

Business Insurance



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Vermont captive insurer law updated to allow 'dormant' status

Posted On: Apr. 17, 2014 1:27 PM CST

Vermont Gov. Peter Shumlin has signed a bill updating Vermont's captive insurer law, including the creation of a "dormant" status for captives that have ceased operation but might be used to finance risk again in the future.

The dormant status designation provides captive parents not currently using their captives another option besides shutting them down, freeing them from having to go through the licensing process again should they choose to resume use of the captive. The measure requires certificates of dormancy to be renewed every five years. Dormant captives also would be required to maintain \$25,000 in capital and surplus and file annual financial reports, according to the legislation, H. 563. The captive update, signed into law by Gov. Shumlin on Monday, is effective immediately.