

# The Best Show in Town

Do you happen to know what the largest annual conference in Cayman is?

It lasts for three days and attracts over 1,400 delegates every November/December, and is held at the Ritz Carlton Hotel. Every other hotel is also jam packed and for the restaurants and taxis it's an early Christmas.



## The Cayman Captive Forum

Well, it's the Cayman Captive Forum, hosted by the Insurance Managers Association of the Cayman Islands (IMAC). It's the industry's annual showcase, and besides being the largest such event in Cayman it is also the largest offshore captive conference anywhere in the world. It's a big deal.

The Cayman Islands is home to over 700 captive insurance companies. The word 'captive' refers to the relationship between the insurance company and its owner. Most owners have little to do with insurance but have found that it's far more cost-effective to insure with their own insurance company than with somebody else's. If there are no claims they keep the profit. There are many other important advantages that captives offer, but they will not be covered at this time.

## The impact on the Cayman economy

Before I tell you more about the annual Captive Forum event, you may be interested to know just how important this modest and unpretentious captive industry is to the Cayman Islands.

According to the Cayman Islands Monetary Authority's statistics as at 30th June 2016, IMAC's clients generated annual insurance premiums of US\$13.6 billion and had assets under management of US\$58b. These are enormous figures especially for an industry that employs fewer than 300 people in Cayman.

As with many other financial services based in Cayman such as banks and funds, although huge amounts of funds are channelled through the jurisdiction, only a relatively small amount 'sticks' in Cayman. IMAC's own studies have calculated that its contribution to the local Cayman economy, measured by gross domestic product, is approximately US\$85m per year.

This amount is broken down into three main categories:

Government fees (Insurance licence & registry office),	\$11m
Service fees to insurance managers, lawyers, accountants etc,	\$62m
Transport, hotels, restaurants and leisure	\$12m
<b>Total GDP</b>	<b>\$85m</b>

All in all, the captive insurance industry is a very important component of the economy and the success of the Cayman Islands.

# Insurance Managers Association of Cayman (IMAC)

In addition to helping Cayman's general economy, IMAC has a number of specific charitable projects. One of these is the IMAC Education and Scholarship Foundation which was started in 1994. Since then it has raised US\$2.9m which has been used to fund thirty eight young Caymanians attending university overseas. The university courses are not limited to financial based subjects, but cover anything ranging from tourism to medicine.

Cayman's first captive insurance conference in 1988 was held in the conference room at the Grand Pavilion, with between 120 and 150 delegates. The venue changed to the Hyatt in 1993 and then to the Westin until 2005. Each change in venue was a direct response to an increase in delegates. However, it was only after 2006, when it moved to the much larger new Ritz Carlton Hotel, that the conference rapidly grew into what we know today.

Therefore, this year's conference, from Tuesday 29th November to Thursday 1st December, will be the tenth anniversary of the modern Cayman Captive Forum at the Ritz Carlton.

## The Forum Format

The recipe of the Forum's success is no secret, and is a combination of a number of unique events carefully timed and spaced so that one runs effortlessly into the next, culminating in a beach party on the final evening. The events include tutorial sessions and a golf tournament on the Tuesday followed by an evening cocktail party. On Wednesday, the key-note speaker is the highlight of the morning followed by various technical and topical sessions led by internationally renowned experts in insurance, tax and accounting.



Some of the better known speakers in the past have been Frank Abagnale, the protagonist played by Leonardo DiCaprio in the film *Catch Me If You Can*, James Bradley, the author of *Flags of our Fathers*, Jeffery Ma, the infamous poker player, Jason Belfort, the real Wolf of Wall Street and Dr. Michio Kaku, the theoretical physicist and futurist. This year's speaker is Diana Nyad, who at the age of 64 and in her fifth and final attempt successfully fulfilled her lifelong dream of completing the 110-mile swim from Cuba to Florida on September 2, 2013.

The Wednesday evening cocktail party is held at a different location from the previous evening and gives delegates the opportunity of seeing another part of the island. The Thursday sessions are an extension of Wednesday and keep the delegates busy until the finale on the beach. That final beach party with its live bands, cigar rolling and fireworks display is talked about all over the world, and brings together all that is good about the Cayman Islands.

The Cayman Captive Forum attracts delegates from many different countries and is something that everyone in Cayman should be very proud of.

Come and see for yourself.

*Conor Jennings, FCII, FIRM, TEP*

**CAYMAN CAPTIVE**  
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