

Special Feature: Tennessee Domicile Update

For this month's special feature the *Risk Retention Reporter* interviewed Michael Corbett, Director of Captive Insurance at the **Tennessee Department of Commerce & Insurance** and Jennifer Stalvey, Assistant Director of Captive Insurance at the Tennessee Department of Commerce & Insurance while at the 2017 *CICA International Conference*. The article covers Tennessee's history and growth as a domicile, Corbett's and Stalvey's approach to the regulation of risk retention groups, and the implementation of governance standards in the state. The article begins on page 5.

Christina Kindstedt on Her New Position at Advantage Insurance

Christina Kindstedt is currently settling into her new role as Senior Vice President at **Advantage Insurance**, a role she took in February of this year. Prior to joining Advantage Kindstedt was Senior Vice President at **WillisTowersWatson**, a role she held for 14 years. For this month's issue Christina Kindstedt answered some questions regarding her new role at Advantage, which will primarily entail developing and managing captives and risk retention groups. Kindstedt will also assist with life insurance initiatives in China.

Risk Retention Reporter: Is Advantage looking to grow the number of RRGs it manages? Do you believe that there is room for growth in the current RRG market?

Christina Kindstedt: Yes and yes. Historically insureds have formed RRGs when they couldn't find an adequate amount of coverage at a reasonable price in the commercial market. Now that RRGs are writing over \$3 billion in annual premium, they're better known, and insureds have become better educated. Not only do insureds see RRGs as a mechanism to achieve pricing consistency, more importantly RRGs provide a platform for insureds to share best practices and enforce risk management protocols, whose immediate impact is better premium rates.

The economy's evolving nature drives growth in the RRG market as well. Many RRGs are now covering cyber liability, a coverage that hadn't been created when the *LRRRA* was passed in 1981. The last **National Risk Retention Association Annual Conference** had an autonomous vehicle ("AV") theme. AVs' risks are so unconventional that few commercial carriers know how to underwrite them. That gives RRGs a huge potential as RRGs can adapt to these changes and their insurance needs faster than traditional carriers.

RRR: While you were at WillisTowersWatson many Healthcare RRGs came under the Willis umbrella to the point that Willis now stands out as a specialist in Healthcare RRGs. Did you play a role in the formation and management of those groups, and if so, will Advantage be looking to expand their presence in the Healthcare space?

CK: I was very fortunate to have played the lead role in driving Willis's growth in healthcare RRGs. Willis had a grand total of three RRGs when I joined it in 2003. I didn't plan on focusing on RRGs, but my first client was an RRG. It grew so fast that I had to hire someone to help me within a year. Pleased with our work product, the client brought us two more RRGs. By the time of my departure, I had formed eight new RRGs, brought in two existing RRGs, and was in the process of forming two more. I say fortunate because all of them were referred to me by my clients. Advantage is already ranked as one of the top 10 RRG managers. We're looking to expand even more in the RRG space.

RRR: Any other comments on your new position?

CK: I marvel at the efficiency that technology brings to insurance, an old industry. Being deeply involved in the day-to-day captive management, I know how much work is involved in preparing standard reports. I'm pleasantly surprised to see how much more efficient the Advantage team is. Part of the reason is an experienced staff. The other part is our adoption of the latest technology. Advantage Insurance is a fast growing and innovative specialty insurance company. I'm glad to be part of a winning team.

Last but not the least; I get to use my native language Chinese again in my new job, because more and more Chinese are waking up to the importance of insurance.

Risk Retention Roundup

This month no new risk retention groups were added to the *Risk Retention Reporter* listings, and one RRG was deleted, taking the total number of RRGs down to 235. One purchasing group was added to the *Risk Retention Reporter* listings, and no PGs were deleted, taking the total number of PGs up to 988.

This month's new purchasing group—New Jersey-domiciled **Recreation and Amateur Sports Risk Management Association**—will be providing cyber liability, directors and officers liability, employee benefits liability, employment practices liability, excess general liability, fiduciary liability, general liability, hired & non-owned auto liability, liquor liability, and umbrella liability for members that are composed of youth and adult amateur sports teams, leagues, and clubs conducting recreation & leisure activities.