

# How To – And How Not To – Make Your Captive's Regulator Happy

Presented By:

Tal Redpath  
Dana Hentges Sheridan  
John Huth

(Contact information for Presenters is on the last slide)

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## Introduction

The Roadmap for Today's Discussion

Please Ask Questions!!

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## Top 10 Best Practices

10. Know Your State's Insurance Code.
9. Get Required Prior Approvals.
8. Get Business Plan Changes Approved.

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## Talking Points

Rules that are codified, versus those “off code” ways a regulator wants things done.

Know your regulator, is it really better to beg for forgiveness than ask for permission?

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## Top 10 Best Practices

7. Liquidity and Solvency! (i.e., don't mess with the money)
6. Follow the Investment Plan.
5. Follow the Policies' Terms & Provisions.

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## Talking Points

Just because the Code allows for a transaction, can the captive afford it?

Investments have to be looked at not only as good or bad investments for the captive, but also whether they adversely impact a captive's claims paying ability.

What does the Code allow? What does the Contract allow?

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## Top 10 Best Practices

4. Meet All Deadlines – from filing to payment to other deadlines ...
3. Build Your Written Record.
2. Communicate Proactively.

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## Talking Points

How the captive transacts with the regulator means something – are you always asking for extensions? Are you failing to timely communicate?

The written record – for state exam or federal audit ...

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# The Number One Rule!

## 1. It Takes a Village!

Knowledgeable captive owners +  
Competent managers and outside advisors +  
Effective regulators =  
A strong captive insurer.

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# Thank You!

Tal Redpath  
Captive Insurance Examiner  
Office of the Montana Commissioner of Securities & Insurance  
406.444.0765

Dana Hentges Sheridan, Esq.  
Deputy General Counsel, Acrisure  
Chief Compliance Officer,  
Active Captive Management  
310.570.5906

John Huth  
Board Member  
Montana Captive Insurance Association  
406.449.1397

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