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VERMONT

Joe Carter, vice president of business development and marketing, United Educators

Educators: United

A risk retention group thrives in Vermont. Page A4

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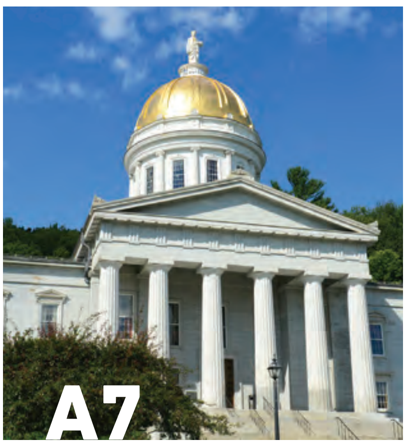

Educators, United

A risk retention group thrives in Vermont.

By Emily Spennato

Risks plaguing different niche markets make navigating insurance coverage tough for any organization. A farmer and a start-up tech company may both begin as small businesses, but they certainly wouldn't be covering the same risks, so why settle for the same liability coverage?

The 1950s saw the emergence of captive insurance, with the goal of solving for specific coverage needs in niche markets. By the 1970s, product liability claims were soaring, adding pressure to find alternative risk transfer options.

The Product Liability Risk Retention Act was passed in 1981, permitting organizations with similar liability to form "risk retention groups," a form of self-insurance for product liability.

"There were a number of industries having difficulty getting their liability covered, so a task force started by a few industries came together and worked with Congress on some legislation," said Joe Carter, vice president of business development and marketing, United Educators.

"They wrote this act and then industries had to begin raising money and forming their own risk retention groups."

By 1986, the law was revised, and the Liability Risk Retention Act was created, allowing risk retention groups to apply for all types of liability insurance except for workers' compensation.

ALL MEMBERS ARE OWNERS, ALL OWNERS ARE MEMBERS

Unlike a captive, which is owned by a single organization but can cover multiple entities, risk retention groups (RRGs) are controlled and owned by their members. Simply put: All members are owners and all owners are members.

While domiciled and regulated by a single state's legislation, RRGs can conduct business in any U.S. territory.

They may not work for the same organization, but all RRG members operate within the same industry; usually industries with unique liability exposures such as nonprofits, churches, public housing and education.

When the Liability Risk Retention Act of 1986 was first pitched to Congress, organizations had to raise their own money to illustrate their RRG could be successful.

Enter United Educators.

Based in Bethesda, Maryland and with its RRG domiciled in Vermont, United Educators is an unincorporated reciprocal risk retention group.

It has been supplying liability insurance and risk management services to educational institutions such as schools, colleges and universities since 1987.

THE STORY OF UNITED EDUCATORS

Despite members assuming risks for all member organizations, RRGs are benefited by relative rate stability, program control and dividends for good loss experience.

These characteristics are what made United Educators an attractive organization when Carter assumed his role 15 years ago and why its total premium has grown to $240 million with a 98% retention rate and 1,600 members.

"We're in a market cycle where a lot of carriers are pulling back on the coverage and/or they don't even want to, if they're going to offer the coverage, they're offering it at a ridiculously high price," Carter explained. "We're a company that, at our core principle, charges for the cost of claims."

That being said, UE does adjust premium rates as necessary to remain solvent.

"We're increasing our premiums to commensurate with where the claims are coming in today and where we think they're going based on trend."

As the director of risk management and transportation for a private K-12 institution for the past 33 years, Bob Rule of the Chadwick School has seen tough markets. But as a UE member, he knows his rates won't overreact to trends.

"What I've seen over the market cycles since I've been doing it is that being part of that retention group and being a member owned facility is that it levels them out," Rule said of his RRG's ability to combat rising premiums.

"It tries to start flattening the peaks, and obviously they have to respond to the market craziness, but they've managed to not have the huge spikes and just keep an even hand on it."

PROTECTING STUDENTS, PROTECTING TRUSTEES

Having a dominant share of the education risk transfer market requires a certain sense of urgency and creativity that UE delivers for its members with its product offerings.

While one of the downsides of a risk retention group is that rates may be a little higher than the average during soft markets, UE members always know they will have their claims paid out.

Offering five different liability coverage packages, UE addresses core and specialized coverage needs while constantly assessing the market for new exposures.

The packages currently offered include: general liability, educator's legal liability, public school liability, internships and professional services, and independent school coverage.

COVERAGE THAT READS BETWEEN THE LINES

A shining reputation for paying out claims and a competitive edge in a commercial market does not come from creating policies with lots of exclusions; UE distinguishes itself by providing coverage for things such as sexual assault and athletic injuries that other markets might shy away from.

"Any of your commercial markets have very limited interest in covering athletics and the protection of minors," explained Carter.

"When you think about the business of schools, colleges and the populations of younger people visiting the campus, learning on the campus and in some cases living on the campus, that becomes a problem for commercial markets. Our general liability does not exclude that."

Advertised as the foundation for protecting educational institutions, UE also provides coverage in discrimination, employment practice, retaliation, sexual harassment, tenure denial and Title IX claims.

When it comes to E&O claims, Carter recognized educators liability coverage as the organization's "flagship product."

"It's really written with sort of the specific needs of educational institutions in mind," said Carter, highlighting the underwriting freedom that comes with an RRG: Tailoring policies to the nature of organizations instead of hoping a policy matches an organization's umbrella.

"It's the E&O coverage that educational institutions and their teachers might not think about, which is a failure to properly educate your students," said Carter.

"Our form includes D&O as part of this package, but it is focused on education trustees. It's not a corporate D&O form, but it's recognizing the governance and

SUMMARY

- ***The United Educators*** risk retention group is one of the oldest risk transfer organizations in Vermont.
- ***The UE RRG*** houses about $240 million in premium.
- ***E&O is the*** flagship product for this RRG.

fiduciary responsibilities that they have in their seats."

Teachers have expectations within the classroom, but students also have expectations for the classroom and beyond. The educators liability product addresses the exposure that comes with an institution's possible educational shortcomings.

"If an institution has a reputation for putting out the best and the brightest, you could probably imagine when things go wrong — if for whatever reason when they come out on the other side they don't feel that they were prepared enough to certify, or they feel that the types of training that they went through in a curriculum really didn't set them up appropriately for success — that's your E&O exposure."

GOING BEYOND THE CLASSROOM

Preparing students for a modern workforce must go beyond the classroom. With cutting-edge opportunity comes uncharted liability.

"If you're thinking about scenarios where students are giving services to the public, it's pretty easy to see where the liability comes from," said Carter.

One of those liability exposures includes internship programs, for which UE offers internships and professional services liability coverage.

For this particular package, coverage is delegated to those participating in the programs instead of an entire institution. Coverage expands to students participating in internships, faculty overseeing those internship programs and faculty performing services within a mobile education facility.

"We're always considering enhancements and sometimes coverage expansion, over time as needs arrive … We'll typically cover those arising needs via endorsement, depending on where the particular risk fits. Is it around bodily injury or property damage? Is it around workplace or employment practices? Or is it around learning programs?"

"Any of your commercial markets have very limited interest in covering athletics and the protection of minors."

— Joe Carter, *vice president of business development and marketing, United Educators*

explained Carter.

Thanks to innovative policies aligning with emerging technology, UE has also been able to create opportunities for modern learning that traditional insurance coverage wouldn't allow for, such as the use of drones and human subjects for academic and research purposes.

"This year, we're rolling out a human subject research. It's a limited form of liability," said Carter of the coverage hopefully emerging in 2020.

"There are some really interesting programs going on at educational institutions trying to research a lot of different issues using humans … As long as they're not managing a hospital or something like that, United Educators is able to give them, for a limited human subject research, some expansion of coverage."

WHY VERMONT?

United Educators serves organizations all over the United States. Some of its members have campuses that operate overseas, such as the Chadwick School with campuses in California and South Korea. So why a Vermont domicile?

With the passing of the Product Liability Risk Retention Act in 1981, Vermont was the first state to allow captive formation legislation and offer those captives a home. Now with over 1,100 captives, Vermont has a highly responsive legislature when it comes to supporting its domiciled businesses and meeting captive needs.

For Carter, one of the greatest benefits of a Vermont domicile is communicating with his regulators with transparency.

"I think Vermont really does ask really good questions about what you are trying to do, so that you can give a better answer. And if the answer really is no, there's usually a more refined reason why that you can then address."

UE members sense the same transparency from their RRG.

"As of most corporations and businesses, our insurance runs across a lot of different carriers, but the one word I use when I think about our relationship with UE is it's a partnership, not just a business relationship," said Rule.

"Especially at that K-12 level, those benefits, the broad determinations of their coverages and the training and the risk group that can provide information for all of us, that's just really what it's about. That partnership is the added value for us."

As Carter said, Vermont is the gold standard. UE has been able to mirror that standard in how it serves its members

"We haven't had bumps," he said.

"As executives, we talk about risk enterprise and risk management all the time. And much of what we're dealing with is to maintain financial strength. For the 21st year, we're rated A, excellent, from AM Best, and as a risk retention group, that's a unique status. With long-tail liability in play, I think that speaks volumes." &

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Vermont Captives Go International

One advantage of the Vermont domicile is that it is not perceived to be a tax haven.

By Jon McGoran

Regulatory consistency is a key attractant for foreign-owned companies seeking to base captives in Vermont.

Vermont is home to more than 100 captives from non-U.S.-based companies, comprising about 10% of active captives in the domicile, with more on the way. The companies are attracted to captives in general and to Vermont as a domicile for a number of reasons.

"A lot of non-U.S. or foreign-owned or foreign-headquartered companies are establishing captives in the U.S., primarily because they have a footprint in the U. S.," said Brady Young, president and CEO of Strategic Risk Solutions.

"With the hardening market, I think the demand for captives is increasing generally in all domiciles," said Chris McCormack, head of group insurance at RELX, a global provider of information-based analytics and decision tools.

"It's a useful risk retention vehicle," McCormick said.

"It enables a company like RELX to retain risk in a thoughtful manner and also gives our businesses the opportunity to have an insurance program that is consistent with the markets in which they operate."

FINDING STRONG GROWTH IN THE U.S.

For companies insuring risk through existing foreign-domiciled captives, a U.S. captive can still make a lot of sense.

"It's more cost-efficient to set up a U.S. captive and have that captive actually just be a vehicle to front into their foreign captive," said Bill Mourelatos, managing director, captive & insurance management, Aon Global Risk Consulting.

"Those reinsurance premiums would be subject to federal excise tax at a 4% rate. But by having that captive in the U.S. act as a transient pass-through, that rate gets cut to 1%. So it's really cost efficient … If the strategy is to house all the risk in the non-U.S. captive, then it does make sense to transfer that risk through a U.S. captive into their foreign captive."

For companies looking into U.S. domiciles, Vermont is always a primary consideration.

"Vermont is the 'granddad' of U.S. captive domiciles and has a great reputation as being a stable and experienced domicile over decades," said Young.

"It is also the home to many of the largest companies that are using their captives for a wide variety of risks. So for any large non-U.S.-based company, Vermont is almost always under consideration given it's viewed as a safe choice."

Mourelatos agreed: "It's the

SUMMARY

- ***Vermont houses more*** than 100 captives with foreign owners.
- ***Vermont presents tax*** advantages without being perceived as a tax haven.
- ***Casualty risks are*** a main business driver for these foreign-owned captives.

largest captive domicile in the U.S. by number of captives, premium assets, et cetera, but I think what makes it unique is it's only had three regulators since it was created 30 plus years ago.

"That stability really helps, because clients know the regulators, they have built relationships, and it's all about understanding your clients," Mourelatos said.

That experience also gives regulators the confidence to keep an open mind and to work with companies looking to innovate.

"They wear a different hat in terms of being a business partner to help clients get the most from their captive," Mourelatos said.

"They're not consulting or providing guidance, but they're trying to understand the strategic objectives of these clients in Vermont to help them."

VERMONT IN ACTION

For McCormick, Vermont topped the list from the beginning.

"We looked at the regulatory environment, the accounting and taxation issues, as well [as] local infrastructure, and for us, it just made all kinds of sense to look at Vermont," McCormick said.

"It's a well-established domicile, it's based in the U.S., where we have a large presence, and both the regulatory environment and infrastructure was supportive to establishing our captive."

Volker Baer, CEO and president of RC Insurance Corp, Wurth Group's captive insurance subsidiary, initially looked to another U.S. domicile.

"We started the process, and it was so cumbersome. The other state, in our opinion, did not really know what it was doing," said Baer.

"So we pulled the plug and we decided to go with Vermont. And what we've seen is there is a professionalism, there is a sense of urgency, and there is also a customer service orientation in Vermont."

Mourelatos also cites Vermont's solid captive support infrastructure.

"The captive managers, the audit firms, the actuaries — that infrastructure of service providers really differentiates Vermont versus the other domiciles in the U.S."

Vermont also provides tax benefits. "Vermont's premium tax rate is quite competitive with other domiciles and the profits of Vermont captives are not subject to state income tax," said Young.

"I would describe Vermont as a 'low tax' domicile compared to certain countries."

But, importantly, the taxes aren't *too* low.

"Most major companies based outside the U.S. do not want to have a subsidiary that attracts negative attention from their home countries," said Young.

"Vermont is an 'onshore' domicile, and as such, any captive owned by a for-profit parent must pay U.S. federal income tax on its profits if it's a 'large' captive or investment income if it's a 'small' captive. The federal tax rate in the U.S. is 21%, which makes it a lower tax than some countries but certainly does not make it a 'tax haven' compared to various offshore domiciles."

"Most major companies based outside the U.S. do not want to have a subsidiary that attracts negative attention from their home countries."

—Brady Young, *president and CEO, Strategic Risk Solutions*

THE GROWING WORLD OF CAPTIVES

Companies use their captives to cover a wide range of risk.

"In general, casualty risks are the main drivers, including workers' compensation, general/products liability and automobile liability," said Young.

"For some companies, property, including terrorism, is a key issue they use their captive to help address. Increasingly, we are seeing captives being used to address cyber and other emerging risks, including direct and indirect business interruption exposures. Last, but not least, the ability of captives to access the reinsurance market to obtain bespoke coverages and additional capacity is still very much in vogue," Young added.

Wurst Group is a case in point. "We did the usual, the workers' comp and auto kind of business, but then we also put some policies in that we had no coverage at all, so wage and hour, terrorism, reputation," said Baer.

"We transferred that first into the Vermont captive and then we actually reinsure all of this or the majority of it over to the Luxembourg captive. So we used the Luxenberg captive as a reinsurer for our U.S. business."

Emerging and evolving risks, which markets may struggle to accurately price, also contribute to increased interest in captives.

"A lot of states have removed the statute of limitations for sexual abuse and molestation cases," said Mourelatos. "That changes the risk profile whereby markets are now leaving that cover or increasing it significantly … That's where the captive comes in and fills that gap."

Captives can also be used to transfer risk to markets with more relevant capacity. Mourelatos cites growing risk from wildfires in California, which face a limited market capacity in the U.S.

Cell captives are also being used for parametric covers, like those triggered by certain weather events or conditions, for example.

"Some of these more innovative players are using our White Rock Cells to cover parametric for municipalities and power companies and such," said Mourelatos. "But the reality is, because of the hardening market, we're seeing a lot more premium volume come in on the traditional lines of business."

The market is also prompting captive owners to look more broadly at what risks make sense to place with their captives.

"With the hardening market, a lot of captive owners are saying, 'Okay, what else can I do or what additional risk or layers can I insure within my captive that the markets aren't responding to?' " said Mourelatos.

"We're seeing an uptake in property, D&O cover and traditional casualty … We're seeing a significant uptick now in captives writing cyber, because corporates are getting more comfortable understanding that risk profile and being able to mitigate it through a captive."

As markets and risks continue to change, Vermont is committed to changing along with them.

"Vermont has been responsive over the years in updating its captive law to respond to the needs of the industry," said Young.

"However, it takes a lot more than good legislation to make a successful domicile, and Vermont has the right regulatory team, necessary infrastructure, cost structure to continue to be a leader among all captive domiciles." &

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Changing Market? Consider Cell Captives

***Manufacturers are** among those considering cell captives.*

For companies that wish to avoid the start-up and carrying costs of a standalone captive, a cell captive might just be the answer. **By Alex Wright**

Captive insurance was originally set up as an alternative for companies struggling to find affordable coverage in the traditional insurance market.

But what about those small- to mid-sized businesses that don't have the means to or want the commitment of forming their own captive?

The answer comes in the form of sponsored cell captives or rent-a-captive cells, which enable such firms to participate in a captive with other similar entities, often either of the same size or in the same industry.

A cell allows the insured to retain a proportion of its own risks and better manage losses and associated costs without the full start-up and operating expenses of a standalone captive, and the burden of running the day-to-day operations, including claims, underwriting and reporting.

And the cell owner's assets and liabilities are also protected in an account that's legally and contractually segregated from the other participants.

They particularly benefit companies with a better than industry loss history, those that want to segregate a portion of risk from their existing standalone captive program or need a short-term risk management solution, such as captives in run-off.

SPONSORED CAPTIVES RISING

The concept isn't new: Bermuda spearheaded the first cell captive more than 20 years ago. But it's only really starting to take off now, with sponsored captives the fastest-growing segment of captive formation in Vermont.

The U.S. domicile licensed four sponsored captives last year, bringing its total cell facilities to more than 37 and comprising more than 200 cells.

"Large companies have historically been the greatest users of captive insurance as a means to support their risk management needs," said Ian Davis, director of financial services at the State of Vermont.

"But, for obvious reasons, the resources required for formation and management of a standalone captive can be significant and, in some cases, serve as a barrier to entry for many companies.

"The introduction of sponsored captives has helped to change that by allowing for small- and mid-sized companies to participate in an arrangement where you have the convenience of being serviced while still receiving the benefits of captive insurance. It's also all without the costs normally associated with owning and operating your own insurance company."

The recent popularity in cell captives is being driven by a greater awareness among companies of captive insurance and the benefits and efficiencies that can be gained by middle market companies. After getting a taste of what it's like to run one, many companies use these types of captives as a stepping stone to either setting up their own sponsored entity within an industry sector or a single parent captive.

SUMMARY

- ***The use of*** cell captives is increasing in Vermont's domicile.
- ***Medical stop-loss, workers'*** comp and commercial auto risks find homes in cell captives.
- ***Vermont has 37*** cell facilities.

THE DOMICILE OF CHOICE

Vermont, the largest U.S. captive insurance domicile, has become an increasingly popular domicile to join a sponsored captive because of its favorable laws, robust regulatory environment and extensive and experienced service provider network.

The biggest growth areas are in medical stop loss, commercial auto liability, general liability, workers' compensation and property coverage, according to Davis. As far as industries are concerned, he said the use is across the board, from long-term care facilities to manufacturing, agriculture, insurance, real estate, religious institutions and energy.

"The range of applications is broadly similar to single parent captives," said Davis. "We've also seen many employers provide medical stop loss, typically on a reinsurance basis, to the cell.

"Another popular use of cell captives is actually among insurance companies that may have brokerage accounts or agencies that have clients or agents. But, overall it's a broad representation across all industries."

Strategic Risk Solutions (SRS) manages nine sponsored captives domiciled in Vermont, with 22 active cells. The turn-key captive solution covers traditional property and casualty risk as well as providing group medical stop loss programs.

Dave Tatlock, chief financial officer at SRS, said the key benefits of cell captives are their speed to market, simplified administration and lower capital requirements compared to a standalone captive.

They also provide flexibility for a host of different applications from large homogenous groups of companies, each with their own cell, to an individual captive owner with multiple cells.

"Because there's already a license in place, you can get it off the ground in a relatively short timeframe, as well as streamlining some of the administrative aspects of running your own captive," said Tatlock.

"You also only require the basic risk capital and not any additional amounts sometimes associated with standalone captives."

Tatlock said that Vermont was a domicile of choice for cell captives because of its strong track record of facilitating that business and the fact it has been built on legislation governing sponsored captives, taking on broad feedback from the industry.

A TRANSITIONING MARKET

Nancy Gray, regional managing director, Americas, at Aon — which owns a White Rock Group sponsored captive that has 250 cells under management, writing more than $750 million in gross premiums, as well as managing a host of other sponsored captives in Vermont — said the growth in cell captives is being driven by the transitioning market.

She added that a company's decision to stay with its cell captive or form a single parent captive afterwards is largely based on the reason why the cell was established.

"If you are going to be retaining risk in your cell, then it's likely you will look to form a standalone captive," said Gray.

"But if you're just using it to gain access to the reinsurance market for additional capacity, then it's less likely you will establish your own captive."

A large proportion of the sponsored captives Aon manages in Vermont, Gray said, cater to the health care sector, where providers want to segregate professional medical liability risk in different cells rather than retaining it all in a single parent captive.

Among the main upsides of a cell captive, she said, are more flexible capital allocation, enabling companies to fund their own risk, and the fact that the sponsor takes care of corporate governance, freeing up its time and resources.

"Vermont is also a very stable domicile where the regulators have a great depth of knowledge and understanding of sponsored captives. Its whole approach and appreciation of the business needs behind forming and maintaining a sponsored captive is second to none," Gray added.

EXPANDING THE REACH

To facilitate this growth of sponsored captives, Vermont introduced new legislation in April 2019 for the specific inclusion of sole proprietorships among eligible businesses to be cell participants.

There are also new proposals to change the minimum core capital requirement for sponsored captives from $250,000 down to $150,000, provide the flexibility to offer coverage for unaffiliated business in a cell captive in the same way as a standalone captive, and explicitly allow companies to form separate accounts within a cell.

"Now, years after having put the legislation in place for sponsored and cell captive formation, we are starting to see more and more companies reap the rewards," Davis said. &

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NEW CAPTIVES IN 2019

Company Name	Date Licensed	Type	Manager
NFP SEGREGATED CELL COMPANY, LLC	1/2/19	Sponsored	Arsenal
MASSMUTUAL MCAM INSURANCE COMPANY, INC.	3/25/19	Pure	Marsh
ASSURELEASE “LATS” RECIPROCAL INSURANCE COMPANY	4/23/19	Industrial	Marsh
LYNBROOK RE, INC.	4/30/19	Special	Willis
INFIELD INSURANCE COMPANY	5/3/19	Pure	Willis
HAWTHORN INSURANCE COMPANY	5/21/19	Pure	Aon
SPECIALTY TRANSPORTATION CORE INSURANCE COMPANY, INC.	7/9/19	Sponsored	Risk Services
HEALTHSTAR INDEMNITY, LLC	8/22/19	Sponsored	Strategic Risk
VMC INDEMNITY COMPANY, INC.	8/23/19	Pure	Strategic Risk
RELX RISKS, INC.	9/4/19	Pure	Aon
PREMIER MANAGEMENT INSURANCE VERMONT, INC.	9/25/19	Pure	Marsh
STELVIO INSURANCE LLC	9/30/19	Pure	Quest
RF CASUALTY INSURANCE COMPANY OF VERMONT	9/30/19	Pure	Willis
KINDRED AT HOME INSURANCE COMPANY	10/8/19	Pure	Willis
FUTURE CARE RISK RETENTION GROUP, INC.	10/17/19	RRG	Risk Services
GTHM INSURANCE COMPANY	10/21/19	Pure	Advantage
GENERATIONS RISK MANAGEMENT, LLC	11/1/19	Pure	Willis
TUNGSTEN INSURANCE COMPANY, LTD.	12/3/19	Pure	Risk Services
TACTICAL RISK SOLUTIONS LLC	12/12/19	Sponsored	Strategic Risk
RED STICK PROPERTY & CASUALTY, L.L.C.	12/23/19	Pure	Aon
NUOVO INDEMNITY RISK RETENTION GROUP, INC.	12/23/19	RRG	Marsh
SUNRISE RE, INC.	12/24/19	Pure	Willis

NUMBER OF CAPTIVES BY

AGRICULTURE	5
BANKING	20
COMMUNICATIONS	8
CONSTRUCTION	38
EDUCATION	20
ENERGY	22
ENTERTAINMENT	7
FINANCING, LENDING, LEASING	5
HEALTHCARE	103
HOTELS	3
INSURANCE	80
MANUFACTURING	98

Charts Source: Vermont Department of Banking, Insurance, Securities and Health Care Administration

Parent Co.	Industry
NFP CORP.	Insurance
MASSACHUSETTS MUTUAL LIFE INSURANCE CO.	Insurance
ASSURELEASE LLC	Real Estate
NASSAU LIFE AND ANNUITY COMPANY	Insurance
INFIELD INVESTORS, LLC	Real Estate
KPMG LLP	Profess Service
PAT SALMON & SONS, INC.	Transportation
STAMFORD HEALTH, INC.	Healthcare
UNIV. OF VERMONT HEALTH NETWORK INC.	Healthcare
RELX, INC.	Other
CA Inc.	Technology
PENTALPHA GLOBAL	Other
415 MADISON, INC.	Real Estate
GENTIVA HEALTH SERVICES HOLDING CORP.	Healthcare
LONG TERM CARE FACILITIES	Healthcare
GTHM BUSINESS SERVICES, LLC	Manfacturing
OZINGA BROS. INC.	Manfacturing
VENTERRA REALTY MANAGEMENT COMPANY	Real Estate
ACCURISK HOLDINGS LLC	Healthcare
NEWTRON GROUP, LLC	Construction
CUSTOM ECOLOGY, INC.	Transportation
NASSAU LIFE AND ANNUITY COMPANY	Insurance

INDUSTRY

As of 12/31/2019

MEDIA	1
NONPROFIT OR MUNICIPALITY	14
OTHER	14
PROFESSIONAL SERVICE	27
REAL ESTATE	27
RELIGIOUS INSTITUTIONS	21
RETAIL	26
SECURITIES	9
TECHNOLOGY	7
TRANSPORTATION	27
WASTE MANAGEMENT	3
TOTAL ACTIVE CAPTIVES	**585**

VERMONT CAPTIVE INSURANCE COMPANIES LICENSE SUMMARY

STATUS: ACTIVE	12-31-19	12-31-18	2019
Affiliated Reinsurance Co.	1	1	0
Agency	0	0	0
Association	14	14	0
Industrial Insured	21	23	-2
Pure	351	350	1
Branch	3	4	-1
RRG	87	87	0
Sponsored	37	34	3
Special Purpose Financial Insurer	44	45	-1
Licensed Cells	1	0	1
TOTAL ACTIVE..................	**559**	**558**	**1**

STATUS: DORMANT	12-31-19	12-31-18	2019
Affiliated Reinsurance Co.	0	0	0
Agency	0	0	0
Association	0	0	0
Industrial Insured	0	0	0
Pure	21	17	4
Branch	2	2	0
RRG	0	0	0
Sponsored	2	2	0
Special Purpose Financial Insurer	1	1	0
TOTAL DORMANT...................	**26**	**22**	**4**
TOTAL ACTIVE and Dormant..	**585**	**580**	**5**

STATUS: DISSOLVED	12-31-19	12-31-18	2019
Affiliated Reinsurance Co.	0	0	0
Agency	0	0	0
Association	21	21	0
Industrial Insured	27	26	1
Pure	412	401	11
Branch	4	3	1
RRG	71	70	1
Sponsored	21	20	1
Special Purpose Financial Insurer	18	16	2
TOTAL DISSOLVED...........	**554**	**557**	**17**

LICENSED IN CURRENT YEAR (as of 12/31/19)

By type of Captive		*By Industry*	
Affliated Reinsurance Co.	0	Healthcare	5
Agency	0	Insurance	4
Association	0	Real Estate	4
Industrial Insured	1	Manufacturing	2
Pure	14	Transportation	2
Branch	0	Other	2
RRG	2	Construction	1
Sponsored	4	Prof. Service	1
Special Purpose Financial Insurer	1	Technology	1
TOTAL 2018 LICENSES...	**22**	**...**	**22**