

**FEDERATED STATES OF MICRONESIA
INSURANCE COMMISSION
TERMS OF REFERENCE – CAPTIVE INSURANCE CONSULTANT**

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| Title: | Individual Specialist – Captive Insurance Consultant |
| Location: | Insurance Commissioner’s Office, Pohnpei, Federated States of Micronesia |
| Duration: | Up to 3-year commitment |
| Tentative State Date: | July 01, 2018 |

1 BACKGROUND

Micronesia, as a region, occupies a large area of the Pacific Ocean, bordering and above the equator. It includes Guam and Saipan which are part of the United States and five sovereign nations: the FSM, Palau, the Marshall Islands, Kiribati, and Nauru. The Federated States of Micronesia (“FSM”) is comprised of over 600 islands and covers over a million square miles of ocean. The FSM is an independent sovereign island nation consisting of four states – Pohnpei, Yap, Chuuk and Kosrae - and is a member of the United Nations.

The FSM

Micronesia has long, deep, government and personal linkages to East Asia and to Japan. Japan administered Micronesia for about 30 years under a League of Nations Mandate before and during WWII. Many Micronesians have relatives living in Japan and approximately one in five Micronesians have Japanese heritage.

The national government of the FSM has made a long-term commitment to serve Japanese companies with the innovative development of its Corporate Registry Program, the FSM Captive Insurance Domicile and its Corporate Income Tax system. In 2006 the FSM national government passed captive insurance laws, and together with related regulations which were promulgated in 2009, it launched a captive insurance domicile that has become one of the largest, if not the largest and certainly the nearest, domicile for Japanese companies.

- As of May 2018, over 20 Japanese controlled captive insurance companies have been licensed and are operating in the FSM
- More Japanese captives have moved or been established in the FSM in the last nine years, than in all other domiciles combined.
- Nine captive managers, including five of the eight largest in the world, have been licensed in the FSM
- Thirty-one infrastructure and service providers are members of the FSM Captive Insurance Council, Inc.

2 SCOPE OF SERVICES

The Captive Insurance Consultant (Consultant) will be based in the Insurance Commissioners’ office in Pohnpei, in the Federated States of Micronesia. The broad goals of the engagement will be to increase the captive insurance capacity in the Insurance Commissioner’s office and to provide the Insurance Commissioner more latitude to develop the non-captive insurance industry in the FSM.

The Consultant will have a 1-3-year contract reporting to the Insurance Commissioner for day-to-day processing of captive insurance matters. The Consultant will attend all Insurance Board meetings and will bring all urgent matters to the attention of the Insurance Board.

Under the guidance of the Insurance Board, the Consultant will be expected to carry out the following activities, but not limited to:

- **Industry Relationship Management.** The Consultant will have responsibility with the Insurance Commissioner to maintain relationships within the global captive insurance industry marketplace, including captive insurance managers, FSM captive insurance companies, and industry regulators.
- **New Application Process.** The Consultant will have responsibility for reviewing all new captive insurance company applications in the FSM and to make recommendations to the Insurance Commissioner and the Insurance Board.
- **Examinations:** FSM captive insurance company law requires that the Insurance Commissioner's office execute examinations of FSM licensed captive insurance companies every three years. The Consultant will be responsible for performing or overseeing these examinations in a timely manner.
- **Capacity Building.** The Consultant will be responsible for developing the human resources necessary to address the needs of the rapidly growing captive insurance industry. He/she will be responsible for training all of the captive insurance focused-staff in the Insurance Commissioner's office.
- **Stakeholder engagement, consultations and disclosure.** The Consultant will maintain a transparent dialogue and information flow to all the stakeholders of the FSM's captive insurance programs. This includes providing regular updates to the FSM national government and other parties, as appropriate.
- **Domicile Marketing Plan.** The Consultant would be responsible for a review of the FSM's marketing of its captive insurance domicile and make recommendations on a plan to improve the domiciles competitiveness in the global marketplace. This includes a review and recommendations for the captive section of the Insurance Commission's website and making recommendations for improving the efficiency of the application and communication process via electronic applications, etc.
- **Legislative and Regulatory Advisory.** The Consultant will be responsible for following global captive industry trends and identifying opportunities for or threats to the FSM captive insurance industry. The Consultant will work with the FSM Insurance Board to develop amendments or new legislation and, with the approval of the Insurance Board, transmit that legislation to the Executive Branch.
- **Corporate Governance.** The Consultant will strive to elevate the level of corporate governance within the captive insurance sector to global standards, including but not limited to the creation of appropriate Policy & Procedure materials including an employee Code of Conduct component, Business Interruption Plans and other documents such a "Code of Conduct" for captive managers and other service providers.

3 KEY OUTPUTS

The Consultant will initiate efforts with the approval of the Insurance Board over the first 12 months to produce the following key tasks and outputs:

- Examinations: Making sure that all of the captive insurance company examinations are complete per FSM captive laws.

- Industry Relationship Management. Meet at least once all of the FSM captive insurance domicile's captive insurance companies, captive managers and other key third-party service providers in the marketplace.
- Stakeholder Engagement Plan: The Consultant will prepare and plan for the consistent communication to the important stakeholders of the captive insurance program.
- Capacity Building Plan. The Consultant will prepare a short, medium and long term capacity building plan to the Insurance Board
- Training and Staff Management Materials. The Consultant will prepare training materials for staff within the captive insurance section of the Insurance Commissioner's office.
- Domicile Marketing Plan: The Consultant together with the Insurance Commissioner will prepare a review of current marketing activities and provide a plan for improvements.
- Corporate Governance: The Consultant together with the Insurance Commissioner will create a series of corporate governance documents that govern internal employees as well as key external service providers.

4 QUALIFICATIONS AND EXPERTISE

The following are the **preferred** requirements for the Consultant.

- (i) A Master's Degree in a related field of insurance, economics, finance or business management.
- (ii) At least 10 years relevant experience in the captive insurance industry either as a regulator or in the private sector.
- (iii) Demonstrated ability in effective client relationship management, leadership roles, and team building.
- (v) Proficient speaking and writing professionally in English.

Other qualifications and experiences that would be an **advantage** include:

- (i) An understanding of the cultures of Micronesia.
- (ii) An understanding of the cultures of Japan.
- (iii) Certification or registration with a recognised industry body.

5 DURATION, LOCATION, AND CONDITIONS OF ASSIGNMENT

This Terms of Reference is for a full time Captive Insurance Consultant.

The position will be located in Pohnpei, with extensive travel in the region and the U.S. The duration will be for 12-36 months with the opportunity to extend based on performance and continuing approval of financing from the FSM national government. The position would be subject to a probationary period of six (6) months.

The Insurance Commissioner's office will provide office space, general office supplies and office equipment.

If interested in finding out more about this opportunity, please contact:

Jim Moonier
Chief Compliance Officer
Micronesia Registration Advisors, Inc.
Email: jim@mra.fm
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With copy to:

Alex Narruhn
Chairman of the FSM Insurance Board
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