

Utah Captive Association



NEWSLETTER

1 November 2007

Upcoming Meetings:

Friday
Dec. 7,
12 Noon
at
Little
America
Hotel,
Salt Lake
City

General
Member-
ship
Meeting &
Luncheon

UCA
Focus:
- Networking
- Education
- Regulatory
- Industry
Growth

This first full year of the Utah Captive Association (UCA) has been all about growth. The State of Utah's Insurance Department / Captive Division now reports the number of captives licensed as being at 40 (as of Aug 30, 2007, an increase of 10 at that time) with the tally very possibly reaching 50 by the end of 2007. At this rate, the number of captives licensed in Utah will soon pass New York, putting our preferred domicile at a number 6 ranking of US states with captive-enabling legislation. Utah's chief captive regulator, Don Spann, and his crew have done much better than expected by the national pundits in growing this important and "green" industry in our state

This increase also spurred the expansion of membership in the UCA, especially after our successful first annual conference held September 21 at the new and elegant Zermatt Resort in Midway. For those who came, it was a dazzling opportunity for networking and to hear national specialists provide their thoughtful wisdom, all in a full-day innovative format of panel discussion / audience participation. Hats off and a hearty "well done" to Darrell Lindsey, this year's Conference Chairman.

Our membership is now at roughly 60 individuals, representing all facets of:

- Owners – association, group, RRG, single parent, etc.;
- Regulators; and,
- Service Providers –accountants, actuaries, attorneys, bankers, investment, managers, reinsurance/insurance brokers, third-party administrators, etc.

It is safe to say that this first year of the UCA has seen Utah placed squarely on the map of a favored US domicile with a strong and vibrant community of captive professionals. And why not? Utah's imminently qualified workforce leads the nation in many fronts, but our scenic beauty, outdoor activity offerings, unparalleled hospitality industry, and ease-of-access has so much more to offer when viewed as a whole than anywhere else in the country.

Having said all this, you, our members, are the main reason for this growth and are UCA's focus for the future. There are concerning issues on the horizon with proposed federal income tax changes, softening insurance markets, growing natural

Please visit
the UCA
website at

www.utahcaptive.com

[Website
comments or
suggestions?
Please send to
Darrell Lindsay
at:

ART NEW
WORLD,
866 937 7037 or
fdl@highcountryi
nsurancegroup.co
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catastrophe worries, a US tort system still begging for controls, and investment downturns, amongst others. But on the bright side, many opportunities are available for the captive / risk retention entrepreneur to make meaningful impacts in their business spheres. The UCA offers an insightful platform to help with all these topics and we invite you to continue with us through what should turn out to be an eventful 2008.

To that end, we invite you to attend our Annual Membership Meeting, to be held Friday, 12 Noon, December 7, 2007 at the Little America Hotel in downtown Salt Lake City (500 South Main St., "Flagstaff" Room, surface parking at the hotel is free). As provided in the bylaws of the UCA, this gathering will be for voting members of record in good standing as of November 1, 2007 to:

- approve the minutes of the 2006 Annual Membership Meeting,
- approve the direction the UCA's committees are taking,
- fill two openings on the Board of Directors, and
- conduct any other business necessary to come before the general body of the UCA.

Please see the attached official notice and details. At your earliest opportunity, please also send an RSVP so we may gauge the numbers to expect for the luncheon (which will be served by the hotel staff at a cost of roughly \$25 per person, final amount to be advised at the meeting), or your Proxy Statement if you cannot attend.

We look forward to a great 2008! Utah is now an established captive domicile, in most respects because of your hard work and recognition of what Utah has to offer. We need our new friends to become involved in the UCA and our current members to become more engaged in the UCA's ability to help grow and influence our state's newest business sector.

We look forward to seeing you next month!!



- - Jon Soules

President, Utah Captive Association

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Mob 801 244 4602
jin.soules@marsh.com



NOTICE OF UTAH CAPTIVE ASSOCIATION 2007 ANNUAL MEMBERSHIP MEETING

Date: November 1, 2007
Memo to: All UCA Voting Members in Good Standing as of November 1, 2007
From: Jon Soules – President
Subject: 2007 Annual Membership Meeting

As provided by the Bylaws of the Utah Captive Association (UCA), a not-for-profit association, notice is hereby given to all voting members of record and in good standing as of November 1, 2007, that the 2007 Annual Membership Meeting will be held as follows:

Date: Friday, December 7, 2007
Time: 12 Noon
Place: Little America Hotel, "Flagstaff" Room, 500 South Main St., Salt Lake City, UT 84101
Purpose: Annual Meeting of Members / Directors
Election of Director Candidates

Enclosed you will find the following information:

- 1) 2007 Annual Membership Meeting Agenda**
- 2) Presentation of Minutes – 2006 Annual Membership Meeting**
- 3) Listing of Directors / Terms of Office / Candidates to Stand for Election for a Three-year Term Effective January 1, 2008**
- 4) Proxy Statement** (please sign and return if not able to attend)

This notice has been prepared by Jon Soules, President, and mailed electronically and by US Postal Service via first class mail to all members of record as of November 1, 2007 and to prospective members.

If you are attending, please RSVP to:

c/o Jon Soules (jon.soules@marsh.com)
15. W. South Temple, Ste. 700
Salt Lake City, UT 84101
Tel 01.533.3639 / Fax 801.533.3610

Otherwise, please see the Proxy Statement attached for your voting direction.



UTAH CAPTIVE ASSOCIATION 2007 ANNUAL MEMBERSHIP MEETING

Little America Hotel
"Flagstaff" Room
500 South Main St.
Salt Lake City, Utah

Friday, December 7, 2007, 12 Noon

AGENDA

<u>Item</u>	<u>Facilitator</u>
1. Call to Order	Jon Soules President
2. Verification of Quorum	Jon Soules
3. Review / Approve 2006 Minutes	Brad Eichers Board Member/Secretary/Treasurer
4. Reports:	
A. Financial Report Fiscal Year	Brad Eichers
B. Conference Committee	Darrell Lindsey Board Member
C. Government Relations Committee	Lorin Barker Board Member
D. Membership Committee	Mark Farmer / Brian Merkley Board Members
E. Nominating Committee	Lorin Barker
5. Call for Election of Directors	Jon Soules
6. Other Business	Open
7. Adjournment	



UTAH CAPTIVE ASSOCIATION 2006 ANNUAL MEMBERSHIP MEETING MINUTES

1. **Call to Order** – Jon Soules called the meeting to order on Thursday, November 30, 2006 at 12 Noon in the 16th Floor Banquet Room of the law offices of Kirton & McConkie.
2. **Verification of Notice and Quorum** – Jon Soules verified that notice of the meeting was sent to all members and interested parties via electronic and/or USPS mail and a quorum is present in accordance with association by-laws.
3. **Review / Approval of Minutes** – This being the first Annual Membership Meeting of the UCA, there were no previous minutes to approve.
4. **Reports:**
 - A. **Executive** – Jon Soules presented the work done by the Board of Directors in drafting the Bylaws of the association. Copies of such were available to all members present or by access on the website. Upon motion made, seconded, and carried, the Bylaws were approved.
 - B. **Membership** – Mark Farmer and Brian Merkley presented data on the growth of membership over the last many months.
 - C. **Finance** – Brad Eichers presented the association’s prospective financial report for the fiscal year ending December 31, 2006. Due to the association being in start-up mode, the total revenue was considered immaterial by the membership at large with no expenses to-date. Upon motion made, seconded, and carried, the association’s annual report submittal was waived pending 2007 growth and a detailed annual report presentation at the next annual meeting.
 - D. **Website** – Darrell Lindsey presented an overview of the association’s website inviting all members to review and comment for future enhancement.
 - E. **Government Relations** – Lorin Barker presented the goals for the association, identifying the new hires at the State of Utah, Don Spann and Jake Garn, who each gave a brief recital of their background and interest in Utah’s captive industry growth.
5. General Business and forward-looking statements were then presented by Jon Soules, including advance notice of the association’s desire to hold an annual conference, to be presented to the association members during the course of the year.
6. The current Board of Directors was presented to the quorum and upon motion, seconded, and carried, was ratified to serve in the first term of the association as detailed in the Terms of Office attached herein.
7. The meeting was adjourned.



Listing of Directors / Terms of Office / Candidates to Stand for Election for a Three-year Term Effective January 1, 2008

After formation in 2006, the UCA Board of Directors drew lots to determine which members would serve staggered terms at the outset of the Association. These are reflected below:

DIRECTORS AND TERMS AS OF 2006

<u>Name</u>	<u>Term Expiration</u>	<u>Affiliation Representation</u>
Darell Lindsey	12/31/07	Service Provider
Mark Farmer	12/31/07	Captive Owner
Lorin Barker	12/31/08	Service Provider
Brad Eichers	12/31/08	Captive Owner
Brian Merkley	12/31/09	Captive Owner

It should be noted that under the Bylaws of the UCA, a majority of the Board of directors will always be constituted with Captive Owner Affiliation representation. Therefore, voting for Directors to replace Darrell Lindsey and Mark Farmer will occur at the 2007 Annual Membership Meeting.

DIRECTOR NOMINEES

As provided in the bylaws of the Utah Captive Association, the Nominating Committee, duly appointed by the Board of Directors, met to discuss the credentials of prospective director candidates. Following the meeting of the Nominating Committee, the Committee presented its recommendation of the candidates to stand for election to the members of the Board of Directors. Such recommendation was approved by the Board of Directors. The individuals duly nominated and recommended to members for election are as follows:

<u>Name</u>	<u>Proposed Term Exp.</u>	<u>Affiliation Representation</u>
Mark Farmer	12/31/10	Captive Owner
Fred Turner	12/31/10	Service Provider



Nominations for additional candidates will be accepted via mail or fax until December 1, 2007
to:

UCA Annual Meeting
c/o Jon Soules
15 W. South Temple, Ste. 700
Salt Lake City, UT 84152-6357
Fax: 801.533.3610
(Fax shall serve as original)



PROXY STATEMENT
2007 ANNUAL MEMBERSHIP MEETING

The undersigned hereby appoints Brian Merkley to cast my vote at the 2007 Annual Membership meeting of the Utah Captive Association, to be held December 7, 2007 at the Little America Hotel, Salt Lake City, Utah, on any matters to be presented to members for voting.

I understand this proxy and the rights granted hereto may upon my request, be returned to me should I attend this meeting an vote in person. This proxy shall only be valid for the Annual Meeting as noted above.

Company Name: _____

Voting Representative Name: _____

Signature of Voting Representative: _____

Dated this _____ day of _____, 2007 at _____ (city),
_____ (state).

Proxy must be received by December 1, 2007.

Please return completed proxy to:

UCA Annual Meeting
c/o Jon Soules
15 W. South Temple, Ste. 700
Salt Lake City, UT 84152-6357
Fax: 801.533.3610
(Fax shall serve as original)