

Case Study

How Artex Ireland Delivered Success for a Direct-Writing Captive

Navigating Regulatory Challenges and Leveraging Expertise for Successful Captive Formation in Ireland

Ireland has been home to a thriving captive (re)insurance industry for nearly four decades, but captive formations have slowed in recent years, with the last reinsurance captive set up in 2021 and the last new direct-writing captive approved in 2018.

The licensing of a new insurance captive for a European parent company, which received approval from the Central Bank of Ireland (CBI) at the end of October, is therefore big news, and Artex played a key role in both the feasibility study and the licensing process.

The new direct-writing captive, EP Insurance DAC, will cover property, business interruption and casualty risks for a large energy company headquartered in Czechia.

THE LICENSING CHALLENGE

With Artex's client seeking to begin writing insurance business through their captive by 1 December 2025, the timeline for obtaining approval in principle was ambitious.

From the first meeting with the CBI authorisation team in early June to submission of the application at the end of July, close collaboration between the Artex team, the client and the CBI was critical to obtaining approval in principle within just three months – a record turnaround for captive licensing in Ireland.

IRELAND'S STRENGTH AS A DOMICILE

With the largest number of direct-writing captives in Europe and the ability to conduct insurance business throughout the EU, Ireland was an obvious choice of domicile for Artex's client.

The insurance division of the CBI has been closely involved with the recent Solvency II review and, through working closely with the captive industry, has influenced proportionality measures for captive supervision under the regime.

The subsequent removal by the CBI, in May this year, of the requirement for captives to undertake Solvency II audits has made the process of establishing and running a captive in Ireland even more straightforward.

In addition, the regulator's strong captive skill set reflects the fact that a high proportion of its insurance team previously worked in the industry and consequently have deep industry knowledge and a pragmatic approach to captive licensing.

The insurance division's large actuarial team and flexible setup also enable it to move skilled people from one area of supervision to another, as required, deploying resources where they are most needed.

‘From the outset, the CBI emphasised the need for detailed engagement, prompt responses and continued collaboration to meet the tight approval timeline.’

– Teresa Ready, Managing Director, Artex Risk Solutions (Ireland)

THE ARTEX ADVANTAGE

One of the key strengths Artex brought to the process of getting the new captive licensed was its close and transparent relationship with the regulator. Teresa Ready's experience on both sides of the table was a major factor in cementing that relationship.

Having worked in captive management in Dublin for 12 years, she then worked for the CBI for seven years, supervising captives, before joining Artex in June 2025 as managing director of the Dublin office.

'I have worked closely with the captive authorisation team, and we have a strong understanding of the regulator's internal processes and their expectations around captive applications,' says Ready.

The client also benefitted from the fact that the Artex Dublin office has in-house actuaries, based within the captive team, who immediately engaged with the regulator to discuss the risks being underwritten and scenarios being tested.

CAPTIVES AS A STRATEGIC SOLUTION

Globally, the captive market is growing, not just in terms of new captives, but with existing captives becoming bigger and more mature — taking on new risks and looking at innovative ways of underwriting them.

With more countries exploring the options for establishing new captive regimes or growing existing captive industries, these vehicles are becoming more of a discussion point for boards and are increasingly viewed as mainstream insurance entities.

In mature domiciles, with a broad captive skill set, regulators with a deep understanding of captive formation and a proportionate approach to regulating them, there is also a growing ability for smaller and medium-sized companies to enter the captive market. Risk retention vehicles such as protected cell companies have further lowered barriers to entry for firms that want to explore self-insurance without committing to a standalone captive.

On the client side, this is due to companies moving away from a historically siloed approach to risk management towards a more holistic view of their exposures. There is also increasing buy-in from the C-suite and better board-level representation of the risk management function.

'The risk management industry is definitely maturing, and companies have more respect for the impact it can have on their ESG strategy and reputation. The importance of having good risk management people is increasingly being recognised at the C-suite level,' says Ready.

With a strong governance regime and a broad knowledge base around captive formations, Ireland is well-positioned to respond to rising interest in captive vehicles.

'The Irish insurance regulator has been very supportive in getting this application through, and the ability to turn around captive applications in three months has really put Ireland back on the agenda,' Ready concludes.



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Artex

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