



DAVID F. PROVOST, deputy commissioner, captive insurance, Vermont Dept. of Banking, Insurance, Securities and Health Care Administration, says that giving companies the ability to make changes to their applications electronically is a big advantage for captives doing business in Vermont.

Confessions Of the Provost

After a year on the job, Vermont's top captive regulator feels a little like a minor celebrity.

In March, at the Captive Insurance Companies Association's annual conference, Dave Provost, Vermont's deputy commissioner of captive insurance, sat down with Risk & Insurance® for a brief look back at his first year in office.

Q: *You've been in office about a year now. Summarize the past 12 months?*

A: It's been great and very rewarding. It's completely different in my new role. I don't know how many hands I've shaken this year. Before, when I walked through the

hallway at the CICA conference or the RIMS (Risk and Insurance Management Society) conference, I could walk through quietly. Now I can't walk 20 feet without being recognized. This year, I hope things will be a little calmer.

Q: *Sounds like you're getting the royal treatment, a bit like a minor rock star?*

A: A very minor rock star—more like the drummer in the local band.

There was a time at RIMS last year, and a guy comes up to me

and starts to talk, looks down at the magazine supplement, starts to talk some more and looks down again at the supplement, and finally looks up and says, "Hey, you're the guy on the cover."

Q: *How have you been able to adjust to leading Vermont's captive team as opposed to being one of its inside, unheralded members?*

A: It's been fantastic. The support in the department, and all of the support from Pete Raymond, (director of captives), Sandy Bigglestone (director of financial examinations) and Kristen Sharrow (chief examiner), along with our in-house counsel—they've all been wonderful.

Q: *Were there any surprises that jumped out at you over the past year, incidents that you didn't expect?*

A: I don't know if there were all that many surprises, except for the number of people calling and how fast things change. As an examiner, I was used to looking at the past, and now I'm looking forward.

I also spend more time at the state house, and I am now more relaxed going there and supporting our annual captive bill go through the legislative process.

Q: *Pushing for passage of new or amended captive legislation is different than just about any other financial services legislation in Vermont. How so?*

A: Captive legislation takes the tone of ownership. Our legislature and governor are very supportive. Our reception is always positive at the state house. Pushing for changes in captive legislation is a collective effort, and you have to remember

that the changes have been vetted by our group at the state and by the industry before they get proposed to the legislature. It's a collaborative effort.

Q: *Despite a lean year in 2008, what changes are you looking forward to in 2009, and how do you assess Vermont's leading position as a domestic captive domicile?*

A: We're very optimistic for a great year, and we've got a well-oiled machine. Our veteran staff is ready and available for the growth we are anticipating this year. When the economy turns and if there's uncertainty about the offshore tax situation with the new Obama administration, we should be in a position to benefit from that, but we need to be careful that any proposed changes don't adversely impact the reinsurance arrangements of our existing captives, or the reinsurance market in general. There's room for all of us. Companies are glad that Vermont turns applications and

plan changes around quickly. It's important to our captives, and we're here for them. Another advancement we have done in Vermont is the electronic stamping of changes to existing captive business plans. That has been going on for about a year now with great success. That makes the turn-around time for plan changes even faster.

Q: *Does the electronic process also apply to new applications as well?*

A: The paper application process is still the same for now, but the ability to apply to set up a captive through electronic means is coming.

That should help us because time frames weight very heavily in this market, though we still want to meet with serious prospects face to face. That hasn't changed. We deal with one captive at a time.

CYRIL TUOHY is managing editor of Risk & Insurance®. He can be reached at riskletters@lrp.com.

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