

Vermont Gov.: 2013 Was a Terrific Year for Captive Insurance

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Last year was a banner year as Vermont celebrated the 1000th new captive, but there were plenty of other notable accomplishments as 29 new captives were licensed, according to data released by the Vermont Captive Insurance Division.

The new captives were made up of 16 pure captives, two industrial insured, three risk retention groups, three sponsored, and five special purpose financial insurers.

Vermont Gov. Peter Shumlin shared the results during the Vermont Captive Insurance Association's Legislative Day last week, where he was joined by owners of captive insurance companies from throughout the country, government officials and service providers.

"2013 was a terrific year for captives in Vermont," said Gov. Shumlin. "I want to personally congratulate the Division for their hard work and welcome all of the new captives to the gold standard of domiciles."

"The quality of the 2013 licensees was outstanding," said Dave Provost, Vermont's deputy commissioner of captive insurance. "We're very pleased to have them join the hundreds of excellent companies that have already chosen Vermont." New captives were licensed in healthcare, construction, transportation, education, insurance, financing, manufacturing, banking, and securities.

The strong diversity of licenses were highlighted with eight in healthcare, four in construction, and three in transportation.

"The continued formation of hospitals and doctor's groups setting up captives in Vermont has been a very positive trend that we expect to continue," said Dan Towle, Vermont's director of financial services. "Hospitals maintain a high interest in forming their captive on-shore and in Vermont."

The newly licensed captives in healthcare include Spectrum Medical Group, Usable Corporation, United Health Services, Excelsa Health, Catholic Medical Partners, PA & NY Hospital Members, and Cassatt RRG Holding Company.

Other notable captives in the class of 2013 include Amcol International Corporation, Burns & Scalo, Tully Construction Company, UBS Real Estate Securities, Covenant Transportation, and Freidkin Companies. 2013's new licensees brings Vermont overall total to 1013 with 588 active captive insurance companies. An active pipeline of prospective captive insurance companies is already underway for 2014.

Captive insurance is a regulated form of self insurance that has been around since the 1960's, and has been a part of the Vermont insurance industry since 1981, when Vermont passed the Special Insurer Act. Captive insurance companies are formed by companies or groups of companies as a form of alternative insurance to better manage their own risk. Captives are typically used for corporate lines of insurance such as property, general liability, products liability, or professional liability.

Source: Vermont Captive Insurance Division