

Technology: the balance between captive innovation and regulatory compliance?

The captive industry is an industry malcontent with the status quo and is driven by innovation and creativity, says Nicholas Teetelli, CEO of Maple Technologies.

At a time when the widespread effects of the economic crisis are still being felt worldwide, the importance of keeping costs to a minimum has never been more apparent. With the captive and alternative risk transfer industry offering a cost-efficient alternative to traditional commercial insurance in the form of financially viable risk transfer vehicles with proven track records, an ever increasing number of companies are opting to reap the financial benefits of captive insurance and, consequently, the industry is continuing to expand on a global scale.

Since 1997, when The Protected Cell Companies Ordinance was first passed in Guernsey, the protected cell captive formation has emerged as an important innovation within the captive industry. Over the past decade, numerous jurisdictions, including Malta, Gibraltar and the Isle of Man, have passed regulation supporting protected cell captive formations, and more recently, protected cell companies have also gained traction and acceptance within US regulatory communities.

The growth of the protected cell company has, however, resulted in a necessary increase in regulatory requirements prescribing compliance and solvency benchmarks. "Native to the landscape of these protected cell captives are the intricate segregated transactional components that will also undoubtedly yield equally complex regulatory requirements and find their way into business requirement routines," explains **Nicholas Teetelli, CEO of Maple Technologies.**



Bill White is an insurance professional whose career spans over 30 years. In most recent years, Bill served as the Director of Captives at the Department of Banking & Insurance in Washington D.C. and Captive Administrator for the Delaware Department of Insurance.



Nicholas Teetelli serves as the Chief Executive Officer of Maple Technologies, and one of the principal designers and architects of Maple's proprietary insurance information system product, Aspire.



Mr. Blackley is a founding member and serves as the Chief Technology Officer for Maple Technologies and chief architect behind Maple's proprietary insurance information system product, Aspire.

This is a sentiment echoed by **William White**, former captive insurance program administrator for the **Delaware Department of Insurance**. “As the use of segregated accounts structures expands and the transactions become more complex, I expect that we will see increased reporting requirements at both the core captive and individual cell captive level,” he asserts. “Regulators want to see detailed financial information at the risk transfer level in order to closely monitor potential solvency problems.”

The current widespread use of inadequate technology will pose significant challenges to captives as they struggle to meet both existing and emerging regulatory reporting requirements. “The captive industry is generally under-technologised, principally relying on smatterings of primitive homegrown database applications, sophisticated but burdened spreadsheet management and a lot of manual process,” explains Teetelli.

According to White, the current fallout in the capital markets will result in the implementation of more stringent reporting requirements, with the frequency of report intervals also set to increase – and this is particularly true in the case of insurance-linked securities. “Captives will greatly benefit by investing in technologies that can drill down to granular levels, establish trending patterns as well as other barometers measuring portfolio performance and development,” he adds.

Affordable specialised or custom configurable technology for captives is of limited availability, and this has created a gap in the captive market that Maple Technologies endeavours to fill. “We recognised the opportunity to position ourselves as an important resource, providing solutions that speak to and address the uniqueness of this niche-based industry,” asserts **Matthew Blackley, partner and chief technology officer of Maple Technologies**.

The product of several years of innovation and hard work, Maple’s Aspire Information System is an affordable custom configurable solution created to efficiently and effectively support a captive’s business operations. “Maple’s captive product initiative is but one example of an enterprise level solution which will provide captives with the technological resources to meet their current and emerging regulatory reporting requirements and avoid being overburdened by manual and semi-manual processes,” says White.

In an industry that is continuing to grow and mature, Maple Technologies provides captive insurers with a cost-effective, flexible, fully integrated system that enables them to meet their everyday responsibilities in an ever changing business environment.

“The captive industry is an industry malcontent with the status quo and is driven by innovation and creativity, pressing the limits, terms and means by which it chooses

to transact its business,” Teetelli concludes. “As the captive industry continues to mature and drive growth through innovation and more intricate transactional capacities, greater emphasis will be placed on

technology to manage the balance between supporting business operations and meeting regulatory compliance and reporting obligations.”