



Vermont sticks to ‘steady as they go’ adage

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The State of Vermont soldiered on at a steady pace in 2012, licensing 32 new captives with strong showings by the construction and manufacturing sectors, which each had five new licensees.

Data released by the Vermont Captive Insurance Division was announced by Governor Peter Shumlin, who shared the results during the Vermont Captive Insurance Association’s Legislative Day, a meet-up of owners of captive insurance companies from throughout the country, government officials, and service providers.

“We’re very pleased with the results for 2012,” said Governor Shumlin. “We will remain committed to preserving Vermont’s captive leadership role in 2013 with a priority on clarifying the ambiguities in the federal Dodd-Frank legislation which have caused undue confusion for the captive insurance industry.”

“The quality of the new captive insurance companies over the past year has been excellent,” said David Provost, Vermont’s deputy commissioner of captive insurance. “28 of the 32 were pure captives, an extremely high percentage of the overall total for 2012.” Vermont licensed 41 captives in 2011. In addition to the 28 pure captives, three were sponsored and there was one risk retention group in the past year.

Some of the notables in the newly licensed captives include Deutsche Bank, Conoco Philips, Tyco, and Allstate. Another continued trend in 2012 was the strong presence of the non-profits with new formations. “The healthcare and religious organization activity was very strong in 2012,” said Dan Towle, Vermont’s director of financial services. “That trend has continued with two newly licensed captives in 2013 both being in the healthcare sector.”

“Although there have been many different lines, the top industries licensing captives in the past year in Vermont continue to be insurance, hospitals and medical groups and manufacturing,” said Richard Smith, president of the VCIA. “Vermont was also busy with activity in risk retention groups which continue to be a growth sector.”

2012’s new licensees brings Vermont overall total to 984 with 588 active captive insurance companies. 2013 is starting strongly with two new captives licensed, with an active pipeline of prospective captive insurance companies.

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