

## **Vermont shows strong growth in 2015.** **January 11, 2016**

Vermont licensed 33 new captive insurance companies in 2015, according to the Vermont Department of Financial Regulation.

The new captives consisted of 12 pure captives, seven risk retention groups (RRGs), seven sponsored captives, four special purpose financial insurers, two industrial insured captives, and one association captive.

Vermont set a record with the 11 redomestications, the largest number to ever occur in a single year in the state. The redomestications included three from South Carolina, three from Arizona, two from Bermuda, and one apiece from the Cayman Islands, Nevada and Kentucky.

Vermont governor Peter Shumlin, commented: "2015 was another great year for captive insurance in Vermont. The record number of captives redomesticating to Vermont reinforces our 'Gold Standard' reputation."

There were 16 companies licensed in 2015, an increase from 2014, even though the industry is experiencing a prolonged soft market.

Dan Towle, Vermont's director of financial services, commented: "Vermont has always provided a consistent regulatory environment that is firm, fair, efficient and responsive. It is encouraging that a record number of captives have reinforced that this year by redomesticating."

Seven new RRGs were licensed in Vermont in 2015, bringing the active total to 89. Vermont continues to hold a dominant market share with more than 60 percent of all RRGs premium volume being written by Vermont companies.

Six of the 11 redomestications to Vermont were by RRGs. Provost explained: "We employ our own examiners which keeps exam costs reasonable for captives and RRGs. The expertise of our staff when it comes to analysis and examinations is a significant part of what makes Vermont so attractive."

The new licensed captives are in the insurance, healthcare, construction, real estate, professional services, education, transportation, agriculture and retail sectors.

With seven captives licensed in the healthcare sector, Towle commented: "The continued formation of hospitals and doctors' groups setting up captives in Vermont has been a very positive trend that we expect to continue. Hospitals maintain a high interest in forming their captive on-shore and in Vermont."

Last year saw Vermont bring its total licences to 1,062, with 588 active captive insurance companies.

The Vermont Department of Financial Regulation added that it has one captive already licensed for 2016 and three more applications currently being evaluated.