



For Immediate Release:
Thursday, July 30, 2009

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INSURANCE COMMISSIONER STEWART **ESTABLISHES CAPTIVE - FINANCIAL** **REVENUE GENERATING DIVISION**

Office To Play Key Role in Bringing New Business to the “Global State”

Dover – July 30, 2009 – Delaware Insurance Commissioner Karen Weldin Stewart announced today the formation of a new revenue generating division within the Department of Insurance entitled the Bureau of Captive and Financial Insurance Products. Commissioner Stewart said, “The mission of the bureau will be to accelerate the formation of all types of new captive insurance companies in Delaware while developing, implementing and growing several other potential revenue streams.” Captive insurance companies, which are owned by the entities that they insure, are usually formed by businesses that wish to better manage the cost and administration of their insurance coverage and are established with the specific objective of financing risks emanating from their parent group or groups. A “captive”, whether domestic, foreign or alien, may be “pure” (Pure captive insurance companies insure the risks of its parent, any of the parent's affiliated companies and any controlled unaffiliated business.), an association, sponsored, industrial and special purpose captive insurance company as well as a risk retention group.

The other insurance-related revenue growing strategies include bringing new insurance carriers to Delaware, planning and realizing the creation of an insurance exchange and exploring the proposal of Delaware becoming a domicile for de-mutualized companies.

Commissioner Stewart identified her key managers who will be responsible for the administration and growth of the bureau. They include Steve Kinion, Senior Advisor to the Commissioner, an attorney and former Deputy Commissioner of Oklahoma who will serve as the Bureau’s Director; John Tinsley, Special Deputy for Examinations who, in an insurance career that spans almost three decades, has participated in virtually every aspect of insurance solvency

regulation and is soon to become an Associate in Captive Insurance from the International Center for Captive Insurance Education; Mary Jo Lopez, with over twenty five years experience in the insurance industry most recently as a Director with RSM McGladrey, Inc. and Navigant Consulting, Inc. as well as the founder of Affinitee Group, LLC, an insurance management consulting firm, will continue as the Director of Business Development; and Ed Ianni, an attorney and author with domestic and international experience as a multi-disciplinary business counselor with broad financial, legal, regulatory and risk management experience who has joined the Bureau as its Director of Strategic Development. In addition, the Commissioner named Greg Bealuk and Ann Pruet as two financial analysts each of whom brings a decade of financial examination experience as well as several years as captive financial analysts. The Commissioner, in lauding the successful and complementary experience that each of the team members brings to the bureau said, "We have put together a distinguished group of successful executives and analysts that collectively bring close to a century of notable insurance, business, marketing, regulatory and captive experience from both the public and private sectors to our Department. I am confident that this investment in first rate entrepreneurial management will produce a substantial return to the State of Delaware in the form of Delaware-domiciled captives and the premium taxes they generate as well as significant revenue from our other income driven strategies. Presently, the Department provides 2% of the General Fund's revenues. While that is significant, we believe we can increase it substantially as these new initiatives develop."

Commissioner Stewart continued, "We have rolled up our sleeves and hit the ground running. We plan announcements quite soon on important early successes that are ready to close and we look forward with great anticipation to dynamic and productive relationships with our partners at the Delaware Captive Insurance Association (DCIA) and its Board led by its President, Mr. Richard Klumpp of the Wilmington Trust; the Department of State, headed by Secretary of State, Jeffrey W. Bullock and its Director of Corporations, Assistant Secretary of State Richard Geisenberger, and Alan B. Levin, the Director of the Delaware Economic Development Office.

The state of Delaware is the domicile of nearly two-thirds of the Fortune 500 companies. The Department's goal in setting up the new bureau is to make the regulatory benefits enjoyed by corporate entities available to captive and other insurance entities.

Bill White, the current captive program administrator, has announced that he will not be renewing his contract with the Department when it expires at the end of July. Said Commissioner Stewart. "We appreciate Bill's trail blazing efforts in successfully launching the captive program and wish him well."

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The positions of director, director of business development, and director of strategic development are independent contractor positions subject to Delaware's procurement law and open bidding process.