



Regulation Dominates VCIA Discussions—Smith

Richard Cutcher, 8/15/2014

Regulation of the captive insurance industry, at state, federal and global levels, dominated the Vermont Captive Insurance Association (VCIA) conference discussions, according to Rich Smith, president of the association.

Speaking to *Captive Review* at the wrap-up of another bumper VCIA, attended by more than 1,000 people either already working or interested in the industry, Smith said the conversations he had echoed those concerns expressed by those who took part in the *Captive Manager Survey 2014*.

In the survey published in the September edition of *Captive Review*, 52% of captive managers said global accounting standards and regulation was the biggest worry facing captive owners.

“Not surprisingly the regulatory issues were most prominent in my discussions with the captive industry,” Smith said.

“Especially the international aspect of regulatory standards. In the past I think it has been quite common for us in the United States to think it will not be something that affects us, but that is changing now and we are keeping an eye on it and how it develops.”

Smith also points to the growing maturity of the captive industry, leading to issues such as fronting arrangements, reinsurance and return on investments being better understood and developed. As a result, they are less of a concern and talking point.

This is further aided by the fact the wider insurance industry is beginning to look upon captives less as the enemy and has a greater desire to work with and for captive clients on services.

“There is finally an understanding in traditional markets that captives can play a part in the wider industry and are a flexible tool for risk managers to utilize,” he said.