

January 31, 2012

The Captive Insurance Companies Association (CICA) is proud to join the new coalition of the captive insurance industry formed to push for legislative language that would clarify that the intent of the new federal Nonadmitted and Reinsurance Reform Act (NRRRA 2010), which was never intended to apply to captive insurance. NRRRA 2010, a subsection of the Dodd-Frank legislation, has caused some confusion over whether it is applicable to captive insurance. This newly formed coalition, called the Coalition for Captive Insurance Clarity (CCIC) is seeking legislative language that will clarify that captive insurance companies are not part of NRRRA.

CICA is unique in that it is the only 'Domicile Neutral' captive association. CICA's membership, though concentrated in North America, spans the world, including Europe, and has representatives from every facet of the captive insurance community. CICA's diverse membership is deeply concerned about this issue and will be an active participant of the coalition. CICA, together with the Vermont Captive Insurance Association represent the two largest captive associations in the world.

The uncertainty created by the NRRRA has already resulted in confusion across the captive insurance industry. Captive owners and their tax advisors alike have been unsure on how to react. The captive insurance industry expects and desires strong regulation. Companies need to have the choice of where they domicile based on regulatory strength, not based on tax ambiguity. This fix is needed to ensure that companies continue to have a choice of where they domicile.

CICA is eager to work with the other members of the coalition in the effort to amend the law to provide clear and definitive language in the NRRRA and will work with members of Congress to affect the necessary changes.



Dennis P. Harwick
PRESIDENT