

# CAPTIVE

## REVIEW

### **Solvency II Predictions: Dave Provost, Vermont by Richard Cutcher**

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**The implementation of Solvency II across the European Union (EU) may create opportunities for the American onshore domiciles, according to Dave Provost, deputy commissioner of captive insurance in Vermont.**

**Captive Review is running a series of ‘Solvency II Predictions’ from key industry players as the 1 January, 2016 activation date nears.**

While Vermont and other US domiciles will not be directly impacted by the new directive, a number of jurisdictions outside of the EU are keeping a close eye on developments.

“[Solvency II] can be an important consideration when dealing with multinational reinsurance treaties, but I don’t see anything insurmountable there,” Provost told Captive Review. “We will continue to focus our efforts on prudent regulation of our captives, proportional to the risk retained.”

He added: “It may create some opportunities for US based domiciles when companies are considering forming in a Solvency II jurisdiction versus a US domicile. Solvency II may make it more complicated to form in certain jurisdictions.

“The application of the proportionality principle may also create some opportunities in the EU; there will be room for variations even among EU jurisdictions.”