



# Industry update

U S A R G

## 4th Annual Executive Educational Conference Boasts Dynamic, Interactive Sessions

The USA Risk Group 4<sup>th</sup> Annual Executive Educational Conference was held May 27<sup>th</sup> – 28<sup>th</sup> at the Ritz-Carlton Lake Las Vegas Resort in Nevada. This two day conference which included golf, a kayaking excursion, beginner and high level seminars, and great networking opportunities all culminated with the very exciting “O” performance by Cirque du Soleil at the Bellagio.

Over 70 attendees registered for the conference which kicked-off Wednesday afternoon, shortly after the golf and kayaking, with an old favorite of past attendees, Domicile Wars. Gary Osborne, our esteemed President, presented the panel with the fact patterns for actual captives that have been formed by USA Risk Group and asked the panelists to argue their case for forming the captive in their particular domicile. Domiciles were represented as follows: Andy Sargeant - Vermont, Paul Macey – Cayman Islands, Dennis Silvia - Bermuda, Martin Hole - Barbados, Marc Lapointe - Arizona, Nevada, and Kentucky and Jeff Kenneson - District of Columbia, South Carolina, and the British Virgin Islands. It was a spirited debate with a vote to the audience as to the actual choice of the captive. There was a very

eloquent monologue offered up by Martin Hole regarding the benefits of Barbados, which to the other panelists seemed to sound like a real call to arms (all in good fun).

Domicile Wars was followed by one of the hot topics on everyone’s mind, investments. The panelists represented a wide array of investment experts including, William Dalziel of London & Capital, Carl Terzer of CapVisor Associates, Bob Aufiero of PRP Performa, Ltd, Steve Christensen of Wells Fargo Advisors and Mark Pierre of Morgan Stanley. The panelists shared with the audience their individual positions on the best asset allocation mix for a captive in this current market place, how each handles the servicing of clients that may have a less than desirable asset value, and their position on the credit crunch and what future that holds for business in general. This session was followed by a session dealing with recent audit pronouncements relating to investment valuations and was presented by Jonathan Arbeit of Johnson, Lambert & Company.

Thursday’s sessions started with a very nice buffet breakfast outside in the Florentine Gardens of the Ritz-Carlton. Kevin



*Jeff Kenneson, Senior Vice President, Business Development*

Doherty of Burr & Forman covered the various regulatory and legislative issues confronting captives today. With the backdrop of the clock tower and the rising sun, Mr. Doherty looked Presidential at the podium if not Gubernatorial. The only question I have is, “Will he be the next Governor of Tennessee?”

We then went back inside before everyone melted to learn about the new regulations concerning claims reporting as it relates to Medicare and Medicaid. Darrell Brown of Sedgwick Claims Management Services discussed the intricacies of this reporting and the determination of whom in the chain is the reporting entity for such claims to the federal authorities. This was followed up with a look at this same topic, but from an actuarial perspective. Christine Fleming of Milliman, Inc. focused her discussion on answering

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several of the questions that were brought up during Darrell's discussion. As is typical with most things sent down from the federal level, there are still many unanswered questions as to the process and the definition of many perimeters, answers that won't come until months after the process is put into use.



*Kevin Doherty, speaking in the Florentine Gardens at the Ritz-Carlton Lake Las Vegas*

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 & McDonald and Gary Bowers of Johnson Lambert & Co. This session is probably our most interactive of all and even though we allotted more time this year, we may need to add more time next year.

As we broke for lunch just off the Florentine Gardens at the Ritz-Carlton, most of us were looking forward to a comfortable lunch amongst friends while listening to the expanded legal standards surrounding disability discrimination. **WRONG!!!!** Patricia Eyres, Attorney at Law for Stuart Baron & Associates, did an incredible job of presenting this topic to us. The only problem was it either scared the pants off you or it made you lose your appetite. Patricia covered the basics and then really livened things up with some specific examples. It was a very dynamic session, one to put in another time slot other than lunch for next year.

The conference wound down with a session on putting health benefits in your captive with Greg Lang and Steve

Fedele of Munich Re discussing the how's and why's of doing it given their recent past experience with the topic. We also had Rob Schmid of Energy Insurance Services share his practical experience with the topic from the captive owner's view point. The final session was presented by Joseph Schimenti of Consensus Management Corporation and Jeff Kenneson of USA Risk Group. Joe dis-

cussed the medical malpractice market place and the reasons for forming a captive or risk retention group for physicians, hospitals and nursing homes. Jeff then discussed the various forms these entities can take and how to form them. To wrap things up, Captive Jeopardy was played for poker chips. 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.

PDFs of the presentations, as well as downloadable audio files are available on our website at [www.usarisk.com/](http://www.usarisk.com/)

[conference.](#)

## USA Risk Group Promotions

**USA Risk Group is pleased to announce the following promotions:**

*Paul Macey, President, USA Risk Group (Cayman), Ltd.*— Paul Macey was appointed President of USA Risk Group (Cayman), Ltd. effective June 1, 2009. Paul joined USA Risk Group in late 2005 as Senior Vice President of USA Risk Group (Cayman), Ltd., and has over 18 years of experience in the insurance industry, most recently as Partner and Insurance Manager of JLT Risk Solutions (Cayman), Limited. In this position, Paul was responsible for insurance related activities of client companies, including brokerage, insurance technical support and program design. Paul is British and holds the Associate of the Chartered Insurance Institute, England. Paul replaces Stuart Grayston, who remains on the Board and continues as President of USA

Risk Group (Bermuda), Ltd., with responsibility for the group's overall offshore operations.

*Anita Perkins, Assistant Vice President, USA*

*Risk Group of Vermont, Inc.*—Anita Perkins will be promoted to Assistant Vice President of USA Risk Group of Vermont, Inc. effective July 1, 2009. Anita is currently employed as a Senior Account Manager in the Burlington, Vermont office. Anita joined USA Risk Group in April 2001, as an Account Manager and was promoted to Senior Account Manager in May 2006. In this position, Anita has responsibility for the daily operation of Risk Retention Groups and Captives, including quarterly management accounting and reporting to the NAIC and admitted states. Her clients include an auto warranty company and commercial general liability provider for

*"This is probably our most interactive (session) and even though we allotted more time this year, we may need to add more next year."*

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chemical specialty products. Prior to joining USA Risk Group, Anita worked for Marsh Management Services, also in Burlington.

*Cindy Lyford, Assistant Vice President, USA Risk Group of Vermont, Inc.—*

Cindy Lyford will be promoted to Assistant Vice President of USA Risk Group of Vermont, Inc. effective July 1, 2009. Cindy is currently employed as a Senior Account Manager in the Berlin, Vermont office. Cindy joined USA Risk Group in July 2000, as an Account Manager and was promoted to Senior Account Manager in 2006. Cindy has responsibility for a diverse portfolio of clients, including one of USA Risk Group's largest clients and two risk retention groups. Prior to joining USA Risk Group, Cindy had spent several years at a local insurance agency.

## Virtual University

Our partnership with Cedar Management Limited and Cedar Consulting has brought 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>.

## 2010 Annual Conference

We're changing our destination for 2010! Please plan to join us May 26—27, 2010 for our annual conference to be held at the Ballantyne Resort in Charlotte, North Carolina.



*Andrew Sargeant and Paul Macey in front of new USA Risk Group booth at RIMS 2009*

## 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, New York, 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.

*New website to be launched by 3rd quarter 2009*



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***What GROWTH means to you.***

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Conference August 12—13,  
Booth #55!