

Business Insurance

Vermont tweaks captive insurance regulations

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MONTPELIER, Vt.— Vermont Gov. Peter Shumlin this week signed into law a bill making minor “housekeeping” changes to Vermont's captive law.

Among other things, the measure, H. 512, allows mutual corporations and nonprofit corporations to incorporate protected cells, modifying legislation passed last year that allowed the formation of incorporated protected cells in sponsored captives but limited such incorporated cells to corporations or limited liability companies.

The new law also allows captives to meet minimum capital and surplus requirements through the creation of a trust approved by the commissioner of Vermont's Department of Banking, Insurance, Securities and Health Care Administration.

The law also streamlines reporting requirements for association captives and allows Vermont risk retention groups to reinsure with Vermont-sponsored captive insurance companies.