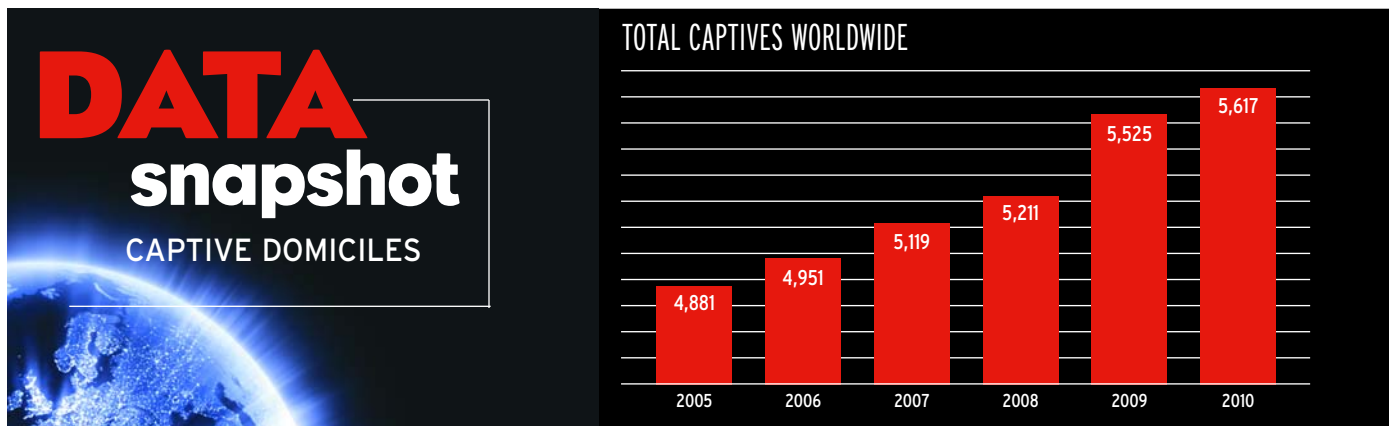


EXPANDED

DIRECTORY REPORT 2011

Captive Domiciles



LARGEST U.S. CAPTIVE DOMICILES

Ranked by number of captives in 2010

1	VERMONT	572
2	UTAH	188
3	HAWAII	168
4	SOUTH CAROLINA	160
5	DISTRICT OF COLUMBIA	139

LARGEST EUROPEAN CAPTIVE DOMICILES

Ranked by number of captives in 2010

1	GUERNSEY	341
2	LUXEMBOURG	244
3	ISLE OF MAN	143
4	DUBLIN	82
5	SWEDEN	50*

*BI estimate

COUNTING CAPTIVES

Ranked by number of captives in 2010

DOMICILE	2010	2009
Bermuda	845	885
Cayman Islands	738	780
Vermont	572	560
Guernsey	341	355
Anguilla	252	209
Luxembourg	244	251
Barbados	242	230
British Virgin Islands	219	285
Turks & Caicos Islands	211 ¹	203 ¹
Utah	188	148
Hawaii	168	162
South Carolina	160	156 ²
Isle of Man	143	145
District of Columbia	139	124 ²
Kentucky	127	105
Nevada	124	125 ²
Nevis	108	63
Arizona	96	99

DOMICILE	2010	2009
Delaware	95	49
Dublin	82	114
Montana	67	47
Singapore	60	63
Sweden	50 ³	50 ³
New York	47	47
Switzerland	35	42
Labuan	33 ⁴	34
British Columbia	29	18
New Zealand	24	22
Gibraltar	17 ⁵	15 ²⁵
Bahamas	16	15 ³
Georgia	15	15
Netherlands Antilles	13 ³	14 ³
Malta	11	9
Missouri	11	6
Norway	11	12
Alabama	10	5

DOMICILE	2010	2009
Vanuatu	10	10
Denmark	8 ³	8 ³
Finland	8 ³	8 ³
Panama	7 ³	5 ³
Puerto Rico	7	6
U.S. Virgin Islands	7	3
Colorado	5	6
Michigan	4	2
Tennessee	4	4
Jersey	3	3
Micronesia	3	1
Hong Kong	2	2
Arkansas	1	1
Illinois	1	1
Kansas	1	1
Maine	1	0
Oklahoma	1	1
South Dakota	1	1

1 Excludes credit life insurers. 2 Restated. 3 BI estimate. 4 Number of captives as of Sept. 20. 5 Pure captives only.

Researched by Kevin Edison and Karen Tucker

Mid-sized firms turn to captives

By MIKE TSIKOUidakis

Despite soft insurance pricing, middle-market companies appear to be a major factor in the growing number of captive formations, industry experts say.

Middle-market companies continue to look for ways to reduce their insurance costs by seeking programs that can be customized for and respond to their specific risk management initiatives, experts say.

"Although the market is soft, the economy is to a point where people are still looking at their expenses," said Rick Stasi, chief operating officer of Avizent Alternative Risk, a unit of Avizent, in Lexington, Ky. "That's still been driving people to look at other ways to turn premium into profits."

"We're seeing the largest growth in captive formations in middle-market companies," said Mark Morris, senior vp in the risk finance group for Lockton Cos. L.L.C. in Kansas City, Mo. "It's really actually been a very busy last 12 to 18 months."

According to *Business Insurance* research, the total number of licensed captives worldwide has grown from 5,617 in 2009 to 5,525 in 2010. The definition of what constitutes a middle-market company varies.

U.S. jurisdictions that have passed or updated their captive legislation have resulted in the domiciles experiencing "significant growth in captives, almost exclusively with middle-market companies," Mr. Morris said.

"I suspect you'll see Utah, Kentucky and Vermont all with significant growth in 2010, and a lot of that would be due to middle-market companies," Mr. Morris said.

Utah added 54 captives in 2010, Vermont added 33 and Kentucky added 25,

according to *BI* research.

The growth is due in part to middle-market companies' greater knowledge and acceptance of captive programs, something that once was thought to be a way for larger corporations to cover their property/casualty exposures, observers say.

"The middle market was a little bit untapped as far as they just hadn't gone through the formations and had done the review that maybe some of the larger companies had already been through," Mr. Morris said.

Group captives in particular have gained momentum as opportunities to join existing programs are readily available rather than starting a new program, said Mr. Stasi.

Growth in middle-market captives also can be attributed to significant growth of services providers, such as audit firms, third-party administrators and captive managers, Mr. Morris said. Insurers also have shown more acceptance of receiving collateral from the captives as opposed to requiring collateral from the insured, he said.

Internal Revenue Code Section 831(b), which states a captive collecting no more than \$1.2 million in annual premiums can elect to have underwriting income be tax-exempt, has contributed much to the growth middle-market captives have experienced, experts say.

Peter Mullen, executive vp at Artex Risk Solutions Inc. in Hamilton, Bermuda, said that while captive growth generally has been flat the past two years amid soft pricing, the area "that we're seeing of interest to middle-market companies are small captive insurance companies," he said. "We've been calling them microcaptives," he said in referring to 831(b) captives.

"We're seeing growth in the middle market when it comes to setting up captives for wealth management purposes,

but not for risk management purposes," Mr. Mullen "It's more of a wealth management sale than a risk management sale."

From a risk management perspective, 831(b) captives can be used by middle-market companies for lines of business that are high in severity but low in frequency, such as funding wind deductibles and product recall coverage, Mr. Mullen said.

In Europe, there has been a steady increase in interest by small to medium-size enterprises, "mainly driven through interest in cell structures and often focused more on the commercial opportunities available through revenue enhancement and customer-related products rather than pure risk financing, but also risk financing as well," said Dominic Wheatley, chief marketing officer of Willis Group Holdings P.L.C.'s international's captive practice in St. Peter Port, Guernsey.

That interest has been responsible for sustaining Guernsey's and the Isle of Man's captive industry with new cell businesses during the past few years, Mr. Wheatley said.

While cell structures historically have been offshore with limited access to European markets because the domicile is not a member of the European Union, "there is a latent demand for structures on the shore because some of the opportunities are restricted by being offshore as opposed to being within the European Union," he said.

As the implementation of Europe's Solvency II rules for insurers and reinsurers nears, companies need to better understand their risks, said Malcolm Cutts-Watson, chairman of Willis' international captive practice in St. Peter Port.

"What a captive brings is a formalized, regulated risk-financing vehicle," he said.

Captive domiciles

A

Alabama

Alabama Department of Insurance
201 Monroe St., Suite 1700,
Montgomery, Ala. 36104
334-269-3550
www.aldoi.gov

Captive type offered: Association captives, captive set up using 831(b) regulations, group captives, protected cell/segregated portfolio companies, single-parent captives.

Number of captives

2010	10
2009	5
Captives licensed in 2010	5

Capital & surplus: Pure, \$250,000; association, \$750,000; industrial, \$500,000; sponsored, \$1 million; reciprocal, \$1 million. Commissioner may require more based on type, nature and volume of business to be transacted.

Premiums to surplus: At discretion of regulator.
Fees: \$200 application fee; \$300 initial and annual license fee.

Taxes: Reinsurance premium tax: .225% on first \$20 million; .150% on next \$20 million; .050% on next \$20 million; .025% on all premium more than \$60 million. No reinsurance tax if premium is subject to Alabama's direct premium tax rates. Minimum annual premium tax of \$5,000. Two or more captives under common ownership are taxed as a single entity.

Laws: Title 27 Insurance; Chapter 31B, Alabama Captive Insurers Act.

Contact: Sean Duke, financial analyst; 334-241-4165; sean.duke@insurance.alabama.gov.

Anguilla

Anguilla Financial Services Commission
P.O. Box 1575,
The Valley, Anguilla AI2640 B.W.I.
264-497-5881
www.fsc.org.ai

Number of captives

2010	252
2009	209

Contact: Eleanor Astaphan.

Arizona

Arizona Department of Insurance
2910 N. 44th St., Suite 210,
Phoenix, Ariz. 85018-7269
602-364-4490
www.azinsurance.gov

Captive type offered: Association captives, group captives, protected cell/segregated portfolio companies, risk retention groups, single-parent captives.

Number of captives

2010	96
2009	99
Captives licensed in 2010	8
Captives closed in 2010	11

Capital & surplus: Single-parent: \$250,000; association: \$500,000; agency: \$500,000; protected cell: \$500,000.

Premiums to surplus: None.

Fees: \$1,000 for first year, \$5,500 annual renewal fee.

Laws: Title 20, Chapter 4 of Arizona Revised Statutes, Article 14.

Contact: Christina Urias, director-insurance.

Arkansas

Arkansas Insurance Department
1200 W. Third St.,
Little Rock, Ark. 72201-1904
501-371-2665
www.insurance.arkansas.gov

Number of captives

2010	1
2009	1

Capital & surplus: Pure captive: \$250,000; industrial insured: \$500,000; producer reinsurance or special-purpose: \$600,000; association: \$750,000; sponsored: \$1 million.

Premiums to surplus: None.

Fees: \$200 application fee; \$300 annual license.

Taxes: \$5,000 minimum annual premium tax. Direct written premiums: 0.4% on first \$20 million, 0.3% on next \$20 million, 0.2% on next \$20 million and 0.075% thereafter. Reinsurance premiums: 0.225% on the first \$20 million, 0.15% on next \$20 million, 0.05% on next \$20 million and 0.025% thereafter.

Laws: Licensing and Regulation of Captive Insurers, 2001, amended in 2003.

Contact: Mel Anderson, deputy commissioner-financial regulation and audit.

B

Bahamas

Insurance Commission of The Bahamas
3rd Floor Charlotte House,
Charlotte & Shirley Sts.,
Nassau, N-4844 Bahamas
242-397-4100
www.icb.gov.bs

Captive type offered: Group captives, protected cell/segregated portfolio companies, single-parent captives.

Number of captives

2010	16
2009	15*
Captives licensed in 2010	1

Capital & surplus: Minimum capital requirements: \$100,000 general insurance, \$200,000 long-term insurance, \$300,000 general and long-term insurance.

Premiums to surplus: 5-to-1.
Fees: \$100 application fee; \$2,500 annual registration fee; \$1,000 company registration fee.

Taxes: None.
Laws: The External Insurance Act, 2009.

Contact: Mark Moxey.

*BI estimate.

Barbados

Office of the Supervisor of Insurance & Pensions, Ministry of Finance and Economic Affairs
Weymouth Corporate Centre,
Second Floor,
Bridgetown, BB11080 Barbados
246-426-3815

Number of captives

2010	242
2009	230
Captives licensed in 2010	12

Capital & surplus: \$125,000.
Premiums to surplus: 5-to-1 net premium to surplus. Less than \$5 million in premiums: net assets of \$125,000 or 20% of premium written. More than \$5 million: net assets of \$1 million plus 10% of premiums written.

Fees: \$500 application fee; \$20,000 annual license.

Laws: Exempt Insurance Act of 1983.

Contact: Carlos Belgrave, supervisor-insurance; sofi@caribsurf.com.

Bermuda

Bermuda Monetary Authority
43 Victoria St.,
Hamilton, HM 12 Bermuda
441-295-5278
www.bma.bm

Captive type offered: Association captives, group captives, single-parent captives.

Number of captives

2010	845
2009	885
Captives licensed in 2010	15
Estimated premium volume	\$32,671,254,746

Capital & surplus: \$120,000 for Class 1 (single-parent insuring only risks of parent and affiliates); \$250,000 for Class 2 (group/association deriving no more than 20% of net premiums from unrelated companies); \$1 million for Class 3 (more than 20% from unrelated companies).

Premiums to surplus: 20% below \$6 million; 10% above for Class 1 and 2; 15% for Class 3.

Fees: Registration fees—general business: Class 1, \$971; Class 2, \$2,200; Class 3, \$12,000. General and long-term business: long-term Class A, long-term Class B; \$10,500. Annual fees: same.

Taxes: Company tax: minimum for Class 1 is \$3,820; minimum for Classes 2 and 3 is \$5,890.

Laws: Amendments to Insurance Act 1978. The authority conducted a re-classification initiative for the companies that were formerly listed as Class 3 firms, refining the categories to create new classes to which the Authority applies its risk-based supervisory process. Captive data has been adjusted to take into account this re-classification.

Contact: Shelby Weldon, director-insurance, licensing and authorizations.

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British Columbia

Financial Institutions Commission
13450 102nd Ave., Suite 1200,
Surrey, British Columbia, V3T 5X3
Canada
604-953-5300
www.fic.gov.bc.ca

Captive type offered: Association captives, group captives, risk retention groups, single-parent captives, special-purpose captives.

Number of captives
2010 29
2009 18
Captives licensed in 2010 11
Estimated premium volume \$265,000,000

Capital & surplus: \$300,000 Canadian (\$308,940).
Premiums to surplus: None.

Fees: \$500 Canadian (\$515) application fee; \$2,500 Canadian (\$2,575) registration fee; \$2,500 Canadian (\$2,575) annual renewal fee; \$3,500 Canadian (\$3,604) renewal reciprocal permits.
Taxes: 19% federal income tax; 11% provincial income tax.

Laws: The British Columbia Insurance (Captive Company) Act and Financial Institutions Act.
Contact: Doug McLean, executive director-insurance.

British Virgin Islands

Financial Services Commission
P.O. Box 418,
Road Town, Tortola VG 1110
British Virgin Islands
284-494-4190
www.bvifsc.vg

Captive type offered: Association captives, captive set up using 831(b) regulations, group captives, protected cell/seggregated portfolio companies, single-parent captives, special-purpose captives.

Number of captives
2010 219
2009 285
Captives licensed in 2010 11

Captives closed in 2010 82
Estimated premium volume \$395,018,150
Capital & surplus: \$1,000,000,000; assets \$1,678,886,375.

Premiums to surplus: 5-to-1 for property/casualty insurers writing up to \$5 million in net premiums.
Fees: \$1000 application fee; \$3,500 annual renewal fee; \$7,500 license fee for segregated cell companies.

Laws: Insurance Act, 2008 replaces Insurance Act, 2004; Insurance Regulations, 2009 replaces Insurance Regulations, 2004.

Contact: Elton Lettsome, acting director-insurance; lettsome@bvifsc.vg.

C

Cayman Islands

Cayman Islands Monetary Authority
Elizabethan Square; P.O. Box 10052,
George Town, Grand Cayman KY1-1001
Cayman Islands, B.W.I.
345-949-7089
www.cimoney.com.ky

Captive type offered: Association captives, group captives, protected cell/seggregated portfolio companies, risk retention groups, single-parent captives, special-purpose captives, special-purpose financial captives.

Number of captives
2010 738
2009 780
Captives licensed in 2010 25

Captives closed in 2010 67
Estimated premium volume \$8,664,306,424

Capital & surplus: \$120,000 for Class B license (most single-parent, property/casualty captives); \$240,000 if writing long-term coverages; \$360,000 if writing long-term and general business.

Premiums to surplus: At discretion of regulator.
Fees: \$10,365 annual licensing fee Cayman Islands (\$8,500).

Laws: The Insurance Law (2008 revision).
Contact: Gordon Rowell, head-insurance supervision; insurance@cimoney.com.ky.

Colorado

Colorado Division of Insurance
1560 Broadway, Suite 850,
Denver, Colo. 80202
303-894-7499

Number of captives
2010 5
2009 6

Captives closed in 2010 1
Capital & surplus: \$500,000 capital and surplus for single-parent and group captives.

Premiums to surplus: Pure captives: none; group captives: 3-to-1.
Fees: \$500 application fee; \$670 annual fee; \$561 fraud fee.

Taxes: Direct: greater of \$5,000 or 0.5% of first \$25 million of direct premiums written, 0.25% of next \$50 million and 0.1% thereafter. Reinsurance: 0.25% of first \$20 million in premiums and 0.1% thereafter.

Laws: The Colorado Captive Insurance Act of 1972.
Contact: Ray Akers, corporate affairs, 303-894-7836.

Connecticut

Connecticut Insurance Department
153 Market St.,
Hartford, Conn. 06103
860-297-3800
www.ct.gov/cid

Capital & surplus: Minimum capital and surplus requirements: pure captive, \$250,000; association captive, \$750,000; industrial insured captive, \$500,000; risk retention group, \$1,000,000.

Premiums to surplus: None at this time, commissioner may adopt regulations, in accordance with chapter 54 of the Connecticut General Statutes, to establish additional capital and surplus requirements based upon the type, volume and nature of the insurance business transacted.
Fees: Non-refundable application fee of \$800. Additional costs associated with processing the application may be billed. Fee for initial license \$375. Annual license renewal fee \$375.

Taxes: Tax on direct premium: 0.380% on first \$20 million; 0.285% on next \$20 million; 0.190% on next \$20 million; 0.072% thereafter. Premium taxes are subject to a minimum of \$7,500 per year and a maximum of \$200,000 per year.

Laws: See Connecticut General Statutes section 38a-91 or Public Act 08-127 An Act concerning captive insurance companies.

Contact: Maura Welch, insurance certified supervising examiner.

D

Delaware

Delaware Department of Insurance,
Captive Insurance Program
704 King St., Suite 602,
Wilmington, Del. 19801
302-577-1211
captive.delawareinsurance.gov/

Captive type offered: Association captives, captive set up using 831(b) regulations, group captives, protected cell/seggregated portfolio companies, risk retention groups, single-parent

Continued on next page

Directory explanation box

The Directory of Captive Domiciles was developed by *Business Insurance* to help risk managers track developments and regulatory requirements in captive domiciles worldwide. The information is provided for domiciles with specific captive legislation or regulations and that are seeking to add captives; domiciles that merely allow captive formation under existing insurance legislation or are not currently seeking to attract captives are not included.

The directory provides information on captive domiciles—listed in alphabetical order—beginning with information on the domicile’s regulator followed by the num-

ber of licensed captives at year-end 2010 and 2009. Those figures include the number of inactive captives registered in the domicile.

Listed next are the minimum capital and surplus for captives and premium-to-surplus requirements for each domicile, followed by application fees and annual license fees pertaining to captive insurers. Also listed are the applicable local taxes as well as the name of the law that governs captives in the domicile and the year it was passed.

Each listing concludes with contact details for those seeking additional information.

Continued from previous page

captives, special-purpose captives, special-purpose financial captives.

Number of captives

2010	95
2009	49
Captives licensed in 2010	46
Captives closed in 2010	6

Capital & surplus: Minimums: pure captive, \$250,000; association, \$750,000; industrial, \$500,000; risk retention group, \$1 million; sponsored, \$500,000; special purpose, \$250,000; special purpose financial, \$250,000.

Premiums to surplus: Use 3:1 as basis; can vary depending on business plan of operation.

Fees: \$200 application fee; \$3,000 processing fee; \$300 annual fee.

Taxes: 0.2% for direct business, with \$125,000 maximum; 0.1% for reinsurance, up to \$75,000 maximum. The minimum aggregate is \$5,000; the maximum is \$200,000. Special tax considerations for employees based in Delaware.

Laws: Title 18, Delaware Insurance Code, Chapter 69 (Captive Insurance Companies), 1984, revised in 2005 and 2007.

Contact: Steve Kinion, director-Bureau of Captive and Insurance Financial Products.

Denmark

Danish Financial Supervisory Authority
 Århusgade 110,
 Copenhagen 2100 Denmark
 33-55-82-82
www.finanstilsynet.dk

Number of captives

2010	8*
2009	8*

Contact: finanstilsynet@ftnet.dk.

*BI estimate.

District of Columbia

Risk Finance Bureau
 810 First St. N.E., Suite 701,
 Washington, D.C. 20002
 202-442-5074
www.disb.dc.gov

Captive type offered: Association captives, group captives, protected cell/seggregated portfolio companies, risk retention groups, single-parent captives, special-purpose captives, special-purpose financial captives.

Number of captives

2010	139
2009	124*
Captives licensed in 2010	15
Captives closed in 2010	7

Estimated premium volume \$420,000,000
Capital & surplus: Capital: \$100,000 for all companies.

Surplus: \$150,000 for pure captive; \$300,000 for association (stock), agency, rental; \$500,000 association for (mutual) captive.

Premiums to surplus: 3-to-1 for risk retention groups, up to 5-to-1 for other captives.

Fees: \$500 application fee; \$300 certification fee; \$300 annual renewal fee.

Taxes: Direct premium captives: 0.250% on first \$25 million, 0.150% on next \$25 million, 0.050% thereafter. Assumed premium captives: 0.225% on the first \$25 million of premiums, 0.150% on the next \$25 million and 0.025% thereafter. risk retention groups: 0.380% on first \$20 million, 0.250% on next \$20 million, 0.180% thereafter. \$100,000 cap on all premium taxes. Minimum tax \$7,500 and \$15,000 for captives and risk retention groups, respectively.

Laws: The Captive Insurance Company Act of 2004; Special Purpose Financial Captive Authorization Amendment Act of 2006; Captive Insurance Company Amendment Act of 2006.

Contact: Dana Sheppard, associate commissioner.
 *Restated.

Dublin

Central Bank of Ireland
 3 Upper Mayor St., Spencer Dock,
 P.O. Box 11517,
 Dublin 1 Ireland
 353-1-224-4894
www.centralbank.ie

Number of captives

2010	82
2009	114

Capital & surplus: Minimum share capital of €635,000 (\$842,074); additional contribution determined by review of business plan.

Premiums to surplus: Determined by review of business plan.

Fees: Supervisory fee is based on premium volume; technical reserves also considered for reinsurance captives.

Taxes: 2% levy on nonlife premiums; corporate tax of 12.5%.

Laws: Insurance Act 1989; Insurance Act 2000; Central Bank and Financial Services Authority of Ireland Act 2003.

Contact: Marie Foran; insurance@centralbank.ie.

F

Finland

Financial Supervisory Authority
 Mikonkatu 8, P.O. Box 103,
 Helsinki Finland
 358-10-831-51
www.finanssivalvonta.fi

Number of captives

2010	8*
2009	8*

Contact: kirjaamo@finanssivalvonta.fi.

*BI estimate.

Business Insurance's online directories and charts are available in the directories area of www.businessinsurance.com.

G

Georgia

Georgia Insurance and Fire Safety Commission
 2 Martin Luther King Jr. Drive,
 Suite 604, West Tower,
 Atlanta, Ga. 30334
 404-657-9206

www.ga.insurance.org

Captive type offered: Association captives, risk retention groups, single-parent captives.

Number of captives

2010	15
2009	15

Estimated premium volume \$58,129,637

Capital & surplus: \$500,000.

Premiums to surplus: 3-to-1.

Fees: \$600 application fee, \$700 annual fee.
Taxes: Gross premiums written in Georgia: 2.25% state tax, 2.5% county and municipal tax. Workers comp captives must contribute to Subsequent Injury Trust Fund.

Laws: O.C.G.A. Title 33, Chapter 41, 1989.
Contact: Christopher Taylor, property/casualty supervisor; chris.taylor@mail.oci.state.ga.us.

Gibraltar

Financial Services Commission
 P.O. Box 940, Suite 943,
 Europort Gibraltar
 200-350-40-283
www.fsc.gi

Captive type offered: Protected cell/seggregated portfolio companies, single-parent captives.

Number of captives

2010	17*
2009	15**

Captives closed in 2010 2
 Estimated premium volume. \$491,983,100

Capital & surplus: Minimum requirements in accordance with Solvency I, €2.3 million (\$3.1 million) or €3.5 million (\$4.6 million) when liability business is written.

Premiums to surplus: 18% of gross annual premiums up to €57.5 million (\$76.3 million) plus 16% of premiums over €57.5 million (\$76.3 million), or 26% of average claims over prior three years up to €40.3 million (\$53.4 million) plus 23% of any excess.

Fees: €2,000 (\$2,652) application fee; €3,450 (\$4,575) annual license fee. Protected cell companies annual license fee €3,450 (\$4,575) plus €1,250 (\$1,658) per cell.

Taxes: Flat-rate tax of 10% from Jan. 2011.
Laws: Financial Services (Insurance Companies) Act of 1987.

Contact: info@fsc.gi.

*Pure captives only.

**Pure captives only, restated.

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Guernsey

Guernsey Financial Services Commission
Glategny Esplanade,
St. Peter Port, Guernsey, GY1 3HQ
Channel Islands
44-148-171-2706
www.gfsc.gg

Number of captives

2010	341
2009	355
Captives licensed in 2010	12
Captives closed in 2010	26

Capital & surplus: Minimum is £100,000 (\$154,520).
Premiums to surplus: Greater of 18% of net premiums for first £5 million (\$7.7 million), 16% thereafter; or 5% of loss reserves.

Fees: Captive, protected cell companies and incorporated cell companies: £4,370 (\$6,752) application and annual fee; cells of a protected cell company and incorporated cell, £1,230 (\$1,901) application fee and £1,430 (\$2,210) annual fee.
Taxes: 0% tax regime applies to captives.

Laws: Insurance Business (Bailiwick of Guernsey) Law 2002, as amended.

Contact: John Dunford, deputy director-insurance.

H

Hawaii

Insurance Commissioner, State of Hawaii
335 Merchant St., Room 213,
Honolulu, Hawaii 96813
808-586-0981
www.captiveinsurance.hawaii.gov

Captive type offered: Association captives, captive set up using 831(b) regulations, group captives, protected cell/segmented portfolio companies, risk retention groups, single-parent captives, special-purpose captives, special-purpose financial captives.

Number of captives

2010	168
2009	162
Captives licensed in 2010	12
Captives closed in 2010	5

Capital & surplus: Minimum requirements vary by type of captive; additional requirements determined on a case-by-case basis.

Premiums to surplus: Varies by nature and volume of risk retained, and funding characteristics of captive program.

Fees: \$1,000 initial application fee; \$300, \$500 or \$1,000 annual license fee (depending on type of license); annual business registration fee up to \$25; examination fee varies with nature and scope of examination.

Taxes: 0.25% on first \$25 million in premiums, 0.15% on \$25 million to \$50 million, 0.05% on \$50 million to \$250 million; annual maximum premium tax of \$200,000; no tax on premiums previously taxed or on reinsurance assumed by captive licensee.

Laws: Chapter 431, Article 19 of Hawaii Revised Statutes.

Contact: George W. Sumner III, deputy insurance commissioner and captive insurance administrator; captiveins@dcca.hawaii.gov.

Hong Kong

Insurance Authority
Queensway Government Offices,
66 Queensway, 21st Floor,
Hong Kong
852-2867-2565
www.oci.gov.hk

Number of captives

2010	2
2009	2

Capital & surplus: Capital requirement: minimum paid-up capital is 2 million Hong Kong (\$257,443).
Solvency requirement: The greatest of 5% of net premium income; or 5% of net claims outstanding; or 2 million Hong Kong (\$257,443).

Premiums to surplus: None.

Fees: \$22,600 (\$2,909) authorization fee.

Taxes: Corporate tax is 16.5%.

Laws: The Insurance Companies Ordinance, Chapter 41 of the laws of Hong Kong.

Contact: iamail@oci.gov.hk.

I

Illinois

Illinois Insurance Department
320 W. Washington,
Springfield, Ill. 62767
217-782-1757

Captive type offered: Association captives, single-parent captives.

Number of captives

2010	1
2009	1

Capital & surplus: \$2 million.

Fees: \$3,500 application fee.

Taxes: Subject to same taxes as all insurers.

Laws: Article VIIC of the State Insurance Code, 1987.

Contact: Etta Mae Credi, deputy director; etta.credi@illinois.gov.

Isle of Man

Isle of Man Insurance and
Pensions Authority
HSBC House, Ridgeway St.,
Douglas IM1 1ER Isle of Man
44-162-464-6000
www.gov.im/ipa

Number of captives

2010	143
2009	145
Captives licensed in 2010	5
Captives closed in 2010	7

Capital & surplus: £500,000 (\$772,600) for long-term; £150,000 (\$231,780) for general; £100,000 (\$154,520) for reinsurance; £50,000 (\$77,260) for restricted.

Premiums to surplus: Restricted: £50,000

(\$77,260), plus 10% of net written premium up to £2 million (\$3.1 million), 5% of net written premium after £2 million; general, £150,000 (\$231,780), or 15% of net written premium, whichever is greater; long term, £500,000 (\$772,600) or the greater of 1% of actuarially assessed liabilities (nonlinked) or 0.25% of actuarially assessed liabilities (linked); reinsurance: £100,000 (\$154,520).

Fees: £2,000 (\$3,090) application fee; £4,250 (\$6,567) annual license and renewal fee.

Taxes: Corporation tax rate for insurers is 0%.
Laws: Insurance Act 2008; Protected Cell Companies Act 2004.

Contact: David A. Vick, chief executive/insurance supervisor; ipa@gov.im.

J

Jersey

Jersey Financial Services Commission
P.O. Box 267, 14-18 Castle St.,
St. Helier, JE4 8TP Jersey
44-1534-822-000
www.jerseyfsc.org

Number of captives

2010	3
2009	3
Captives licensed in 2010	1
Captives closed in 2010	1

Capital & surplus: £100,000 (\$156,610) or at discretion of regulator.

Premiums to surplus: Property/casualty: 17.5% of net premiums; life: 2.5% of long-term business fund.

Fees: Captives writing general insurance business: £4,725 (\$7,400) where the applicant or permit holder is not a cell company or cell; £4,725 (\$7,400) where the applicant or permit holder is a cell company; £1,350 (\$2,114) where the applicant or permit holder is a cell. Captives writing long-term business: £9,450 (\$14,800) where the applicant or permit holder is not a cell company or cell; £4,725 (\$7,400) where the applicant or permit holder is a cell company; £2,700 (\$4,228) where the applicant or permit holder is a cell.

Taxes: See the Income Tax Department's website address for inquiries and contact details.

www.gov.je/treasuryresources/income tax/default.htm

Laws: Insurance Business (Jersey) Law, 1996, General Provisions and Solvency Margin Orders, 1996.

Contact: David Hart, deputy director-insurance; d.hart@jerseyfsc.org.

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K

Kansas

Kansas Department of Insurance
420 S.W. 9th St.,
Topeka, Kan. 66612
785-296-3071
www.ksinsurance.org

Number of captives

2010	1
2009	1

Capital & surplus: Capital: \$100,000 for pure captive; \$200,000 for industrial captive (stock); Surplus: \$150,000 for pure captive; \$300,000 for industrial captive (stock); \$500,000 for industrial captive (mutual).

Premiums to surplus: Determined by review of business plan.

Fees: \$500 application fee; \$110 registration fee; \$110 annual renewal fee.

Taxes: 2% premium tax.

Laws: K.S.A. 40-4301 et seq.

Contact: Sandy Praeger, insurance commissioner.

Kentucky

Kentucky Department of Insurance
215 W. Main St., P.O. Box 517,
Frankfort, Ky. 40602-0517
502-564-6082
captive.insurance.ky.gov

Captive type offered: Association captives, captive set up using 831(b) regulations, risk retention groups, single-parent captives.

Number of captives

2010	127
2009	105

Captives licensed in 2010	25
Captives closed in 2010	2

Estimated premium volume \$56,000,000

Capital & surplus: Pure: \$250,000; association: \$750,000; sponsored or reciprocal: \$1 million.

Premiums to surplus: None.

Fees: \$600 application fee; \$300 annual renewal fee and filings.

Taxes: Subject to \$5,000 annual minimum. 0.4% on first \$20 million; 0.3% on next \$20 million, and 0.075% thereafter.

Laws: Kentucky Revised Statutes 304.49 and Kentucky Administrative Regulations 806 KAR 9:020-49:040; amended 2006.

Contact: Russell Coy II, captive coordinator.

L

Labuan

Labuan Financial Services Authority
Main Office Tower, Financial Park Complex,
Jalan Merdeka, 17th Floor,
Labuan, 87000 Malaysia
60-87-591-200
www.labuanfsa.gov.my

Captive type offered: Association captives, group captives, protected cell/segregated portfolio companies, single-parent captives.

Number of captives

2010	33*
2009	34

Captives licensed in 2010	1
Captives closed in 2010	2

Estimated premium volume \$177,400,000

Capital & surplus: A paid-up capital unimpaired by losses of: single/group/association/multiowner captive: \$300,000 Malaysian ringgit (\$98,000); rent-a-captive/cell captive: \$500,000 Malaysian ringgit (\$164,000).

Premiums to surplus: A Labuan captive insurer is required to maintain at all times a surplus of assets over liabilities, which is equivalent to, or more than the amount of its working funds; or 20% of the net premium income for the preceding year in respect of the general insurance business; or 3% of the actuarial valuation of the liabilities for life insurance business as at the last valuation date in respect of the life insurance business, whichever is greater.

Fees: Annual license fee: single/pure, group, association, multiple owner captive, \$10,000 Malaysian ringgit (\$3,300); Master rent-a-captive \$13,000 Malaysian ringgit (\$4,300); subsidiary rent-a-captive \$3,000 Malaysian ringgit (\$1,000); captive using PCC structure-core \$30,000 Malaysian ringgit (\$9,800), each cell \$10,000 Malaysian ringgit (\$3,300).

Taxes: 3% of net profits per audited accounts or 20,000 Malaysian ringgit (\$6,600) upon election.

Laws: Labuan Financial Services and Securities Act 2010.

Contact: Danial Mah Abdullah, director-regulation; communication@lofsa.gov.my.

*Number of captives as of Sep. 20.

Luxembourg

Commissariat aux Assurances
7 Blvd. Royal,
L-2449 Luxembourg
352-226-911-1
www.commassu.lu

Captive type offered: Group captives, single-parent captives.

Number of captives

2010	244
2009	251

Captives licensed in 2010	6
Captives closed in 2010	13

Capital & surplus: Minimum guarantee fund for captive reinsurance undertakings: €1.225 million (\$1.6 million).

Premiums to surplus: 23%-26% of premium income, 16%-18% of claims.

Fees: €2,000 (\$2,652) for incorporation. Annual license fee of €4,000 (\$5,304).

Taxes: Varies.

Laws: 1991 Insurance Law and Grand Ducal Regulations, amended 2004, 2007.

Contact: Victor Rod, insurance commissioner; commassu@commassu.lu.

M

Maine

Maine Bureau of Insurance
34 State House Station,
Augusta, Maine 04333-0034
207-624-8495
www.maine.gov/pfr/insurance/

Captive type offered: Association captives, group captives, protected cell/segregated portfolio companies, risk retention groups, single-parent captives.

Number of captives

2010	1
Captives licensed in 2010	1

Capital & surplus: Minimum capital and surplus: pure: \$250,000; industrial insured: \$500,000; association: \$750,000; risk retention groups: \$1,000,000; sponsored: \$500,000.

Premiums to surplus: None.

Fees: \$1,000 initial fee; \$100 for license; \$100 for financial statement; \$500 fee for captives that redomesticate to Maine.

Taxes: Captives now pay corporate taxes based on the following: Greater than \$0, but not over \$25,000, then the gross tax is 3.5% of adjusted federal taxable income; greater than \$25,000, but not over \$75,000 then the gross tax is \$875 plus 7.93% of the excess over \$25,000; greater than \$75,000, but not over \$250,000 then the gross tax is \$4,840 plus 8.33% of the excess over \$75,000; \$250,000 or more then the gross tax is \$19,418 plus 8.93% of the excess over \$250,000.

Laws: Title 24-A, Chapter 83, Sections 6701-6725, 1997.

Contact: Stuart Turney, director-exam; stuart.e.turney@maine.gov.

Malta

Malta Financial Services Authority-
Insurance and Pensions Supervision Unit
Notabile Road,
Attard, BKR 3000 Malta
356-21-441-155
www.mfsa.com.mt

Captive type offered: Association captives, group captives, protected cell/segregated portfolio companies, single-parent captives.

Number of captives

2010	11
2009	9

Captives licensed in 2010	2
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Estimated premium volume \$293,000,000

Capital & surplus: €2.3 million to €3.5 million (\$3.2 million to \$4.8 million) depending on class of insurance business. Reinsurance captives, €1.1 million (\$1.5 million).

Premiums to surplus: Solvency margin set in accordance with European Union directives.

Fees: €1,800 (\$2,473) application fee; €2,500 (\$3,435) acceptance fee; €5,000 (\$6,870) annual renewal fee.

Continued on next page

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Taxes: Corporate tax is 35%. Upon distribution the shareholder will be entitled to tax refunds.
Laws: Insurance Business Act. Insurance Business Regulations (companies carrying on business of affiliated insurance).
Contact: *communications@mfsa.com.mt*.

Michigan

Office of Financial & Insurance Regulation
 611 W. Ottawa St., 3rd Floor,
 Lansing, Mich. 48909
 517-241-4610
www.michigan.gov

Captive type offered: Association captives, captive set up using 831(b) regulations, protected cell/seggregated portfolio companies, risk retention groups, single-parent captives, special-purpose captives, special-purpose financial captives.

Number of captives

2010	4
2009	2
Captives licensed in 2010	2

Capital & surplus: Pure captive, \$150,000; association captive (stock), \$400,000; association captive (mutual), \$750,000; industrial insured, 300,000; sponsored captive \$500,000, if some restrictions are met it may be reduced to \$150,000; special purpose financial captives, \$250,000; nonprofit pure captive, \$250,000.

Premiums to surplus: No specific requirement.
Fees: \$10,000 nonrefundable application fee and \$25 attorney general fee.

Taxes: No premium taxes, an annual renewal fee based on premium volume. \$5,000 for premiums less than \$5 million; \$10,000 for premium between \$5 million and \$10 million; \$15,000 for premiums between \$10 million and \$15 million; \$25,000 for premiums between \$15 million and \$25 million; \$40,000 for premiums between \$25 million and \$40 million; \$50,000 for premiums between \$40 million and \$55 million; \$75,000 for premiums between \$55 million and \$75 million; \$100,000 for premiums over \$75 million.

Laws: Chapters 46, 47 and 48 of the Michigan Insurance Code.

Contact: David Piner, director-captives.

Micronesia

FSM Insurance Board/Commission
 P.O. Box K-2980, Town Plaza, Suite 12,
 Pohnpei, FM 96941
 Federated States of Micronesia
 691-320-3423
www.mra.fm

Captive type offered: Group captives, protected cell/seggregated portfolio companies, single-parent captives.

Number of captives

2010	3
2009	1
Captives licensed in 2010	2
Estimated premium volume	\$13,000,000

Capital & surplus: \$12,000,000.

Fees: Application fee, \$500; annual license fee, \$500.

Taxes: Corporate tax rate of 21.0%; tax only on direct premium of 0.05% up to maximum premium tax of \$20,000.

Laws: Title 37 Code of Federated States of Micronesia.

Contact: FSM Insurance Commissioner.

Missouri

Department of Insurance, Financial Institutions & Professional Registration
 301 West High St., Room 530,
 Jefferson City, Mo. 65101
 573-522-2563
www.insurance.mo.gov/captive

Captive type offered: Association captives, captive set up using 831(b) regulations, single-parent captives, special-purpose financial captives.

Number of captives

2010	11
2009	6
Captives licensed in 2010	6
Captives closed in 2010	1
Estimated premium volume	\$1,400,000,000

Capital & surplus: Single-parent captive, \$250,000; industrial insured captive, \$500,000; association captive, \$750,000; branch captive, \$250,000; special purpose life reinsurance captive, \$250,000.

Premiums to surplus: At discretion of regulator.
Fees: \$7,500 license and renewal fee, fully deductible from premium tax.

Taxes: \$7,500 minimum tax, \$200,000 maximum. Direct premiums: 0.38% on first \$20 million, 0.285% on next \$20 million, 0.19% on next \$20 million and 0.072% thereafter. Reinsurance premiums: 0.214% on first \$20 million, 0.143% on next \$20 million, 0.048% on next \$20 million and 0.024% thereafter.

Laws: Missouri Revised Statutes: Title XXIV Business and Financial Institutions; Chapter 379.1300-1421, Captive Insurance.

Contact: John Rehagen, Captive Program Manager; *john.rehagen@insurance.mo.gov*.

Montana

Commissioner of Insurance
 840 Helena Ave.,
 Helena, Mont. 59601
 406-444-2040
www.sao.mt.gov/captives/index.asp

Captive type offered: Association captives, captive set up using 831(b) regulations, protected cell/seggregated portfolio companies, risk retention groups, single-parent captives.

Number of captives

2010	67
2009	47
Captives licensed in 2010	25
Captives closed in 2010	5

Capital & surplus: Pure captive: \$250,000; industrial insured/RRG \$500,000; association: \$750,000; protected cell company, \$500,000 or \$250,000 if the protected cell company does not assume any risk outside the cells, the risk insured by the cells

are homogeneous, and if there are 10 cells or less; reinsurance captive 50% of the capital that would be required for same type of direct-writing captive.
Premiums to surplus: None.

Fees: \$200 application fee; \$300 annual license.
Taxes: Direct written premiums: 0.4% on first \$20 million, 0.3% on each subsequent dollar collected. Reinsurance premiums: 0.225% on the first \$20 million, 0.15% on next \$20 million, 0.05% on each subsequent dollar of assumed reinsurance premiums. \$100,000 cap on annual premium taxes. \$5,000 minimum. Minimum tax is prorated in the first year of licensure at \$1,250 per quarter licensed.

Laws: 33-28-101 through 33-28-310 MCA. Updated in 2009.

Contact: Steve Matthews, captive coordinator.

N

Netherlands Antilles

Bank van de Nederlandse Antilles
 (Central Bank)
 Simon Bolivar Plein 1,
 Curacao, Netherlands Antilles
 599-9-434-5500

Number of captives

2010	13*
2009	14*

Contact: Nataly Davelaar-Mercelina, superintendent-insurance.

**BI estimate.*

Nevada

Division of Insurance, State of Nevada
 1818 E. College Parkway, Suite 103,
 Carson City, Nev. 89706
 775-687-0700
www.doi.state.nv.us/cf-captiveIn-surlIndex.htm

Captive type offered: Association captives, captive set up using 831(b) regulations, group captives, protected cell/seggregated portfolio companies, risk retention groups, single-parent captives.

Number of captives

2010	124
2009	125*
Captives licensed in 2010	12
Captives closed in 2010	12
Estimated premium volume	\$164,401,531

Capital & surplus: \$200,000 for pure captive; up to \$800,000 for rent-a-captive.

Premiums to surplus: At or below 3.1 for net premium.

Fees: \$500 for application fee; \$300 initial/renewal fee; \$250 administration fee; \$4,000 to \$5000 for each application review depending on complexity of application.

Taxes: 0.4% on first \$20 million of net direct premium, 0.2% on next \$20 million, and 0.075% thereafter; \$5,000 minimum and \$175,000 maximum annual tax cap; first year tax credit of \$5,000.
Laws: Chapter 694C of Nevada Revised Statutes

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and Nevada Administrative Code.

Contact: Michael Lynch, deputy commissioner-captive insurance program;
mlynch@doi.state.nv.us.

*Restated.

Nevis

Nevis Financial Services
 Regulation and Supervision Department
 Main St., P.O. Box 689,
 Charlestown Nevis
 869-469-1469
www.nevisfinance.com

Number of captives

2010	108
2009	63

Capital & surplus: Class "A" single owner, \$10,000; Class "B" 2 to 4 owners, \$20,000; Class "C" 5 or more owners, \$50,000.

Premiums to surplus: Class "A" single owner, 20% of NRP up to \$5,000,000 plus 10% of NRP in excess of \$5,000,000, subject to a minimum of \$10,000; Class "B" 2 to 4 owners, 20% of NRP up to \$5,000,000 plus 10% of NRP in excess of \$5,000,000, subject to a minimum of \$20,000; Class "C" 5 or more owners, 20% of NRP up to \$5,000,000 plus 10% of NRP in excess of \$5,000,000, Subject to a minimum of \$50,000.

Fees: Insurance application fee, \$380; IBC incorporation fee, \$225 plus initial captive registration fee: \$1,500 to \$2,105, renewal fees IBC incorporation fees, \$220 plus captive registration fees, \$1,000 to \$1,220.

Taxes: None.

Laws: The Nevis International Operation, 2004; The International Insurance Regulations, 2004; The International Insurance Solvency Guidance Notes, 2008.

Contact: Hazel Brandy-Williams, registrar-international insurance.

New York

New York Insurance Department
 25 Beaver St.,
 New York, N.Y. 10004
 212-480-2757
www.nycaptives.com

Captive type offered: Single-parent captives.

Number of captives

2010	47
2009	47

Captives licensed in 2010 3
 Captives closed in 2010 2

Capital & surplus: \$250,000 for single-parent captives; \$500,000 for group captives. Parent or each group member must have total net worth of at least \$100 million.

Premiums to surplus: At discretion of regulator.

Fees: Minimum of \$50 for pure captive, \$100 for group captive.

Taxes: Premiums related to N.Y. risks: 0.4% to 0.075% (direct) and 0.225% to 0.025% (reinsurance). Captives also pay Insurance Department

assessments in range of 0.02% to 0.03% of N.Y. direct written premiums.

Laws: Article 70 of the New York Insurance Law.
Contact: Jody Wald, captive insurance coordinator.

New Zealand

Reserve Bank of New Zealand
 2 The Terrace,
 Wellington New Zealand
 64 4 471 3711
www.rbnz.co.nz

Captive type offered: Group captives, single-parent captives.

Number of captives

2010	24
2009	22

Captives licensed in 2010 2

Capital & surplus: \$91,000,000 New Zealand (\$6,565,600).

Fees: \$1,000 New Zealand (\$7,216) per year.

Taxes: 30% of profits.

Laws: Insurance Deposits Act.

Contact: Richard Dean, manager-insurance policy, Prudential supervision department.

Norway

Financial Supervisory Authority of Norway
 Revierstredet 3, Postboks 1187 Sentrum,
 Oslo, 0107 Norway
 22-93-98-00
www.finanstilsynet.no

Number of captives

2010	11
2009	12

Contact: *post@finanstilsynet.no.*

O

Oklahoma

Oklahoma Insurance Department
 3625 N.W. 56th St., Suite 100,
 Oklahoma City, Okla. 73107
 405-521-3966
www.ok.gov/oid/

Captive type offered: Association captives, group captives, protected cell/segregated portfolio companies, risk retention groups, single-parent captives, special-purpose captives, special-purpose financial captives.

Number of captives

2010	1
2009	1

Capital & surplus: Pure captive: \$100,000; association stock insurer: \$400,000; industrial captive incorporated as a stock insurer: \$200,000; sponsored captive, \$500,000.

Premiums to surplus: Pure captive: \$150,000; association stock insurer: \$350,000; association mutual insurer: \$750,000; industrial mutual: \$500,000; sponsored captive: \$500,000; reciprocal: \$1 million.

Fees: \$200 application fee; \$300 annual license.

Taxes: \$200 application fee; \$300 annual license; \$5,000 minimum annual premium tax; 0.4% on

first \$20 million, 0.3% on the next \$20 million, 0.2% on next \$20 million, 0.075% thereafter; direct 0.225% on first \$20 million, 0.15 % on next \$20 million, 0.05% on next \$20 million, 0.025% thereafter.

Laws: Oklahoma Captive Insurance Company Act, 36 O.S. Section 6470.1 et. seq.

Contact: Melanie Paxton, administrative assistant-new applications; Kim Lopez, premium tax accountant-premium tax and annual filings.

P

Panama

World Trade Center, Ave. Ricardo Arias y Calle 51, P.O. Box 832/1683,
 Panama City, Republic of Panama
 507-214-7484

Number of captives

2010	7*
2009	5*

Contact: Ricardo E. Garcia, superintendent-insurance and reinsurance.

*BI estimate.

Puerto Rico

Office of the Commissioner of Insurance
 B5 C/ Tabonuco Suite 216 PMB 356,
 Guaynabo, Puerto Rico, 00968-3029
 787-304-8000

www.ocs.gobierno.pr

Captive type offered: Association captives, captive set up using 831(b) regulations, group captives, protected cell/segregated portfolio companies, single-parent captives, special-purpose captives, special-purpose financial captives.

Number of captives

2010	7
2009	6

Captives licensed in 2010 1
 Estimated premium volume. \$8,000,000

Capital & surplus: Minimum: \$500,000 for Class 1 pure captives; \$750,000 for Class 2 association captives.

Premiums to surplus: For Class 1 pure captive 5-to-1; Class 2 association captive, 5-to-1 affiliated risks, 3-to-1 for nonaffiliated risks.

Fees: \$350 general application fee. \$750 application fee for Class 1 captive; \$1,000 application fee for Class 2 captive; annual charge, \$5,000.

Taxes: International companies exempt from Puerto Rico taxation.

Laws: Puerto Rico Insurance Code, as amended by Public Law Nos. 399 and 400, signed Sept. 22, 2004 and effective March 22, 2005, Rule 80.

Contact: Ruben Gely, director.

Companies interested in being listed in any of BI's online directories should contact the Directory department at *bidirectory@businessinsurance.com.*

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S

Singapore

Insurance Department, Monetary Authority of Singapore
 MAS Building, 10 Shenton Way,
 Singapore 079117
 +65 6225 5577
www.mas.gov.sg

Captive type offered: Single-parent captives.
Number of captives
 2010 60
 2009 63
 Captives licensed in 2010 3
Capital & surplus: \$400,000 Singapore (\$296,000).
Premiums to surplus: The amount of assets must not be less than liabilities for offshore business. For onshore business, the surplus of assets over liabilities must not be less than the highest of \$400,000 Singapore (\$296,000), 20% of the previous year's net premiums or 20% of the previous year's claims liabilities.
Fees: \$5,000 Singapore (\$3,700) annual fee.
Taxes: Singapore's corporate tax is 17%. In addition, captives may apply for concessionary tax rate on their offshore business.
Laws: Insurance Act (Cap. 142), Revised Edition 2002, Insurance (General Provisions and Exemptions for Captive Insurers) Regulations 2004
 Insurance (General Provisions and Exemptions for Captive Insurers) (Amendment) Regulations 2006.

South Carolina

South Carolina Department of Insurance
 P.O. Box 100105,
 Columbia, S.C. 29202
 807-737-6118
www.doi.sc.gov

Captive type offered: Association captives, captive set up using 831(b) regulations, group captives, protected cell/segregated portfolio companies, risk retention groups, single-parent captives, special-purpose captives, special-purpose financial captives.
Number of captives
 2010 160
 2009 156*
 Captives licensed in 2010 9
 Captives closed in 2010 5
 Estimated premium volume \$3,751,535
Capital & surplus: Pure captive: \$100,000 capital/\$150,000 surplus. Industrial insured: \$200,000 capital/\$300,000 (stock), \$500,000 in mutual surplus. Association: \$400,000 capital/\$350,000 (stock), \$750,000 in mutual surplus. Sponsored: varies with the risk.
Premiums to surplus: Varies by company.
Fees: \$200 application fee; \$300 licensing fee; \$500 annual renewal fee. Application review fees are \$12,000 for special purpose financial captives and \$3,200 for all others.

Taxes: Subject to \$100,000 cap. \$5,000 minimum. Direct: 0.4% on first \$20 million of premiums, 0.3% thereafter. Reinsurance: 0.225% on first \$20 million of premiums, 0.15% on next \$20 million, 0.05% on next \$20 million and 0.025% thereafter.
Laws: S.C. Code of Laws 38-90, 38-87 and 38-10 with regulations 69-60 and 69-70.
Contact: Jeff Kehler, program manager; jkebler@doi.sc.gov.
**Restated.*

South Dakota

South Dakota Division of Insurance
 445 E. Capitol,
 Pierre, S.D. 57501-3185
 605-773-3563
www.state.sd.us/insurance

Captive type offered: Captive set up using 831(b) regulations, group captives, single-parent captives.
Number of captives
 2010 1
 2009 1
 Captives closed in 2010 1
 Estimated premium volume \$1,000,000
Capital & surplus: \$100,000 capital/\$100,000 surplus.
Premiums to surplus: None.
Fees: \$500 for certificate of authority.
Taxes: 0.25% of premiums; minimum tax is \$5,000.
Laws: Chapter 58-46, 1996 & 2009.
Contact: Wendell Malsam, assistant director, financial.

Sweden

Swedish Financial Supervisory Authority
 Box 7821,
 Stockholm, SE-103 97 Sweden
 46-8-787 80 00
www.fi.se

Number of captives
 2010 50*
 2009 50*
Contact: finansinspektionen@fi.se.
**BI estimate.*

Switzerland

Swiss Financial Market Supervisory Authority (FINMA)
 Einsteinstrasse 2,
 Bern, CH 3003 Switzerland
 41-31-327-9100
www.finma.ch

Captive type offered: Group captives, single-parent captives.
Number of captives
 2010 35
 2009 42
 Captives licensed in 2010 1
 Captives closed in 2010 7
Capital & surplus: Captives writing third-party business: 5 million Swiss francs (\$4.8 million); captive reinsurers: 3 million Swiss francs (\$2.9 million).

Premiums to surplus: Nonlife reinsurance captives: 16% to 18% of net premiums or 23% to 26% of net incurred losses. Life reinsurance captives: 4% of net actuarial reserves, if reinsurance does not assume investment risk 1% instead, plus 0.1% of net sum at risk. In addition risk-based solvency requirements based on the directive on Risk-Based Capital Requirement of Reinsurance Captives for reinsurance captives without complex risk structures. Reinsurance Captives with complex risk structure have to comply with the requirements of the Swiss Solvency Test (SST).
Fees: Varies annually by total written premium; minimum of 3,000 Swiss francs (\$2,879).
Taxes: Please contact Swiss tax authorities.
Laws: Insurance Supervisory Law, Dec. 2004; Regulation for the Supervision of Insurance.
Contact: René Schnieper, head of insurance supervision.

T

Tennessee

Department of Commerce and Insurance
 500 James Robertson Parkway,
 Fourth Floor,
 Nashville, Tenn. 37243
 615-741-1633
tennessee.gov/commerce/index.shtml

Captive type offered: Association captives, group captives, single-parent captives.
Number of captives
 2010 4
 2009 4
 Estimated premium volume \$22,500,000
Capital & surplus: \$750,000 for single-parent, nonprofit, municipality and utility district captives; \$1 million for group captives.
Premiums to surplus: None. Minimum premiums: \$500,000 for single-parent; \$1 million for group captives.
Fees: \$675 application fee. Annual minimum fee: \$5,000 for single-parent; \$10,000 for group captives. Any premium tax paid is counted against minimum.
Taxes: 1% of gross direct written premiums (includes out-of-state premiums if not taxed by another state).
Laws: The Tennessee Captive Insurance Company Act, Chapter 13, Title 56, 1978.
Contact: Dean Georgeadis, property/casualty analyst.

Turks & Caicos Islands

Financial Services Commission
 Harry E. Francis Building, Pond St.,
 P.O. Box 173,
 Grand Turk, Turks & Caicos Islands
 649-946-2791
www.tcifsc.tc

Captive type offered: Captive set up using 831(b) regulations, group captives, single-parent captives.

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Number of captives

2010	211*
2009	203**

Captives licensed in 2010	10
Captives closed in 2010	2

Capital & surplus: \$100,000 for general insurers; \$180,000 for life insurers. Subject to review of business plan.

Premiums to surplus: 5-to-1 for captives writing up to \$5 million in net premiums.

Fees: \$500 license application fee; \$2,000 annual renewal fee.

Taxes: None.

Laws: Turks & Caicos Insurance Ordinance of 1989 and accompanying 1990 regulations.

Contact: Derek A.C. St. Rose, head of insurance; dstrose@tcifsc.tc.

*Excludes credit life insurers.

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U.S. Virgin Islands

Office of the Lieutenant Governor,
Division of Banking and Insurance
18 Kongens Gade, Charlotte Amalie,
St. Thomas, U.S. Virgin Islands
340-774-7166

Number of captives

2010	7
2009	3

Captives licensed in 2010	4
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Capital & surplus: Single-parent: \$50,000 capital/\$70,000 surplus; industrial insured: \$75,000/\$125,000; association: \$100,000/\$220,000 (stock). Industrial: \$200,000 surplus; association: \$320,000 surplus (mutual).

Fees: \$1,100 application fee; \$6,100 annual licensing fee.

Taxes: Annual franchise tax of \$1,000.

Laws: Virgin Islands International Insurers Act, Title 22, Virgin Islands Code, Chapter 55.

Contact: John Macdonald, acting director-banking and insurance.

Business Insurance's online directories and charts are available in the directories area of www.businessinsurance.com.

Utah

Utah Insurance Department
3110 State Office Building,
Salt Lake City, Utah 84114
801-537-9047

www.captive.utah.gov

Captive type offered: Association captives, captive set up using 831(b) regulations, group captives, protected cell/segregated portfolio companies, risk retention groups, single-parent captives, special-purpose captives, special-purpose financial captives.

Number of captives

2010	188
2009	148

Captives licensed in 2010	54
Captives closed in 2010	14

Estimated premium volume \$224,000,000

Capital & surplus: Pure captive: \$250,000; industrial insured: \$500,000; association captives: \$750,000; reciprocal captive, sponsored captive, \$1 million.

Premiums to surplus: At discretion of regulator.

Fees: \$200 initial application fee; \$5,000 initial license fee; \$5,000 annual renewal fee; \$250 electronic commerce fee.

Taxes: None.

Laws: Captive Insurance Companies Act.

Contact: Ross Elliott, captive insurance director; rcelliott@utah.gov.

V

Vanuatu

Reserve Bank of Vanuatu
Brunet St., PMB 9062,
Port Vila, Vanuatu
678-23-333

www.rbv.gov.vu

Captive type offered: Association captives, group captives, protected cell/segregated portfolio companies, risk retention groups, single-parent captives, special-purpose captives, special-purpose financial captives.

Number of captives

2010	10
2009	10

Estimated premium volume \$6,800,000

Capital & surplus: \$100,000 general insurance

classes; \$250,000 life and long-term insurance classes.

Fees: Company formation: \$500 annual fee; insurance license: \$500 application fee, \$1,000 annual fee.

Taxes: None.

Laws: Insurance Act. No. 54 of 2005, Protected Cells Companies Act 2005.

Contact: Joshua Tari, manager-insurance supervision unit.

Vermont

Vermont Department of Banking,
Insurance, Securities and
Health Care Administration
89 Main St.,
Montpelier, Vt. 05620-3101
802-828-3304

www.vermontcaptives.info

Captive type offered: Association captives, group captives, protected cell/segregated portfolio companies, risk retention groups, single-parent captives, special-purpose financial captives.

Number of captives

2010	572
2009	560

Captives licensed in 2010	33
Captives closed in 2010	21

Estimated premium volume . . . \$17,000,000,000

Capital & surplus: \$250,000 for single-parent; \$500,000 for industrial insured, sponsored or association captives; \$1,000,000 for risk retention groups. Approved letters of credit can be used toward capitalization.

Premiums to surplus: None.

Fees: \$500 initial application and initial license fee; and \$500 annual license renewal fee.

Taxes: \$7,500 minimum annual premium tax.

Direct written premiums: 0.38% on first \$20 million, 0.285% on next \$20 million, 0.19% on next \$20 million and 0.072% thereafter. Reinsurance premiums: 0.214% on the first \$20 million, 0.143% on next \$20 million, 0.048% on next \$20 million and 0.024% thereafter. Maximum \$200,000. Captives under common ownership may be consolidated for premium tax purposes in most circumstances.

Laws: Special Insurer Act of 1981; Captive Law Title 8 V.S.A. Chapters 141, 142, and 142a.

Contact: David Provost, deputy commissioner-captive insurance.