



3rd Annual Executive Educational Conference A Success

The USA Risk Group 3rd Annual Executive Educational Conference was held May 28th – 29th at the Loews' Lake Las Vegas Resort in Nevada. This two day conference which included golf, a rafting excursion, beginner and high level seminars, and great networking opportunities all culminated with the very entertaining Blue Man Group performance at the Venetian.

Over 100 attendees registered for the conference which kicked-off Wednesday afternoon shortly after the golf and rafting with the Captives 102 session presented by Kevin Doherty of Burr & Forman and Jeff Kenneson of USA Risk Group. This session was followed by sessions dealing with Investments presented by Alan Day and Tina Truax-McCuin of TD BankNorth and a very spirited session on Fronting which was presented by Lawrence Cook of Discover Re and Brian First of SPARTA (Brian was formerly with Discover Re). The friendly barbs back and forth were very entertaining knowing these two gentle-

men.

Thursday's sessions enlightened the attendees in actuarial science concepts presented by Christine Fleming and Mike Meehan of Milliman USA. Mike's correlation of loss data to touchdown completions for Eli Manning, Payton Manning and Tom Brady put a new spin on the actuarial science in a more interesting fashion than just looking at figures on a loss triangle. This session was followed by the ever popular Tax session presented by two of the top experts in the field, Chaz Lavelle of Greenebaum, Doll & MacDonald and Gary Bowers of Johnson Lambert & Co. This year's new spin to the presentation was the fact that Gary has a client currently being audited by the IRS. Gary shared the dozen or so questions being asked of him by the IRS and how he proposes to handle them while Chaz played devils advocate or better yet IRS agent, sharing with the group "why" the IRS wants to see these various items. This session will be lengthened in time for



Jeff Kenneson, Senior Vice President, Business Development

next year's conference since we never seem to have enough time with all the participation and questions from the audience.

We all took a quick minute to catch our breaths after the Tax session and moved into the Audit session which to most people seemed to be scarier than the Tax session. This session was presented by Michael Burdick and Jonathan Arbeit of Johnson Lambert & Company. They were very thorough and complete in their presentation of the new audit rules coming down the pike for captives to worry about. The topic became tense when the issue of Fin. 48 was presented. This new rule will require reporting, at least in footnote fashion, any weak posi-

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tion a captive may take in regard to reporting tax liability. Gary Osborne, President of USA Risk Group, added that his concern is not the understatement of federal income tax when it comes to taxes but the other taxes specific to insurance companies that may become issues such as self-procurement tax.

The conference wound down with George Estes, President and CEO of SPARTA, addressing the insurance marketplace and challenges in creating a new start up, over lunch. The final session dealt with Claims and was presented by Tim Over, Marcia Giesler and Jerry Frick of Sedgwick Claims Management services. The session was well attended given its place on the agenda with only 10 fewer attendees than our most popular session, Tax. To wrap things up, Captive Jeopardy was played for poker chips worth \$500. Gary Osborne and others developed the answers for the audience to come up with the questions. This was a very light hearted session with several hints being required for some of Gary's so-called "easy" answers.

We received many positive comments regarding the conference, the speakers, the venue and the general collegial atmosphere during the two days. We are starting plans for next year's conference and any ideas or comments for improvement are always welcome.

Arizona Captive Insurance Associa-

tion Announces Winner of First Crystal Cactus Award

The highlight of the Annual Meeting was the presentation of the first **AzCIA Crystal Cactus Award to Marc J. Lapointe**. Marc was the author and driving force behind the passage of the Arizona Captive Law, and founded AzCIA where he

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served as President during its initial three years. Marc is Senior Vice President of USA Risk Group (West), Inc. and is responsible for design, implementation, licensure, and management of captive insurance companies in domiciles throughout the United States. He has eighteen years of experience in the captive industry and is the founder and developer of CaptiveGuru.com, an industry specific web site.

USA Risk Group Expands into Barbados

We are pleased to announce we have purchased a majority ownership in MIMS International (Barbados) Ltd., with the effective date of the change being January 1, 2008. Mr. Martin Hole, principal officer of MIMS, will remain as head of the office which will be renamed USA Risk Group (Barbados) Ltd.

Stuart Grayston, President of USA Risk's offshore operations, stated "We are pleased to be opening in Barbados as it has great potential to

expand on its already strong position in the alternative risk market and we are even more delighted that Mr. Martin Hole and his team, with their experience and knowledge of the Barbados arena, will be our partners in our efforts to develop our presence in this market."

MIMS has been a leading independent manager since 1986 with 22 captives under management serviced by 5 staff, and was the first manager to be licensed in Barbados.

USA Risk Group to Enhance Bermuda Operation with Addition of Cedar Management Limited

USA Risk Group announced in June it has agreed, subject to regulatory approval, to purchase a majority ownership in Cedar Management Limited, with the effective date of the change to be July 1, 2008. Messrs Tom McMahon, Mick Larkin and Dennis Silvia will remain as substantial shareholders and, along with the other members of staff, will work to ensure a smooth integration into the USA Risk family of companies.

Stuart Grayston, President of USA Risk's offshore operations, stated "We are pleased to be partnering with Tom, Mick and Dennis to improve our footprint in Bermuda. USA Risk has a stated goal of being a leading player in all the leading domiciles and the experience and skill set of Cedar will allow us to be a significant independent presence

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in Bermuda and all of the North American alternative marketplace.”

Cedar Management was formed by a management buyout in 2005 of the former CNA captive management operation and the combined company will have 7 staff managing 23 captives in Bermuda.

The company will continue to trade as Cedar Management Limited.

Virtual University

Our partnership with Cedar Management Limited and Cedar Consulting brings you Virtual University! Captive specific courses are still being developed but insurance CE and CPA courses are available, as well as course materials. Check it out at <http://cedarconsulting.360training.com>.

About USA Risk Group

USA Risk Group of Vermont, Inc. (“USAVT”), was established in Vermont in 1981 by H. Lincoln (“Linc”) Miller Jr. USA Risk Group now includes captive operations in Vermont, South Carolina, Arizona, Nevada, Bermuda, Barbados, British Virgin Islands and Grand Cayman, managing captives in 16 different domiciles, as well as a reinsurance intermediary operation in Greenville, South Carolina. All companies under the USA Risk Group umbrella are owned by Linc’s family and various key employees. We believe that, as an independent company, not owned by a broker, insurance company or bank, we can provide a superior, objective service to our clients without any conflict of interest.



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*Save the date for next year's
conference, May 27–29, 2009!*

