

ART GALLERY FOR APRIL

Disappointment and rewards of academic life

By Dick Goff

It was disappointing to learn that it's not appropriate for college instructors to wear full academic regalia anytime they're on campus. I was looking forward to my gown (what do they really wear underneath?) with the sash in school colors and one of those little squishy hats.

But it will just be the usual blazer when I serve on the faculty of the Captive Insurance Risk Management Certificate Program at the University of Delaware this spring. The course runs eight weeks through June 6 at the Wilmington campus, and those who find these descriptions compelling may still be able to access registration information at www.pcs.udel.edu/insurance.

This course confers a full academic-accredited certification that should look good on anyone's resume, not to mention equipping people to operate in the specialized ART universe. It is the most comprehensive educational experience I know of that combines the interests and capabilities of a captive industry group – in this case the Delaware Captive Insurance Association (DCIA) – along with the domicile regulatory agency and a major state university.

The course is based on a real-world textbook, "Captive Practices and Procedures: How to Structure and Operate a Successful Captive Insurance Program, 2nd Edition," by Kate Westover, a highly respected thought leader of our industry. An outstanding faculty (possibly excepting yours truly) will lead students through four study modules with 12 class sessions leading from basic identification of the field to fully realized case studies.

The certification course was the brainchild of Mary Jo Lopez who served as director of business development for the Delaware Department of Insurance. Currently Mary Jo's day job is director at Alvarez & Marsal North America LLC, Risk Management Advisory in New York City. But she has maintained leadership of the U Delaware program.

Mary Jo sensed a need for many people working in insurance to reengineer their careers after the passage of federal healthcare reform. “Just in Delaware we have about 20,000 producers in health care,” she says. “The new federal program is likely to severely diminish healthcare commissions by 2014, so I thought it would be timely for brokers and agents to learn about captives.

“Governor Markell had issued a challenge to his staff: ‘how do we keep people employed?’ and I thought a captive certification course could help fill a void with the opportunity for insurance people to get involved in another part of the industry.”

Delaware Insurance Commissioner Karen Weldin Stewart was enthusiastic in her support of the program and planning got underway last year by a group that included members of the DCIA.

Richard Klumpp, president of DCIA and CEO of Wilmington Trust SP Services, Inc., says the association’s members were pleased to participate, and that the course has become a valuable involvement opportunity for many.

“We have a lot of members who work in particular fields such as legal, accounting, actuarial or underwriting that provide services to captive insurance companies but as specialists they don’t really know the full workings of a captive. This course is a great opportunity for valuable cross-training,” Klumpp says.

He also noted that the course appears to be stimulating interest among DCIA members who had not previously been directly involved in association events.

That got me thinking that similar programs could benefit ART industry members in any domicile, and that such educational efforts could provide generous returns in business development during these volatile times. It’s just up to someone – a regulator or a member of the ART community – to get the ball rolling in other states.

The Delaware course provides an ideal model that could be emulated elsewhere. It is structured in 42 hours of class time at the university’s Goodstay Campus. This is not just another lecture series, but a serious academic process with – egads! – exams and letter grades.

But the instructors are dedicated to making the course a good experience for the students, and welcoming them into the often mysterious-seeming world of ART. And

I'm personally looking forward to my "Goodbye, Mr. Chips" moment when we part company in June.

Dick Goff is managing member of The Taft Companies LLC, a captive insurance management firm and Bermuda broker at dick@taftcos.com.