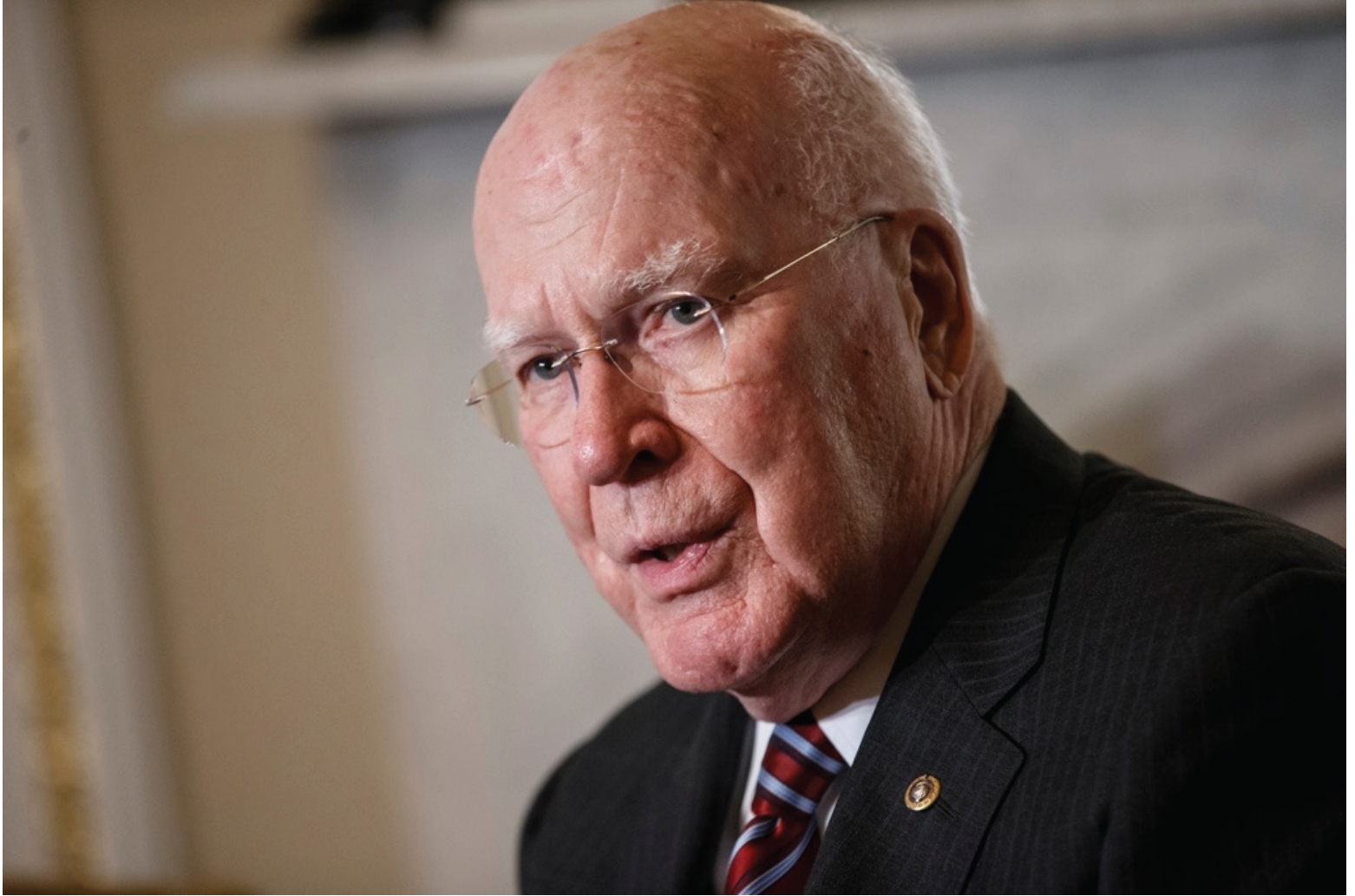


# BUSINESS INSURANCE

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## Vermont Sen. Leahy touts state's standing among captive domiciles

By Jerry Geisel



BURLINGTON, Vt. — Vermont is the “gold standard” when it comes to captive insurance domiciles, Sen. Patrick Leahy, D-Vt., the state’s senior senator says.

Speaking at the opening general session Wednesday at the Vermont Captive Insurance Association annual conference in Burlington, Sen. Leahy told attendees to “think how this business” has evolved in the last three decades. Sen. Leahy was referring to the 30th anniversary this year of the formation of the VCIA and the huge growth — from about three dozen captives domiciled in the state in 1985 — to 585 today.

And Sen. Leahy’s interest in captive issues has not waned. He is, for example, the cosponsor of The Captive Clarification Act, which would make clear that captives do not fall under the jurisdiction of the Nonadmitted and Reinsurance Reform Act of 2010, which provides that nonadmitted insurers are subject to the regulation of their home state.

That law left policyholders unclear on whether some taxes on insurance purchased from a captive should be paid to a captive owner’s home state in addition to the captive’s domicile.

The Captive Clarification Act would make clear that the NRRRA does not apply to captives.

The measure, which is cosponsored by Sen. Lindsey Graham, R-S.C., would ease the taxation question “a great deal,” Sen. Leahy said.

He also said Congress may need to act to require companies to beef up their security and protect consumers’ financial information against cyber attacks.