

PRESS RELEASE

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2002-10
For Immediate Release
August 30, 2002

ARIZONA DEPARTMENT OF INSURANCE LICENSES ARIZONA'S FIRST CAPTIVE INSURER

Charles R. Cohen, Arizona's Director of Insurance, announced the issuance of Arizona's first Captive Insurer License effective August 20, 2002. It was issued to Triad Commercial Captive Insurance Company, owned by Grant Goodman. Triad will write Commercial Automobile, General Liability and Inland Marine Coverages for Rockland Materials and Stirling Bridge Cement, in both of which Mr. Goodman has a controlling interest. Rockland Materials, located in Phoenix, is a supplier of premium quality aggregates and ready mix materials. Stirling Bridge Cement, a Rockland affiliate, was recently established in Drake, Arizona, to serve Northern Arizona.

"I am confident Triad Commercial will be the kind of safe, sound, high quality captive insurance program that will typify Arizona captives. Grant Goodman is a successful, reputable entrepreneur with a commitment to doing business in Arizona, and I am pleased to issue his company the first license. I believe the fact that we have our first Arizona captive less than two months after the law took effect, and the seriousness of the other inquiries we have had, demonstrates that Arizona is well positioned to develop into a significant captive domicile," said Cohen.

Representative Ted Carpenter, the Chairman of the Financial Institutions and Insurance Committee sponsored the Captive Insurers bill, (Laws 2001, HB 2116, Chapter 327). "The captive insurance program, in my opinion, helps make Arizona an attractive insurance market. The added requirements built into the legislation will promote Arizona as a viable domicile for captive insurers," said Carpenter. "Businesses and professionals will find our captive program well suited to meet their insurance needs and competitive with other states who have captive insurance laws."

“Our formation of Triad reflects the commitment to Arizona and creates and keeps more dollars in our economy. I am grateful that the Arizona Legislature allowed us to form this company, especially because we can now manage our business risk and benefit directly,” added Mr. Goodman.

Richard Marshall, Captive Insurance Administrator of the Department of Insurance, stated the Department has received numerous inquiries since the new Captive Insurer Law went into effect on July 1. Several prospects have visited the Department to discuss the possibility of establishing Arizona-based captive insurers.

He added, “Triad meets the criteria the Department is looking for, an excellent Business Plan, a strong commitment to risk management, assuming significant risk and being well capitalized.”

The Phoenix law firm of Low and Childers represented Rockland Materials in its licensing application before the Arizona Department of Insurance. Mike Low complimented the diligence and professionalism of the Department in processing the application. “The Arizona Department was incredibly helpful and proactive in working with us to accomplish the licensing effort. I am confident that Arizona will, in a very short time, be a major captive insurance jurisdiction attractive to any business seeking to set up a captive insurance venture.”

Captive insurers are primarily insurance companies formed by commercial enterprises for the purpose of issuing insurance solely to their owner(s). There are currently over 4500 captive insurers worldwide, and it is estimated approximately fifty percent of the commercial lines insurance business in the United States will be written by either captive insurers or other forms of alternative risk mechanisms by year-end 2003.

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