

The image shows a website banner for Property Casualty 360, a National Underwriter Website. The banner features the text "ALL TO HELP MEET YOUR COMMERCIAL INSURANCE NEEDS." and lists several insurance products: Commercial Auto, Property, General Liability, Workers Compensation, and Group Benefits. There is a "MORE INFO" button and an image of a white trailer. The Liberty Mutual logo is also present. Below the banner is a navigation menu with links for Home, Markets, Risk, Claims, Agent & Broker, Technology, Regional, Magazines, Directories, and eNewsletters. A secondary menu below that includes CAPTIVES, ENTERPRISE RISK MANAGEMENT, LOSS CONTROL, and PUBLIC SECTOR RISK MANAGEMENT.

Gov. Shumlin: Just the Beginning of Captives' Success Story in Vermont

By Caroline McDonald, PropertyCasualty360.com

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BURLINGTON, Vt.—Vermont's goal is to remain number one in the captive insurance business in the United States and next, the world, Gov. Peter Shumlin says last week at the Vermont Captive Insurance Association conference.

"It doesn't matter if we have Republican governors, or Democratic governors—we get it," he says. "This is an economic engine in Vermont and we're going to do everything we know how to keep the other 49 states in hibernation and to continue to tell the Cayman Islands and a couple of other little islands down there, 'Watch out.'"

He notes, "Thirty years and we are incredibly proud to be number-one [captive domicile] in America and we're moving to number-one in the world."

Thirty years ago, he explains, "A little company called B.F. Goodrich had an idea, along with a number of other people in this room." Several people came up with the idea for captives in Vermont, which was the beginning of "what has turned into an extraordinary success story," he says.

"Right now, as you probably know, we're up to 930 captives domiciled in Vermont, we're going to hit 1,000 before we know it, then we're going to two [thousand]," he says. "This is just the beginning."

Shumlin says that at a time when "you might have lost faith in government's ability to get things done—I don't know where you would get that idea—we're here to tell you that it doesn't matter what party you're from, it doesn't matter what your political persuasion is in this state, we're here to work with you to strengthen what has begun as an extraordinarily great gift to Vermont and we hope a great gift to you."

An idea for adding cell captive legislation last winter “ripped through the legislature so fast, that if Washington worked like that, you would have a balanced budget and we wouldn’t be in this mess,” says Shumlin, adding that he encourages any new ideas to grow Vermont as a domicile.

“We want to hear from you directly,” he tells the crowd, again touting the swift state government.

The governor says that while Vermont doesn’t have the unemployment rates some other states do, the state’s challenge is in terms of jobs that pay good wages and good benefits.

Another attraction is the fact Vermont is the “only state in the country that has no balanced budget amendment in our constitution,” he says.

Vermont “pays it bills, has the best bond rating in America and doesn’t need to be told to balance its budget, because we don’t spend money we don’t have” he adds. “We’ve got a decent tax rate and we’re here and open for business.”