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# Vermont's 1Q Captive Formations Rival 2005 Numbers

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Vermont's captive insurance growth in the 2011 first quarter is the strongest start to a year since 2005, attributable to a wider understanding of the benefits of captive insurance, says the state's captive regulator.

Vermont licensed seven new captives in the first quarter of 2011, according to the Department of Banking, Insurance, Securities and Health Care Administration (BISHCA). The first-quarter pace surpasses Vermont's 30-year first quarter average of 5.2 captives.

The new captives consist of four single-parent, two risk retention groups and a special purpose captive, BISHCA says.

David Provost, deputy commissioner of Vermont's Captive Insurance Division tells *NU Online News Service* that he attributes the upward trend to the fact that more insurance buyers are "realizing that it's just as good to do it yourself. Certainly for any dollars that you're just trading, why not have it in a captive?"

He adds, "Having a captive helps you buy that real insurance you need, maybe at a better price."

Dan Towle, director of Financial Services observes that Vermont continues to see an increasing number of smaller and mid-sized companies "exploring the captive insurance option. This trend exemplifies how Vermont provides a good fit for companies of all sizes."

Captive insurance legislation in Vermont, H438, has passed the House of Representatives and moved on to the Senate. The proposed legislation will [allow for the formation](#) of incorporated protected cell companies and expand its cell legislation, providing more options for companies interested in that structure, BISHCA says.

Vermont is the largest captive insurance domicile in the U.S. and the third largest in the world, with an excess of \$25 billion in gross written premium in 2010.