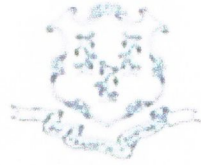


**Subject:** GOV. MALLOY: NY-BASED GROCER ESTABLISHES CAPTIVE INSURANCE SUBSIDIARY IN CONNECTICUT

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STATE OF CONNECTICUT  
**GOVERNOR DANIEL P. MALLOY**

**GOV. MALLOY: NY-BASED GROCER ESTABLISHES CAPTIVE INSURANCE  
SUBSIDIARY IN CONNECTICUT**

*Red Apple Risk, Inc. Is CT's 3<sup>rd</sup> Licensed Captive Insurer*

(HARTFORD, CT) – Governor Daniel P. Malloy today announced that the corporate owner of one of the largest grocery store chains in Manhattan is setting up its captive insurance subsidiary in Connecticut.

The Red Apple Group, which operates Gristedes Foods and Red Apple gas stations, has formed the Red Apple Risk Insurance Company in Hartford, obtaining its license this month from the Connecticut Insurance Department. A captive insurance company is wholly owned by a parent company to insure the parent's own risks. The Red Apple subsidiary becomes the state's third licensed captive insurance company since the Governor's 2011 jobs legislation cleared the way for the state to begin licensing these specialty insurers.

"For many employers, establishing their own specialty insurer can be an effective way to manage their costs, their risks and ultimately control their destiny. We are extremely fortunate in Connecticut to have the expertise of the insurance and financial sectors that can help set up and appropriately manage these subsidiaries," Governor Malloy said. "Without question, Connecticut has what it takes to grow this sector of the industry and in doing so we can offer employers of all sizes and enterprises a critical cost-saving tool, one that allows them to invest back in their company and back in their employees.

Captives are managed by specialty firms that employ a range of financial and legal professionals. The licensing of this third captive insurance company is a result of the continued focus on developing a consistent and fair regulatory environment to make Connecticut a respected, robust domicile for the captive insurance market.

"There is a real value and economic impact for employers who strive to stabilize insurance costs, whether it's health care, liability or other insurance costs," said Insurance Commissioner Thomas B. Leonardi. "The Department's captive insurance unit has a rigorous licensing process, ensuring that

captives formed in our state are well-managed and well-capitalized to adequately protect the parent company.

The Red Apple Group is the primary holding company of John A. Catsimatidis and has approximately \$1.1 billion in assets. As of November 2012, the Red Apple Group ranked 97th on Forbes list of largest private companies with revenue of \$4 billion and 8,000 employees. In addition to Gristedes Food, the group also operates United Refining Company, which sells gasoline, heating oil and other petroleum products in New York and Pennsylvania.

“We are gratified by the speed and professionalism exhibited by the Connecticut Insurance Department in processing our application for a Captive Insurance Company,” said John Catsimatidis, Chairman and CEO of the Red Apple Group. “The State of Connecticut is clearly making a concerted effort to be a friendly place to do business.”

The co-chairmen of the Legislature’s Insurance & Real Estate Committee lauded the announcement.

“The Legislative support for policies that support and promote business in our state underscores our commitment for a competitive environment. We are very pleased to welcome the Red Apple Group,” Senator Joe Crisco (D-Woodbridge) and Rep. Robert Megna (D-New Haven) said in joint statement. “We have no doubt that Connecticut will continue to attract quality captive insurers, providing those new businesses with an unparalleled advantage over others states - our highly specialized insurance and financial workforce and a sophisticated regulatory environment.

The announcement follows on the heels of the state’s 2<sup>nd</sup> Annual Captive Insurance Symposium on Oct. 2 in Stamford. Governor Malloy addressed more than 120 participants – business owners, financial and insurance professionals and others – who gathered to learn more about the emerging industry and share their expertise. The symposium was sponsored by the [Connecticut Captive Insurance Association](#) and the [Connecticut Insurance & Financial Services Cluster](#).

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