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Press Release  
July 15, 2008

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## **The DCIA Interviews Delaware Captive Insurance Regulator *William P. White, AR***

Wilmington, Delaware - July 15, 2008

William P. White joined the Delaware Department of Insurance as the Captive Insurance Administrator in August of 2006.

Since joining the DOI he has been an integral part of the Captive Insurance Program as well as a driving force in the DCIA. The number of licensed captives in Delaware has increased by 425% since the beginning of Mr. White's tenure. His extensive knowledge of the Captive Insurance and ART Marketplace has been invaluable to the DCIA as the Association has worked to make Delaware a competitive captive insurance domicile.

Mr. White is currently working with the State of Delaware Department of Insurance to implement their recently rewritten (2005) Captive Insurance Law and strategically develop the domicile.

*The link to a detailed Bio for Mr. White, is located in the quick links section at bottom of the e-mail.*

**Delaware Captive Insurance Association:** How many captive insurance companies are licensed in Delaware and how much growth has there been since you became administrator?

**William P. White:** *We ended FY08 with a total of 18 licensed captive insurance companies. While it is not as many as we had hoped for, it is a significant achievement given the current market conditions. There were 6 licensed captive insurance companies when I came on board in late 2006, with 5 of those companies carried over from the years prior to Delaware's revision of the captive insurance law in 2005. We have licensed an additional 12 captive insurance companies in a little more than a year and a half and expect to increase our growth during the latter part of 2008.*

**DCIA:** What advantages separate Delaware from the other captive insurance domiciles?

**WW:** *Delaware has a long history of working with businesses to create companies and transactions that bring value to the market. Delaware's broad corporate infrastructure, which includes financial services companies and their professional staff, favorable entity laws, and the widely-respected chancery court, is a key component of the Delaware captive insurance domicile. We have an extensive network of legal and financial capabilities that work with government agencies and the legislature to support the Captive Insurance Program. We are separately funded by our legislation and premium tax revenues are retained by the program, making it more self-sustaining than might otherwise be the case. This enables us to do overall resource planning more effectively and where necessary, allows us to contract for additional expertise or capabilities to meet the business needs of our clients. Our location in Wilmington, DE makes us easily accessible from major business centers along the North East Corridor and Washington, DC.*

**DCIA:** Will Delaware focus on a particular market segment or niche in its domicile development?

**WW:** *In line with the financial infrastructure described, the Delaware captive insurance domicile is well-positioned to provide excellent regulatory services and oversight across the entire spectrum of alternative risk transfer (ART) needs. However, we believe our capabilities will provide particular benefits to clients that wish to utilize captive insurance vehicles in structured finance and securitization transactions. We understand that insurance-linked securities provide some organizations with access to more capital resources and that their strategic needs are best served by entering into these kinds of arrangements. We are also working with companies that use various types of segregated accounts structures, such as incorporated cell companies and risk retention groups (RRGs) to provide needed risk transfer flexibility.*

**DCIA:** How does the partnership with the Delaware Captive Insurance Association support the Captive program for the State of Delaware?

**WW:** *It is a key component for domicile development. The DCIA is the principal marketing arm of the domicile, providing access to the Program for key decision makers through its annual conference and other marketing forums. Its committees provide the business information and expertise that we rely upon in developing regulatory responses to business needs.*

**DCIA:** How does the soft market in traditional insurance pricing affect captive insurance company formations?

**WW:** *It slows the creation of companies formed in response to immediate concerns about pricing and delays the formation of certain types of group captive insurers that need significant participation by members in order to make their plan of operation viable. However, groups and single parent organizations that are looking for strategic solutions to risk finance will continue to develop and these are companies we are most interested in licensing.*

**DCIA:** What are the key elements in Delaware's captive insurance company application process?

**WW:** *Our evaluation process focuses on the plan of operation. It is the most important document since it is the blueprint for the organization. We review the plan carefully along with the pro forma financial statements and the actuarial feasibility analysis. We want to understand the purpose and expected outcomes for the company being formed. We expect these documents to outline the direction the organization intends to take with its operations so that we can work with the company to meet its business needs.*

**DCIA:** What are some things the industry might expect to see from Delaware in the future?

**WW:** *We expect the ART market to continue expanding and that captive insurance companies will be used to meet a variety of risk transfer needs, particularly in areas where there are growing concerns such as coverage for catastrophic losses, capacity for long-term liabilities, and health and employee benefit financing. We are researching these issues and looking at current market responses and regulatory concerns. As in other areas of business, Delaware intends to develop regulatory responses to business needs that are clear and consistent and provide value to the marketplace.*

### **About Delaware Captive Insurance Association (DCIA)**

Founded in 2005, DCIA is a nonprofit organization that serves as the unified voice of the captive insurance industry in Delaware and supports the development and growth of the industry through marketing, networking, education and legislative initiatives. DCIA's members include captive insurance companies, owners of captive insurance companies, and the managers, attorneys, accountants, actuaries, banks, consultants, claims administrators and other professionals who serve captive insurance companies.

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#### **QUICK LINKS**

William P. White Bio

[http://delawareinsurance.gov/captive/WPW\\_bio.shtml](http://delawareinsurance.gov/captive/WPW_bio.shtml)

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