38 of the South Carolina Code of Laws.	Pure captives, industrial insured captives and agency captives: none. Association captives and SPCIs: required to comply with the investment requirements contained within Chapter 13 of Delaware Insurance Code.
Director Restrictions	Minimum of two Directors. There is no requirement for residency.	At least one resident Director and one resident Secretary or two resident Directors is required.	Minimum of two Directors and at least one resident Director is required. Must hold at least one board of Directors meeting each year in Vermont.	Minimum of two Directors and at least one resident Director is required. Must hold at least one board of Directors meeting each year in Utah.	Minimum of two Directors and at least one resident Director is required. Must hold at least one board of Directors meeting each year in South Carolina.	Minimum of two Directors and at least one resident Director is required. Must hold at least one board of Directors meeting each year in Delaware.
Reporting Requirements	Annual return and annual audited financial statements to be submitted within six months of the entity's financial year-end.	Annual audited financial return to be submitted each year, within six months of the entity's financial year-end. Actuarial certification of loss reserves required annually for Class 3 companies and triennially for Class 2 insurers.	Annual audited financial statements to be submitted on or before June 30th for year ending December 31st immediately preceding. Annual audit shall include an opinion from a qualified actuary as to the adequacy of the entity's loss reserves, and a report of evaluation on internal controls.	Annual audited financial statements and annual statement, including statement of a qualified actuary, to be filed with the commissioner on or before June 30th for the preceding year.	Annual report to be submitted by March 1st. Annual audited financial statements to be submitted on or before June 30th for year ending December 31st immediately preceding. Annual audit shall include an opinion from a qualified actuary as to the adequacy of the entity's loss reserves.	Annual Franchise Report to be filed by March 1st. Annual audited financial statements to be submitted on or before June 30th for the year ending December 31st immediately preceding. The annual audit shall include an opinion from a qualified actuary as to the adequacy of the entity's loss reserves, and a report of significant deficiencies in internal controls.
Domicile Websites	www.cima.ky www.imac.ky	www.bma.bm www.bima.bm	www.vcia.com www.vermontcaptive.com	www.captive.utah.gov	www.sccia.org www.captives.sc.gov	www.captive.delaware.gov

Note: All figures in US dollars. This Domicile Comparison has been collated by research from various members of IMAC. IMAC does not assume responsibility for the validity of the information, and recommends that any information should be verified independently.

Cayman Islands Insurance Law 2010 and Associated Regulations

Captive obligations

In addition to rules on capitalization, The Law outlines a number of obligations to which captives are required to adhere. These include risk management and governance related aspects as well as obtaining CIMA approval on certain practices such as opening subsidiaries, changing its name or changing its year end.

In terms of filing obligations for all captives, audited financial statements filed with CIMA must be prepared in accordance with internationally recognized accounting standards and must include a copy of the management letter issued by the auditor. The Law also states a specific obligation on a Class B(iii) licensee to make audited financial statements available to insureds, third party beneficiaries and such other persons as may be prescribed on request.

Record keeping

The Law also outlines which records a captive manager must keep for the captives they manage. Such records must be sufficient to explain the transactions of the captive, to disclose with reasonable accuracy the state of affairs of the captive and to enable the captive to prepare its annual financial statements.

Change of control provisions

In terms of change of control provisions, The Law stipulates the statutory requirement to seek CIMA approval where there is a material change in ownership, i.e. when there is a proposed issuance of shares amounting to more than 10% of the captive's share capital or a proposed transfer of shares amounting to more than 10% of the captive's issued share capital.

Obligations of captive managers and auditors

In addition to the requirement for all captive managers to secure professional indemnity insurance with minimum coverage of US\$1 million per loss, captive managers are also subject to an enhanced "whistle-blowing" obligation to CIMA. This obligation can be triggered by concerns as to fitness and probity or solvency, knowledge or suspicion of criminality, or the captive operating contrary to The Law or Insurance Regulations, the Monetary Authority Law, the Money Laundering Regulations or any condition of its license. In the case of a Class B (i) or B (ii) licensee provisions relating to, knowledge that limits on unrelated business have been exceeded is also included.

For the first time, auditors are also covered by "whistle-blowing" obligations under the new regulations. An auditor must immediately notify CIMA if, in the course of conducting an audit, they discover or suspect any of the aforementioned issues (those ascribed to captive managers) as well as insolvency, lack of accounting records or business being conducted or wound up in a manner prejudicial to policyholders or creditors.

The Law also codifies many of the regulatory and oversight powers granted to CIMA. These powers enable the regulator to ensure the Cayman Islands continue to meet international standards. Examples of these powers include the right to have access to the books and records of a licensee; the power to give directions with regard to unsafe/unsound practices; and the ability to levy various fines and sanctions.

In addition, the triggers for CIMA's enforcement powers have been broadened (e.g., a contravention of the Money Laundering Regulations now empowers CIMA to take enforcement action) and those enforcement powers, themselves, have been broadened (e.g., the right to remove, rather than just substitute, a director, manager or officer of a captive and the right to appoint a receiver).



Overall, The Law provides the framework for the positive development of Cayman's captive insurance industry well into the future. Of particular significance, The Law enables CIMA to tailor its regulatory approach to different categories of captive, which ensures that the credibility of the jurisdiction is maintained, and indeed enhanced, whilst not imposing significant regulatory burdens on captives and their owners.

"The Cayman Islands is still internationally recognized as a growth market for financial services for the insurance industry, and beyond. This growth is a result of the modern infrastructure, telecommunications, political stability and a regulatory framework which reflects recognized international standards. Independent assessments by various international bodies continue to highlight that fact. The Cayman Islands Monetary Authority is an active member of various international groups such as IAIS, GIFCS and OGIS to name a few. Enhanced international cooperation and collaboration continue to play a vital role in our success."

Cindy Scotland, Managing Director,
Cayman Islands Monetary Authority

Taxation of Cayman Captives

United States Tax

It is a common misconception that a captive formed in the Cayman Islands will not have to deal with any US tax issues. In reality, the majority of captives that are formed in the Cayman Islands that have US shareholders will most likely have US filing requirements for either the captive or for its shareholders.

Controlled Foreign Corporations

Cayman captive owners must first determine if the captive will be classified as a Controlled Foreign Corporation (“CFC”) for US tax purposes. The general rules for CFC determination are:

A non-US corporation that anytime during its tax year has “US shareholders” that own more than 50% of the combined voting power of all classes of stock or more than 50% of the total value of the corporation.

For the CFC test, a “US shareholder” is any US person owning at least 10% of the total combined voting power or 10% value of all classes of stock.

For any non-US corporation that meets the definition of an insurance company for US tax purposes, the greater than 50% CFC threshold is lowered to 25% or more.

The definition of a “US shareholder” is revised to not only include all US persons that own 10% or more of the vote or value of the stock but it also includes any US person that is a shareholder of the captive and also is an insured of the captive.

If the captive is determined to be a CFC, the US shareholders must include in taxable income their pro rata share of the captive’s taxable income and file Form 5471, Information Return of US Persons With Respect to Certain Foreign Corporations, on an annual basis. The Form 5471 is required to be attached to the respective shareholder’s US income tax return for their tax year that includes the year end of the captive. Failure to timely file Form 5471 can result in a US\$10,000 penalty. In addition to Form 5471, other US tax forms may be required to be filed related to the Cayman captive.

Available Tax Elections

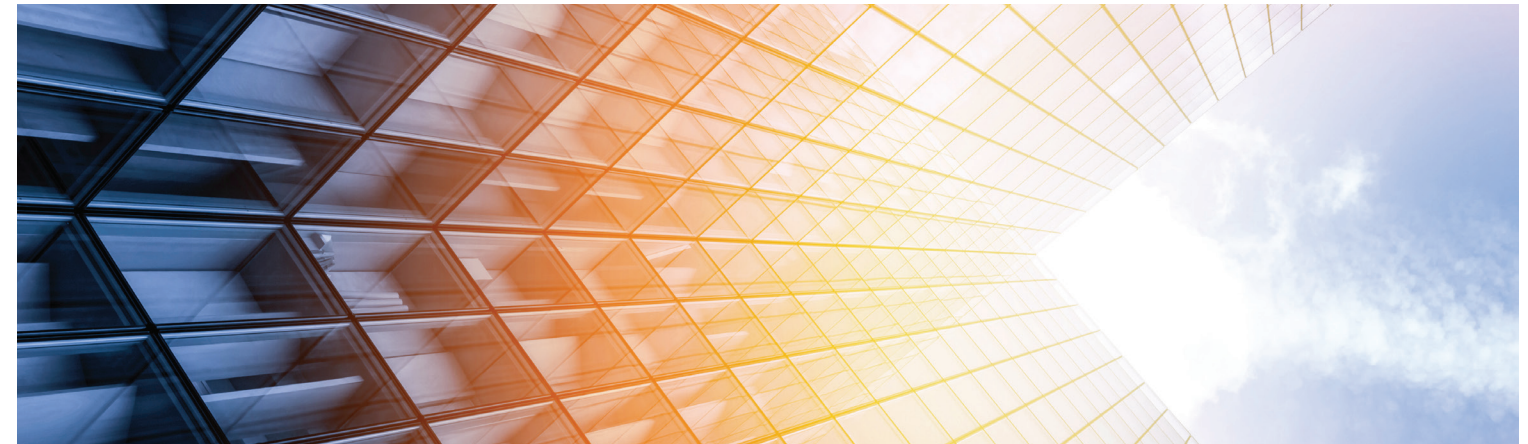
One election available to certain captives is the §953(d) election. This election is only available to CFCs that meet the definition of an insurance company for US tax purposes. The effect of the §953(d) election is that the Cayman captive will be taxed as a US Insurance Company.

The captive will report and file its taxes on US Corporate tax forms and it will follow the rules and regulations applicable to insurance companies under the US tax code. Once the election is made, it is irrevocable. The shareholders of the captive will no longer be required to file Form 5471 if the §953(d) election is made.

Another election that can be made is the §831(b) election. In order to make this election, the captive must first have made the §953(d) election and second, have received premiums in the tax year below the annual threshold. In 2018 the threshold was US\$2.3M, and this is adjusted annually for inflation. The §831(b) election allows the company to be taxed solely on its investment income. Once the election is made, it is effective for the year of the election and all subsequent years in which the captive meets the parameters of the election.

Federal Excise Tax

The US imposes a Federal Excise Tax (“FET”) on insurance premiums paid from the US to non-US insurance companies. The rate of the FET is 4% for directly written premiums and 1% for premiums that are reinsured through a US fronting company. The FET is eliminated if the §953(d) election is made.



Canadian Tax

On June 24, 2010, the Governments of Canada and the Cayman Islands entered into a Tax Information Exchange Agreement, which is based on the OECD’s internally agreed standard on exchange of tax information between countries. The Agreement promotes transparency and effective exchange of tax information between the jurisdictions and designates the Cayman Islands as a “treaty country” for the purpose of Canada’s Income Tax Regulations.

Being a treaty country, certain active business income earned by a Cayman Islands subsidiary and distributed to its Canadian corporate parent will be considered exempt surplus and not be subject to tax in Canada. In addition, passive forms of income such as interest or royalty payments paid to a Cayman Islands company by a sister company resident and carrying on active business in another treaty country may be repatriated on a tax free basis to the Canadian parent so long as the amount is deductible in computing active business income of the sister company.

Similar to other treaty countries with tax neutral fiscal policy, the Cayman Islands is well situated to be used in structuring captives for Canadian corporations. As the Cayman Islands is a top domicile for captives, the quality of service offered and proportional approach to regulation gives the jurisdiction an unparalleled competitive advantage as domicile for Canadian captives.

International Tax

The Cayman Islands has been an active participant in the OECD Global Forum on Taxation and Exchange of Information for Tax Purposes, having in 2000 been one of the first non-OECD jurisdictions to adopt the principles of transparency and exchange of information based on a level playing field.

The Cayman Islands is on the OECD white list of jurisdictions that substantially implement international tax standards. Cayman has over 36 bilateral arrangements with the following jurisdictions for provision of tax information:

Argentina, Aruba, Australia, Belgium, Brazil, Canada, China, Curaçao, Czech Republic, Denmark, Faroe Islands, Finland, France, Germany, Greenland, Guernsey, Iceland, India, Ireland, Isle of Man, Italy, Japan, Malta, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Qatar, Seychelles, Sint Maarten, South Africa, Sweden, United Kingdom, United States of America.

Following a consultation of the financial services industry and negotiations with US officials, the Cayman Islands government confirmed in 2013 it will conclude a Model 1 intergovernmental agreement with the US in response to the US Foreign Account Tax Compliance Act (“FATCA”). This will ensure a more efficient and consistent approach to remain in compliance with FATCA requirements.

Hedge Fund Reinsurers

The regulatory regime in the Cayman Islands allows for multiple different categories of licenses to be available. In addition to the Class B licenses issued to captive insurance companies, Class A licenses are available for commercial insurance companies, Class C licenses for insurance-linked securities or catastrophe bonds, and Class D licenses for reinsurance companies.

The Cayman Islands has a world-class reputation for both insurance and for alternative investment entities.

As the global insurance industry continues to evolve, the Cayman Islands remains a leader in the infrastructure, risk-focused regulation and technical expertise required to attract, support and develop the ever-growing number of alternative insurance companies.

The emergence and growth of Hedge Fund Reinsurers (“HFRs”) in recent years combines both of these areas of expertise for the Cayman Islands to create exciting possibilities. Under HFR structure, the reinsurance entity focuses on underwriting, while the sponsoring manager seeks to maximize returns from the investible assets.

The reinsurance sector in Cayman is experiencing steady growth, where reinsurance companies account for over a quarter of total assets under management of licensed insurers. Worldwide, HFRs have been a hot topic for several years with a number of high profile deals significantly blurring the lines between the reinsurance and capital markets. Given its robust but business-friendly regulatory regime, it was only a matter of time until Cayman became an emerging player in this sector.

The premise for HFRs is simple – combine the hedge fund and reinsurance strategy to create higher risk-adjusted returns. The fundamental question for the HFRs is whether combining the hedge fund and the reinsurer generate better risk adjusted returns than they could achieve separately.

In recent years, while we have seen stringent capital regimes such as Solvency II limiting growth in the reinsurance sector in other jurisdictions, the Cayman Islands (“Cayman”) has experienced an increase in HFR activity due in part to a more risk-focused and innovative regulatory environment.

Due to more stringent capital regimes and a prolonged soft market, there has been significant M&A activity worldwide in the reinsurance sector resulting in a consolidation of reinsurance players. HFRs will further impact the smaller reinsurance players who lack scale by creating more reinsurance capacity.

The HFR model, while still in its infancy, is now a credible alternative to the traditional reinsurance structure and has managed to carve out a niche for itself over a relatively short period of time.

Given the cyclical nature of the reinsurance markets, better opportunities await for HFRs. Equity markets are peaking and recent catastrophe losses are hardening the reinsurance markets. As global interest rates rise and the investment markets stabilize, the HFR business model becomes a very attractive investment option.

The key to success of HFRs lies in bridging the gap between the reinsurance and hedge fund risk cultures, the ability to increase capital - efficiency via diversification and effective risk management.

Key Points

- The crossover between hedge funds and reinsurers offers compelling possibilities and opportunities.
- Recent catastrophes may lead to a hardening of reinsurance markets, increasing capital flows.
- Cayman provides a risk-focused and innovative regulatory environment.



Conclusion: Cayman International Insurance The Better Alternative

With almost 50 years of experience in captive formation, operation and management, and with particular strength in healthcare captives and catastrophe bonds, the Cayman Islands has distinguished itself as one of the world's largest captive domiciles, measured not only by the sheer number of captives, but also by assets under administration.

Here are the top reasons why so many captive owners cite the Cayman Islands as their domicile of choice:

Proportional regulation

Minimum capital requirements in the Cayman Islands are set according to the percentage of related business a captive writes relative to its net premium. This is a smart, proportional and risk management-based method for deriving these requirements. In addition, most forms of capital, including incoming letters of credit, are accepted by the regulator.

Of comfort to many Cayman captives, the jurisdiction does not look set to pursue Solvency II equivalence until such time as specific issues pertaining to captive regulation have been addressed and clarified and CIMA is convinced of its appropriateness and proportionality for captives.

According to the recent OECD Peer Review the Cayman Islands was cited as having "...a well developed legal and regulatory framework". The Insurance Supervision group at CIMA is responsible for insurance entity regulation. CIMA itself is subject to inspection by the International Monetary Fund ("IMF").

A strong public/private sector partnership combined with a responsive regulator helps maintain a business-friendly environment in the Cayman Islands.

Developed industry and supporting services

In addition to a sophisticated regulatory and legal regime and a highly developed captives industry, the Cayman Islands also provides a strong bench of talented professionals offering a range of supporting services.

The islands are home to 266 licensed banks, international brokers and insurance consultants, Big 4 audit and accounting firms that also provide tax and actuarial services, and international law firms.

Experience in vast range of captives

Cayman captives include healthcare, workers' compensation, property, general liability and life. The CIMA website provides useful statistics demonstrating the variety of captive types and underlying industries. See www.cima.ky.

Also, further information and statistics can be found on the Cayman International Insurance Website. See www.caymanintinsurance.ky.

Low relative business and operating costs

As a result of proportionate regulation, the business and operating costs a captive will face in the Cayman Islands are relatively low. A Class B (or captive) insurance license ranges from CI\$8,500 to CI\$10,500, or approximately US\$10,366 to US\$12,805. Additional audit and management fees are also competitive.



Century Yard, Cricket Square in the Cayman Islands

Case Study: Caribbean Catastrophe Risk Insurance Facility (CCRIF)

Since 2007, CCRIF has written parametric Earthquake ("EQ") and Tropical Cyclone ("TC") cover for the governments of 16 Caribbean countries. This cover provides a risk transfer mechanism that assists the governments of these major Caribbean countries to address the threat of natural catastrophes.

The Cayman Islands was selected for a number of reasons, including its reputation as a seasoned captive insurance jurisdiction, its robust business infrastructure, and its experience in handling the effects of Hurricane Ivan in 2004.

"The approach to insurance regulation by the Head of Insurance Supervision in the Cayman Islands is distinct from other regulators. Whilst in the course of performing his duty to ensure our captive is meeting its statutory obligations, he also seeks to build a true partnership with us. We derive particular comfort from the fact that the Regulator takes such an interest in the success of CCRIF given the Facility's significant role in mitigating the financial effects of natural hazards in the Caribbean region."

Milo Pearson, Executive Chairman of the Board, CCRIF

Tax neutrality

The Cayman Islands are tax neutral, with no capital gains, estate, property or income taxes, nor any other applicable business tax.

In addition, the jurisdiction has signed a growing number tax information exchange agreements with a host of countries including the US, Canada and the UK, ensuring a high level of tax transparency.

Political stability

Despite being a largely self-governing British Overseas Territory, the Cayman Islands maintain close links to the British political and legal systems. In its August 2017 Country Risk Report, AM Best rated political risk in the Cayman Islands as 'Low'. The country also maintains a Moody's Aa3 sovereign debt rating with a stable outlook (2017).

Insurance Managers Contact List

Advantage International Management (Cayman) Ltd.

Suite 5304, 18 Forum Lane,
Camana Bay, Grand Cayman
345 949 1599

Liam Fleming
L.Fleming@aimcl.com.ky

www.advantagelife.com

AMS Corporate Services (Cayman) Ltd.

Governors Square, Suite 3-212
23 Lime Tree Bay Avenue,
Grand Cayman, 345 525 0406

Greg Meaker
greg.meaker@amsfinancial.com

www.amsinsurancegroup.com

Aon Insurance Managers (Cayman) Ltd.

18 Forum Lane, 2nd Floor
Camana Bay, Grand Cayman
345 945 1266

Adrian Lynch
adrian.p.lynch@aon.com

www.aon.com/captives

Artex Risk Solutions (Cayman) Limited

171 Elgin Avenue,
George Town,
Grand Cayman
345 914 2277

John Pitcairn
john.pitcairn@artextrisk.ky

www.artextrisk.com

Atlas Insurance Management (Cayman) Ltd.

Whitehall House, 3rd Floor
238 North Church St,
George Town, Grand Cayman
345 945 5556

Elaine Tapp
etapp@atlasaptives.com

www.atlasaptives.com

Beecher Carlson, Ltd.

916 South Church Street #11,
George Town,
Grand Cayman
818 963 0422

Clayton Price
cprice@beechercarlson.com

www.beechercarlson.com

Captiva Global Financial Services

Governors Square, Building 4, 2nd Floor
23 Lime Tree Bay Avenue
George Town, Grand Cayman
345 946 4111

Harry Thompson
hthompson@captivagfs.com

www.captivamanagers.com

Captive Management Initiatives, Ltd.

Governors Square, Suite 4-213-4,
23 Lime Tree Bay Avenue
George Town, Grand Cayman
345 943 2645

Peter Jones
peterjones@cmi.ky

www.cmi.ky

CSI International Underwriting (Cayman) Ltd.

Governors Square, 2nd Floor
23 Lime Tree Bay Avenue,
Grand Cayman
345 949 7322

JS De Jager
js@csi.ky

www.csi.ky

Dyna Management (Cayman) Ltd.

Governors Square, Suite 4-213-5
23 Lime Tree Bay Avenue,
Grand Cayman
345 746 3963

Joan Mburu
jmburu@dyna.ky

www.dyna.bm

Global Captive Management Ltd.

Governors Square,
Building 3, 2nd Floor,
23 Lime Tree Bay Avenue,
Grand Cayman, 345 949 7966

Peter MacKay
pmackay@global.ky

www.global.ky

Horseshoe Services (Cayman) Ltd.

Piccadilly Centre, 2nd Floor,
28A Elgin Avenue,
Grand Cayman
345 769 6690

James Rawcliffe
james@horseshoe.ky

www.horseshoeglobal.com

Hyperion Insurance Management (Cayman) Ltd.

Grand Pavilion Commercial Centre,
Suite 24,802 West Bay Road,
Grand Cayman
345 623 6500

Martin Cooke
martin.cooke@hyperion-risk.com

www.hyperion-risk.com

International Insurance Management Corporation

79 Town Hall Road,
West Bay,
Grand Cayman
345 949 6090

Abbie McMillan
amcmillan@western.ky

www.western.ky

International Management Services Ltd.

Harbour Centre, 3rd Floor
George Town,
Grand Cayman
345 814 2857

Damien Austin
daustin@ims.ky

www.ims.ky

Kensington Management Group, Ltd.

Kensington House,
Dr. Roy's Drive,
George Town
345 946 2100

Mike Gibbs
mgibbs@kensington.ky

www.kensingtonmanagement.ky

Lainston International Management (Cayman) Ltd.

Sussex House, 128 Elgin Avenue
George Town,
Grand Cayman
345 943 1206

Brad Fisher
brad@lainston.com

Lainston.com

MaplesFS Ltd.

Boundary Hall,
Cricket Square
Grand Cayman
345 814 5710

Lesley Thompson
lesley.thompson@maplesfs.com

www.maplesfs.com



Marsh Management Services Cayman Ltd.

Governors Square,
Building 4, 2nd Floor,
23 Lime Tree Bay Avenue,
Grand Cayman, 345 949 7988

Kieran Mehigan
kieran.mehigan@marsh.com

www.marsh.com

R&Q Quest Management Services (Cayman) Ltd.

Sussex House, 128 Elgin Avenue
George Town,
Grand Cayman
345 943 1206

Arthur Dzaghgouni
arthur@lainston.com

www.rqih.com

Sagicor Insurance Managers Ltd.

198 North Church Street,
George Town,
Grand Cayman
345 949 8211

Kimberlyn Battick
kimberlyn_battick@sagicor.ky

www.sagicorjamaica.com

Somers Risk Management Ltd.

Queensgate House, 5th Floor
113 South Church Street,
Grand Cayman
345 814 2653

Paul Macey
pmacey@usarisk.ky

www.somersriskconsulting.com

Strategic Risk Solutions (Cayman) Ltd.

Caribbean Plaza, 2nd Floor,
North Building
878 West Bay Road,
Grand Cayman, 345 623 6611

Wayne Cowan
wayne.cowan@strategicrisks.com

www.strategicrisks.com

USA Risk Group (Cayman) Ltd.

Queensgate House, 5th Floor
113 South Church Street,
Grand Cayman
345 814 2653

Paul Macey
pmacey@usarisk.ky

www.usarisk.com

Willis Towers Watson Management (Cayman), Ltd.

62 Forum Lane, 3rd Floor
Camana Bay, Grand Cayman
345 949 6039

Stephen Gray
stephen.gray@willistowerswatson.com

www.willistowerswatson.com

Editorial Board

David Watt, Erin Brosnihan, Denise Gower, DeAnn Blackman

Blue Pencil Communications Ltd.

Leah Dering-Ridley

Cover Design

Fountainhead Business Development

Published Date

April 2019

caymanintinsurance.ky

kpmg.ky

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.



CAYMAN INTERNATIONAL INSURANCE
THE BETTER ALTERNATIVE

KPMG