



# Welcome to Vermont.

**VERMONT CAPTIVE INSURANCE**

The gold standard of domiciles  
since 1981.

# Our reputation protects your reputation.

The Gold Standard is more than our promise, it's what our reputation is built on. It's our dedication to protecting your business as it navigates the complex captive insurance environment. The result—captives that are sensible, secure, and supported.



#1

U.S. domicile



3<sup>rd</sup>

largest domicile  
worldwide



Multi-time

Domicile of the Year  
award winner



# Why Vermont?

Since 1981, when Vermont was one of the first states to adopt captive enabling legislation, we have been a leader in the global captive industry. That leadership is reflected, in part, by being the largest U.S. domicile with the most captives licensed, assets under management, and total premiums written. We know how to keep pace with the needs of the captive industry while maintaining quality and establishing innovative and efficient regulations.

“ The Vermont team was eager to learn about our specific needs as well as collaborated on several ideas in navigating various challenges. As our captive, Sustainable Assurance Company, came to fruition, the network of relationships among the State of Vermont and third-party providers allowed us to quickly establish the necessary support structure, from banking relationships to industry associations. The State of Vermont’s commitment to the captive insurance industry is evident... ”

—Dan Youngs, LCSWMA (licensed in 2021)

# Back to basics— what is captive insurance?

When a large business or a group of individuals or businesses come together to form their own insurance company, the resulting subsidiary corporation is called a captive. A captive insurance company represents an option for many organizations, from Fortune 500 companies to nonprofits, that want to take financial control and manage risks by underwriting their own insurance rather than paying premiums to third-party insurers.

**Here is a quick overview  
of how a captive is  
formed and operated:**



**1.** A business (or group of similar businesses) identifies risks to be underwritten by a proposed captive.



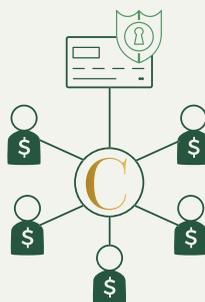
**2.** The captive applies for a license in a jurisdiction with captive enabling legislation, and is capitalized by its owner(s).



**3.** The captive underwrites the risks, sets premium levels, and issues policies.



**4.** The parent (or group members) pays premiums to the captive insurance company.



**5.** Over time, accumulated surplus in the captive may be used to support additional lines of business, increase retention, pay dividends, fund loss prevention programs, and more.

# What can I expect from Vermont as a domicile?

When a business begins the process of choosing a domicile, it should consider the following:

- Regulatory environment
- Stability and support of the political environment
- Accessibility
- Perception and reputation
- Service provider infrastructure
- Cost
- Convenience
- Regulatory overlap

## Vermont strives to meet and exceed all of these touchpoints with:

### The most experienced and knowledgeable captive insurance regulators

With more successfully operating captives than any other U.S. domicile, Vermont's regulators are the most experienced and knowledgeable in the field and are consistently recognized as such by international trade publications and industry peers.

### Unparalleled government support from Vermont's governor and legislature

Always striving for progress and innovation, Vermont's captive laws are reviewed and revised

on a regular basis; a necessity to keep pace with the fast-changing needs of the industry.

### An experienced and extensive service provider network

From captive managers and accountants to actuaries and attorneys specializing in captive insurance, Vermont has all the support and expertise needed for your captive to thrive.

### A unique infrastructure

With its in-house staffing of examiners and support personnel, Vermont's regulators efficiently process licensing applications, approve business plan changes, and

answer inquiries in a timely fashion. Vermont's captive team of dedicated partners provides ongoing support to help your captive insurance company evolve and grow.

### An ease of accessibility

Have a question or need clarification? Dealing with a thorny issue? Not sure whether a particular action you want to take is permitted? Call the Vermont captive regulators and they will actually pick up the phone. Ease of accessibility is a Vermont thing, not only with the regulators but also with our diverse array of captive service providers.

“The meeting with the Vermont team was well attended by leaders in their department, and every member of that team spoke up and made it clear to us that they and the State of Vermont have a meaningful commitment to these captive businesses. This was the capstone event in our review of homes for our captive. We’re certainly pleased with our decision.”

—Mike Brown, Kajima USA (licensed in 2021)

#### Competitive costs

Vermont’s licensing fees and premium tax rates are competitive with other domiciles. Plus, our unique infrastructure of in-house examiners and support personnel can save you valuable time, money, and resources over the course of the relationship.

#### Our Gold Standard reputation

When you choose to domicile your captive in Vermont, you can be confident you chose correctly—as did most of your peers. Over half of the Fortune 100 and Dow 30 have chosen Vermont due, in part, to our unwavering focus on quality regulation and service.

#### Vermont is home to the world’s largest captive insurance trade association

Having the world’s largest captive insurance trade association—The Vermont Captive Insurance Association—helps Vermont maintain and improve upon its cutting edge captive insurance regulation. Over 350 members strong, the association also provides a wealth of professional education and networking opportunities.

#### A four-season destination

For those annual captive meetings, Vermont is easy to get to and has something to offer year-round. Whether it’s enjoying Lake Champlain in the summer, taking in the fall foliage, hitting the slopes in winter, or hiking and biking in the spring, the reasons to visit Vermont are abundant.

# Sounds great— how do I get started? What does the process look like?



1. Connect with us at [vermontcaptive.com](https://vermontcaptive.com).



2. We'll schedule an introduction meeting with Vermont's top regulators to determine if Vermont is the right fit for you. This helpful and positive process is key to moving forward with next steps.

**If we are the right choice for you, the regulators will encourage you to go through the following steps:**

- Obtain company management approval
- Choose a captive manager partner
- Conduct a feasibility study with the captive manager or actuary
- Select your service providers
- Meet with the domicile regulators
- Submit your application—your complete application will be reviewed and approved within 30 days
- Incorporate the captive
- Capitalize
- Commence business

**Vermont regulators are eager to answer any questions you have, consider new ideas, or just say hello every step of the way and long after your captive is formed.**

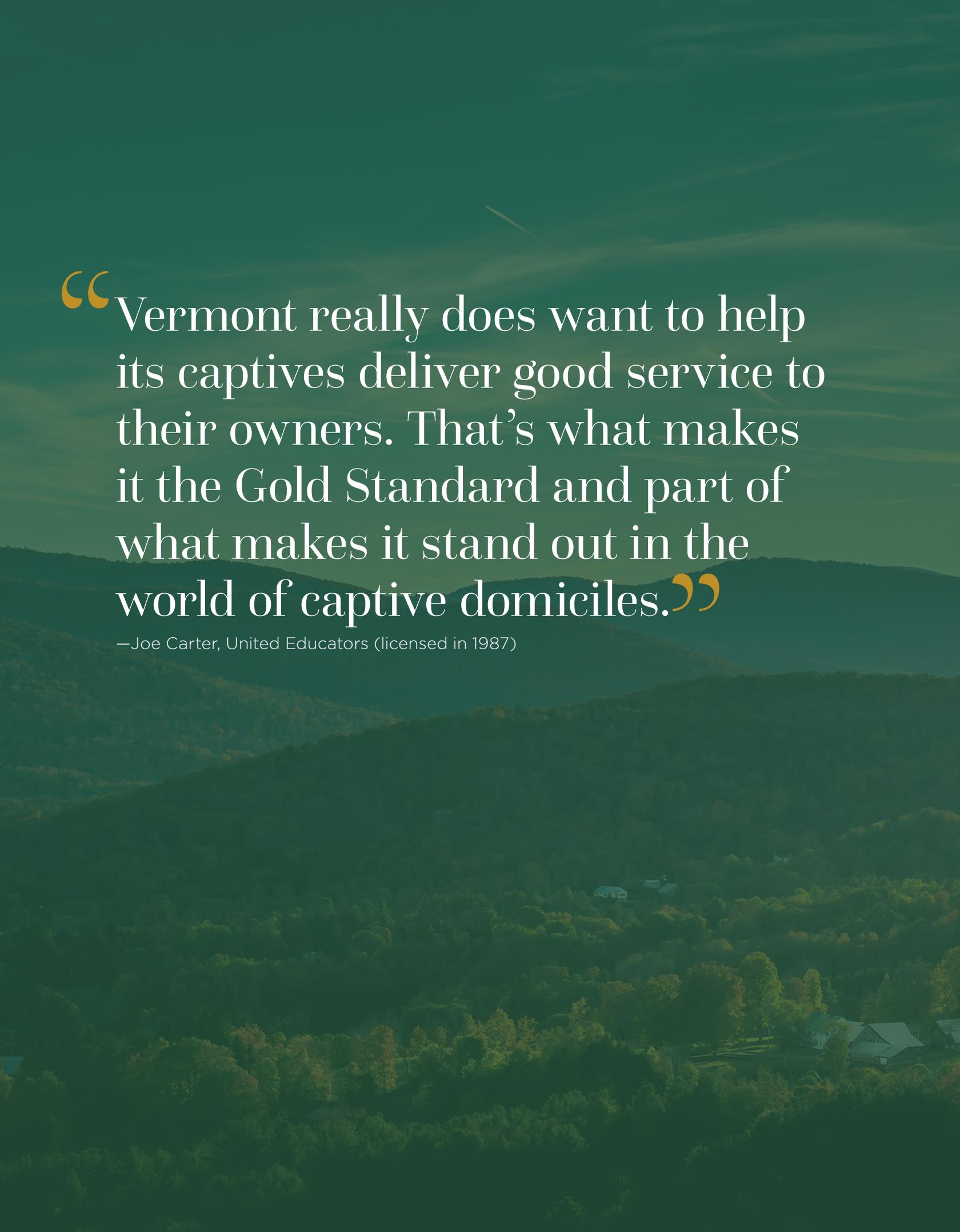
**For more information about Vermont, as well as the current fees and tax rates, please visit:**

**[vermontcaptive.com](http://vermontcaptive.com)**

**To find all resources including applications, forms, lists, filing requirements, and contact information, please visit:**

**[dfr.vermont.gov/industry/captive-insurance](http://dfr.vermont.gov/industry/captive-insurance)**





“Vermont really does want to help its captives deliver good service to their owners. That’s what makes it the Gold Standard and part of what makes it stand out in the world of captive domiciles.”

—Joe Carter, United Educators (licensed in 1987)



# Connect with us.

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