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KEYSTATE CAPTIVE MANAGEMENT NAMED SELECT VENDOR FOR CAPTIVE INSURANCE PROGRAM

Harrisburg – The PA Bankers Services Corporation (Services Corp.) has added KeyState Captive Management (KeyState) of Las Vegas, Nev. to its Select Vendor program to provide Pennsylvania Bankers Association (PA Bankers) members with over \$ 1 billion in assets the opportunity to form a wholly-owned captive insurance company through its Bank Captive Program.

“KeyState offers our members its deep knowledge and expertise of working with financial institutions and their regulators in evaluating structures and responding to regulator inquiries,” said PA Bankers’ president & CEO, Duncan Campbell. “We are excited to welcome them to the Services Corp.’s Select Vendor Program so that we can bring their expertise to the banks in Pennsylvania to round out their existing insurance coverage.”

A captive insurance company, or a legally licensed limited purpose property and casualty insurance company, assists banks in improving their enterprise risk management and helps them to better manage unfunded risks. Forming a captive allows a bank to augment its commercial policies by covering the existing commercial deductible layers, increasing coverage levels on existing policies (excess layers), and identifying other currently unfunded risks to insure where commercial insurance is not available to the bank.

For 27 years, KeyState has developed services and expertise to meet the growing needs of financial institutions. KeyState is the largest provider of captive management services to community banks in the country. KeyState’s Bank Captive program has been endorsed by 27 state banking associations.

One Pennsylvania bank is already participating in the program. “Although we’ve only recently joined the Bank Captive Program, it is operating just as we had expected and has become an integral part of our larger enterprise risk program,” said Brian Wingard, chief financial officer, CNB Bank.

“In the current environment with most financial institutions facing margin compression, KeyState’s Bank Captive Program will help PA Bankers’ members to increase their risk management and better manage unfunded risks,” Josh Miller, CEO, KeyState Captive Management said.

All products and services within the Services Corp.’s Select Vendor program are subject to a rigorous selection process, receiving validation and approval from a 13-member board representing deposit groups across the membership. This board undertakes due diligence and proper vetting of third-party vendors that includes a detailed application process, independent

financial review of the company, and extensive reference checks on current banking customers, among other things.

For more information about KeyState, visit www.key-state.com.

The PA Bankers Services Corporation is a wholly-owned, for-profit subsidiary of the Pennsylvania Bankers Association. For more information about the PA Bankers Services Corporation and its Select Vendor program, visit www.pbasc.com.

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