



# JLT INSURANCE MANAGEMENT DOMICILE REVIEW

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## EXECUTIVE SUMMARY

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The choice of domicile is arguably one of the most important factors in the creation of a captive insurance company and the proliferation of domiciles around the world can make the evaluation process a daunting one. Therefore we have summarised a selection of domiciles in the following review.

Captives are almost always domiciled outside the territory of the parent organization. This is principally because the insurance regulation in the parent domicile has been drawn up principally to protect the public when purchasing insurance from the commercial insurance market. This level of regulation is not appropriate for a captive.

In choosing a captive domicile, the jurisdiction must support the captive's strategic objectives. Ultimately the ability of a captive to successfully meet these objectives is based on a combination of:

- **Cost Efficiency:** Minimisation of operating expenses and local domicile income taxes
- **Administrative Effectiveness:** Efficient, professional services to the captive supporting the insurance and risk management programs of the parent company.
- **Underwriting Performance:** Sufficiently strong retained premiums, consistent with a good claims record, generating additional investment income

Of these three, the choice of captive domicile is relevant to ensuring Cost Efficiency and Administrative Effectiveness. The following table sets out these factors:

### Cost Efficiency: Domicile Selection Factors

Item	Description	Relevance
Taxation Framework	Attractiveness of domicile's taxation regime for captives	Income taxation incurred outside of the parent country represents a cost and ideally should be minimised.
Capitalisation & Solvency Requirements	Establishing a captive requires capital investment. The amount is determined by domicile regulations	Capitalisation & Solvency requirements should be kept to a reasonable and prudent level.
Operating Expenses	Relative competitiveness of various operating expenses of running a captive in that domicile	The operating expenses should be kept to a reasonable minimum to support the financial success of the captive.

**Administrative Effectiveness: Domicile Selection Factors**

Item	Description	Relevance
Proximity	Proximity of the domicile of the captive to the parent is important, in particular common working hours and ease of transportation links.	A captive located within easy access of the parent will facilitate closer integration with the on-going insurance management of the captive.
Professional Infrastructure	Depth of professional captive management infrastructure, including captive managers, auditors, legal services.	The existence of a wide selection of professionals ensures that captive can avail of the best practice services. The captive should be located in a well-regarded location, with a strong reputation for prudent and transparent business practices.
Regulatory Framework	Existence of a developed captive insurance regulatory framework; relatively easy to understand and implement; consistent with the unique needs of captives; prudently implemented by the local regulatory authority.	Both the regulatory framework and the working approach of the local regulator should be prudent, business like and widely recognized as having international best practice standards.

While there are many captive domiciles around the world, the actual decision as to the location of the captive typically comes down to a choice between a small number of candidates. This is due to the fact that the twin objectives of (i) cost efficiency and (ii) administrative effectiveness reduces the field of candidates to a much smaller group.

The following section provides an overview of a selection of traditionally recognised domiciles. The domicile overviews provide a biographical summary and a comparison of the major considerations detailed as follows:

<b>Minimum Capital Requirement</b>	This section highlights the minimum capital required (in local currency) within the domicile. Actual capital required may be higher depending upon lines of business, limits, premiums and expected losses.
<b>Complexity</b>	This section highlights the relative complexity of monthly/quarterly/annually reporting required to satisfy the domicile regulator. This is generic and will be impacted by licence, lines of business, limits, premiums and expected losses.
<b>Speed of licencing</b>	This is an estimate of speed to establish a license within the domicile. This is will be impacted by licence, lines of business, limits, premiums and expected losses.
<b>Estimated cost</b>	A comparative USD value of cost of running a captive to compare relative cost of domiciles. This includes average regulator, manager, directors' and service providers' fees.
<b>Business Infrastructure</b>	An indication of the associated businesses present within the domicile.

## DOMICILE OVERVIEWS

### BARBADOS

Barbados is a sovereign island country in the Lesser Antilles, in the Americas. It is 34 kilometres (21 miles) in length and up to 23 km (14 mi) in width, covering an area of 432 km<sup>2</sup> (167 sq mi). It is situated in the western area of the North Atlantic and 100 km (62 mi) east of the Windward Islands and the Caribbean Sea.

Barbados is the premier international business centre in the Eastern Caribbean. As such, it is also one of the world’s leading domiciles for captive insurance companies and is home to some 270 active captives. Over the past 30 years, successive governments have painstakingly built a highly attractive environment for foreign investment and international business. In addition to offering attractive tax concessions and incentives, the island has established a network of tax treaties with several countries including the USA, Canada, the UK, Switzerland and China. Indeed, Barbados has continually enacted – and refined – legislation that makes the country a highly respected domicile not only for Insurance Companies but also for:

- International Business Companies
- International Banks
- International Societies with Restricted Liability
- International Trusts
- Mutual Funds

Barbados has excellent international telecommunications links and is easily accessible by frequent scheduled flights from the United States, Canada, Britain and Europe. In addition, the island is home to a well-educated and skilled population and enjoys a well-developed infrastructure and a sophisticated level of services.

An international insurance company can be licensed in Barbados under the Exempt Insurance Act, Cap. 308A or, alternatively, registered under the Insurance Act, Cap. 310, that also governs local insurance companies. International companies that choose to register under the Insurance Act are known as Qualifying Insurance Companies and currently pay taxes at an effective rate of 1.75% in Barbados

Barbados has operated as a domicile since the early 1983 and is a top 10 captive jurisdiction with more than 260 licensed captive insurance companies. Due to the longstanding Canada-Barbados trade relations and the existence of a tax treaty, the country is the domicile of choice for over 60% of all Canadian parented captive insurance companies worldwide.

The jurisdiction is acknowledged as having simple capital requirements with flexible accounting and statutory reporting standards. From the existence of its international financial services industry, Barbados has detailed and significant experience of working with international tax matters as is a signatory to the OECD’s Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI)

Barbados has Segregated Cell Company legislation including the allowance for Incorporated Cell Companies.

<b>Minimum Capital Requirement</b>	\$125,000
<b>Complexity</b>	Low complexity
<b>Speed of licencing</b>	4-6 weeks, on average
<b>Estimated cost</b>	\$70,000
<b>Business Infrastructure</b>	<ul style="list-style-type: none"> <li>• Big Four accountancy firms (PwC, Deloitte Touche, E&amp;Y, KPMG) present</li> <li>• No Reinsurer presence.</li> <li>• International Law firms</li> <li>• International Banking presence</li> </ul>

## BERMUDA

Bermuda is a British Overseas Territory in the North Atlantic Ocean. It is approximately 1,070 km (665 mi) east-southeast of Cape Hatteras, North Carolina.

Bermuda has operated as a captive domicile since the early 1960's and is the largest domicile with over 25% of captives worldwide. Bermuda's proximity to U.S has driven its growth and the majority of captives (54%) are owned by U.S corporations. The existing captive sector in Bermuda has approximately 800 captives all regulated by the Bermuda Monetary Authority, ("BMA"), (BMA Statistics 2013). Bermuda is also home to the 3rd largest reinsurance market in the world which was formed as a result of a number of major dislocations in the market over the years (1980s excess liability crisis, Hurricane Andrew, 9/11 and Hurricanes Katrina, Rita and Wilma in 2005). The flexible regulation and speed to market were key to the rapid deployment of new reinsurance capacity.

Bermuda's insurance legislation has been developed to facilitate both captive insurance companies and commercial insurance operations. Bermuda has a multi-class license system each with varying levels of regulation and capital to reflect the risks assumed and policyholder protection. The captive classes; Classes 1, 2 and 3 are the least regulated and require the lowest level of solvency.

Bermuda has a favourable tax regime, (zero income and capital gains tax), although there is a payroll tax and every other aspect of Bermudian life is taxed heavily either by direct or indirect taxation. Bermuda has enacted a number of Tax Information Exchange Agreements and is viewed by the OECD as complying with its international tax standards.

Due to Bermuda's large commercial insurance and reinsurance sector, the BMA has sought to establish Bermuda as a Solvency II equivalent jurisdiction. Equivalency has been broadly achieved but importantly the captive sector is not included in the enhanced Solvency II regulatory regime thus is still able to operate with low levels of regulation and capital.

Bermuda has Protected Cell Company legislation, (known as Segregated Accounts Companies), although it does not have Incorporated Cell legislation.

<b>Minimum Capital Requirement</b>	<p>Minimum Capital and Surplus</p> <p>General Business</p> <p>\$120,000 – Class 1; \$250,000 – Class 2; \$1,000,000 – Class 3,3A, 3B</p> <p>Class 1, 2 and 3 minimum cash \$120,000; Class 4 - \$100,000,000</p> <p>Long Term Business</p> <p>Class A greater of \$120,000 or 0.5% of Assets; Class B greater of \$250,000 or 1% of Assets; Class C greater of \$250,000 or 1.5% of Assets; Class D greater of \$4,000,000 or 2% of the first \$250M of Assets, plus 1.5% of Assets above \$250M; Class E greater of \$8,000,000 or 2% of first \$500M of Assets, plus 1.5% of Assets above \$500M</p>
<b>Complexity</b>	Low complexity for Captive classes, medium complexity for commercial.
<b>Speed of licencing</b>	4-6 weeks, on average
<b>Estimated cost</b>	\$80,000
<b>Business Infrastructure</b>	<ul style="list-style-type: none"> <li>• Big Four accountancy firms (PwC, Deloitte Touche, E&amp;Y, KPMG) present</li> <li>• Large Reinsurer presence.</li> <li>• Two International Law firms (Appleby, Conyers Dill &amp; Pearman)</li> <li>• Two International Banks (HSBC, BNTB)</li> </ul>

## DUBLIN

Dublin is the capital and largest city of Ireland. Dublin is in the province of Leinster on Ireland's east coast, at the mouth of the River Liffey. The city has an urban area population of 1,345,402.

Ireland is a recognised leading captive domicile centre with 25 years' history and expertise with over 100 captive re/insurance companies and is an excellent location to access EU/European, US, Middle Eastern and Asian markets.

Dublin domiciled captives can avail of EU FOE, (Freedom of Establishment), or FOS, (Freedom of Services), from a base in Ireland without the need for local representation in EU/EEA countries. Under FOS provisions, a captive insurer can cover pan-European insurance programmes on a direct basis.

The Central Bank of Ireland provides a robust and predictable supervisory function which incorporates the principle of proportionality for the captive market. An example of this is the corporate governance code for captive insurance and reinsurance entities.

Ireland has established double taxation treaties with 70 countries and offers Federal Excise Tax (FET) exemption under the US-Ireland double taxation treaty (subject to certain conditions being met).

<b>Minimum Capital Requirement</b>	Reins. Captive €1,200,000 DW Captive €2,500,000 (€3,700,000 if long tail classes are written)
<b>Complexity</b>	Medium/High complexity
<b>Speed of licencing</b>	4 - 6 Months
<b>Estimated cost</b>	\$130,000
<b>Business Infrastructure</b>	<ul style="list-style-type: none"> <li>• Big Four accountancy firms (PwC, Deloitte Touche, E&amp;Y, KPMG) present</li> <li>• Large Reinsurer presence</li> <li>• Presence of International Law firms (Arthur Cox, A&amp;L Goodbody, Matheson, McCann Fitzgerald)</li> <li>• International Banks presence</li> </ul>

## GUERNSEY

Guernsey is a jurisdiction within the Bailiwick of Guernsey, a Crown dependency. Situated in the English Channel off the coast of Normandy, the jurisdiction embraces not only all ten parishes on the island of Guernsey, but also the much smaller inhabited islands of Herm, Jethou and Lihou together with many small islets and rocks. The jurisdiction is not part of the Commonwealth of Nations. However, defence and most foreign relations are handled by the British Government.

Guernsey has the largest number of Captives with shareholders based in the UK principally because of its proximity to the UK and also because of the level of expertise on the island relating to the operation of captives.

Guernsey's insurance legislation has been specifically constructed to encourage the operation of Captive Insurance Companies. The existing Captive sector in Guernsey has nearly 800 (as at 1 Jan 2015) active Captive vehicles and Cells within Protected Cell Companies (PCCs) operating on the island of which approximately 75% have UK based shareholders.

Guernsey is not required to implement EU insurance regulation and is free to set its own Captive regulation. It takes a sensible and pragmatic approach, including the setting of capital and solvency levels that reflect the nature and extent of business being undertaken.

A robust, pragmatic regulatory environment has built a wealth of experience and expertise in providing management and administration of Captives. This reputation for quality of service is complemented by the Island's continued drive for innovation as exemplified by becoming the first jurisdiction to introduce the PCC concept. It is a tribute to Guernsey's success that the notion, in various guises, has been replicated by other jurisdictions. However, the Island is still recognised as the pioneer and has subsequently introduced the Incorporated Cell Company (ICC) as a form of 'upgrade' on the PCC.

Guernsey has not applied for "third party country equivalence" and is not following the regulatory path of Solvency II. It prefers to align its regulation with the Core Principals issued by the International Association of Insurance Supervisors (IAIS) which is an insurance industry standards setting body.

At the inaugural UK Captive Service Awards for 2013, (arranged by Captive Review), Guernsey was awarded European domicile of the year by an independent panel. This was a reflection of the high standards set by the Island's regulator as well as the level of innovation and expertise amongst the service providers found in the domicile. This award was retained by Guernsey for 2014.

<b>Minimum Capital Requirement</b>	£100,000
<b>Complexity</b>	Low complexity
<b>Speed of licencing</b>	Within 2 months
<b>Estimated cost</b>	\$90,000
<b>Business Infrastructure</b>	<ul style="list-style-type: none"> <li>• Big Four accountancy firms (PwC, Deloitte Touche, E&amp;Y, KPMG) present</li> <li>• No Reinsurer presence</li> <li>• Presence of International Law firms (Appleby, Mourant Ozannes, Ogier, Bedell Cristin)</li> <li>• International Banks presence</li> </ul>

## ISLE OF MAN

The Isle of Man, also known simply as Mann, is a self-governing crown dependency in the Irish Sea between England and Northern Ireland. The head of state is Queen Elizabeth II, who holds the title Lord of Mann.

The island has structured itself as a leading financial services centre offering a flexible yet robust regulatory regime and actively promoting the use of captives and alternative risk financing mechanisms. The Isle of Man permits captives under its principle legislation being The Insurance Act 2008 along with parallel legislation for Protected Cell Companies and Incorporated Cell Companies. The legislation allows for significant intercompany loans (subject to set criteria) and the island has a 0/10 taxation policy approved by the EU with captives benefiting from 0% corporation tax.

The Isle of Man is not required to implement EU insurance regulation and is free to set its own Captive regulation. It takes a sensible and pragmatic approach, including the setting of capital and solvency levels that reflect the nature and extent of business being undertaken. It has not applied for "third party country equivalence" and is not following the regulatory path of Solvency II.

There are around 135 insurance entities on the island, all being regulated by the Isle of Man Financial Services Authority

<b>Minimum Capital Requirement</b>	£50,000
<b>Complexity</b>	Low complexity
<b>Speed of licencing</b>	6-8 weeks
<b>Estimated cost</b>	\$100,000
<b>Business Infrastructure</b>	<ul style="list-style-type: none"> <li>• Big Four accountancy firms (PwC, Deloitte Touche, E&amp;Y, KPMG)</li> <li>• No Reinsurer presence</li> <li>• Two International Law firms (Appleby, Mourant Ozannes, Ogier, Bedell Cristin)</li> <li>• International Banks presence</li> </ul>

## LUXEMBOURG

Luxembourg, officially the Grand Duchy of Luxembourg, is a landlocked country in western Europe. It is bordered by Belgium to the west and north, Germany to the east and France to the south. Its capital, Luxembourg City, is, together with Brussels and Strasbourg, one of the three official capitals of the European Union and the seat of the European Court of Justice, the highest juridical authority in the EU. Its culture, people and languages are highly intertwined with its neighbours, making it essentially a mixture of French and Germanic cultures.

Luxembourg is a fully diversified financial centre with particular strength in certain areas. It is the second largest investment fund centre in the world after the United States, with 1,700 billion euros under management, and the largest private banking centre in the Eurozone.

Luxembourg is also the largest captive reinsurance domicile in the European Union. Since 1984, companies from around the globe have domiciled over 250 captive reinsurance companies in the financial centre. Luxembourg is a stable democracy with a strong economy and a neutral position in the European Union, as a member of the EU and the OECD, with a strong regulatory environment focusing on investor protection; it is attractive to institutional investors. Luxembourg offers an attractive legal framework for captive reinsurance companies.

Luxembourg domiciled captives can avail of EU FOE (freedom of establishment) or FOS (freedom of services) from a base in Ireland without the need for local representation in EU/EEA countries. Under FOS provisions, a captive insurer can cover pan-European insurance programmes on a direct basis.

Luxembourg reinsurance companies benefit from the provisions of the double tax treaties concluded by Luxembourg. More than 50 such treaties are already in existence.

<b>Minimum Capital Requirement</b>	Insurance company €2,500,000 if short tail classes Insurance company €3,700,000 if long tail classes Reinsurance captive €1,225,000 Reinsurance company €3,400,000
<b>Complexity</b>	Low complexity
<b>Speed of licencing</b>	Within 3 months
<b>Estimated cost</b>	\$90,000
<b>Business Infrastructure</b>	<ul style="list-style-type: none"> <li>• Big Four accountancy firms (PwC, Deloitte Touche, E&amp;Y, KPMG) present</li> <li>• Reinsurer presence (Swiss Re)</li> <li>• Presence of International Law firms (Arendt &amp; Medernach, Elvinger Hoss &amp; Prussen, Linklaters, Allen &amp; Overy)</li> <li>• International Banks presence</li> </ul>

## MALTA

Malta, officially known as the Republic of Malta, is a Southern European island country consisting of an archipelago in the Mediterranean Sea. It lies 80 km (50 mi) south of Italy, 284 km (176 mi) east of Tunisia and 333 km (207 mi) north of Libya. The country covers just over 316 km<sup>2</sup> (122 sq mi), with a population of just under 450,000, making it one of the world's smallest and most densely populated countries. The capital of Malta is Valletta, which at 0.8 km<sup>2</sup>, is the smallest national capital in the European Union, Malta has two official languages: Maltese and English.

Malta's strategic geographical location at the centre of the Mediterranean has played a decisive role in its history and continues to play a very important part in its economic, political and cultural development and prosperity today.

Malta was a British colony until 1964. Today it is an independent Republic, a member of the British Commonwealth, the Council of Europe, and the United Nations and became a member of the European Union (EU) on 1 May 2004. Over the

past two decades, Malta has completed a programme of reforming all its finance sector legislation in line with best practices observed in Organisation for Economic, Co-operation and Development (OECD) countries. It is also actively involved with the OECD, the EU and the Commonwealth in modelling global regulatory policy. Malta is witnessing an ever increasing number of foreign players registering as insurance licencees, together with an ongoing stream of enquiries on potential new applications. This growth is consistent with Malta's development as a reputable financial services centre, which has accelerated since membership of the European Union.

The insurance industry is an important pillar of the Maltese economy, taking advantage of a number of key attributes that Malta offers, including a highly-skilled workforce, excellent service, the appropriate corporate infrastructure and robust legislative and regulatory frameworks, including tax efficiency and innovative structures such as PCCs and ICCs. There are around 50 insurance companies registered.

Malta has a network of Double Tax Treaties with over 55 countries, including most EU countries and the US. An authorised EU/EEA insurance undertaking direct insurance may exercise its European right to establish a branch in Malta or to provide services in Malta without the requirement of obtaining authorisation under the Insurance Business Act, provided that the passporting provisions are complied with. Similarly, a Maltese insurance company licenced in terms of the Insurance Business Act may exercise its right to establish a branch or provide services in another EU member State or EEA State by submitting all relevant notifications and documentation to the MFSA in accordance with the passporting provisions.

<b>Minimum Capital Requirement</b>	Reins. Captive €1,200,000 DW Captive €2,500,000 (€3,700,000 if long tail classes are written)
<b>Complexity</b>	Low/Medium complexity
<b>Speed of licencing</b>	6 months
<b>Estimated cost</b>	\$145,000
<b>Business Infrastructure</b>	<ul style="list-style-type: none"> <li>• Big Four accountancy firms (PwC, Deloitte Touche, E&amp;Y, KPMG) present</li> <li>• No Reinsurer presence</li> <li>• No International Law firms presence.</li> </ul>

## SINGAPORE

Singapore, officially the Republic of Singapore, and often referred to as the Lion City or the Little Red Dot, is a sovereign city-state in Southeast Asia, and the world's only island city-state. It lies one degree (137 km) north of the equator, south of the southernmost tip of continental Asia and peninsular Malaysia, with Indonesia's Riau Islands to the south. Singapore's territory consists of a diamond-shaped main island along with 62 other islets. Since independence, extensive land reclamation has increased its total size by 23% (130 km<sup>2</sup>), and its greening policy has covered the densely populated island with tropical flora, parks and gardens.

Singapore is Asia's largest captive domicile, attracting primarily Australian and Asian companies due to its central location in the region. It is also one of the world's leading insurance centres, with Lloyd's and all leading international insurers and reinsurers represented there.

Singapore offers a separate captive regulatory framework that is sound but not excessive in its application of regulations. It has an established captive professional infrastructure for captive operations and offers a 10-year tax holiday on the captive's offshore income. The domicile currently has 68 captives, the bulk of which (35) come from Australia due to its suitable regulatory structure, its proximity, easy commute and similar time zone range.

<b>Minimum Capital Requirement</b>	S\$400k
<b>Complexity</b>	High complexity
<b>Speed of licencing</b>	3 - 4 months
<b>Estimated cost</b>	\$90,000
<b>Business Infrastructure</b>	<ul style="list-style-type: none"> <li>• Big Four accountancy firms (PwC, Deloitte Touche, E&amp;Y, KPMG) present</li> <li>• Large Reinsurer presence</li> <li>• Presence of International Law firms (Norton Rose, White and Case, Clifford Chance, Allen &amp; Overy)</li> <li>• International Banks presence</li> </ul>

## SWITZERLAND

Switzerland, officially the Swiss Confederation, is a federal republic in Europe. It consists of 26 cantons, and the city of Bern is the seat of the federal authorities. The country is situated in Western-Central Europe, and is bordered by Italy to the south, France to the west, Germany to the north, and Austria and Liechtenstein to the east. Switzerland is a landlocked country geographically divided between the Alps, the Swiss Plateau and the Jura, spanning an area of 41,285 km<sup>2</sup> (15,940 sq mi). While the Alps occupy the greater part of the territory, the Swiss population of approximately eight million people is concentrated mostly on the plateau, where the largest cities are to be found: among them are the two global cities and economic centres Zürich and Geneva

Switzerland is an important and modern financial market, the Swiss Solvency Test (SST) as an approach to the integrated insurance supervision and forerunner of Solvency II, has been implemented since 2006. As a captive domicile Switzerland has an excellent reputation regarding insurance supervision and tax.

Swiss reinsurance supervision is recognized by EU authorities. Direct insurance writing from Switzerland into EU-countries is possible, (special licensing procedure in Switzerland and the respective EU-country). Integrated supervision and sophisticated solvency requirements are already implemented with the Swiss Solvency Test (SST) and the simplified option of Risk Based Capital-calculation (RBC).

Switzerland also maintains double tax treaties with over 50 countries, considerably facilitating tax optimisation in the international context.

<b>Minimum Capital Requirement</b>	CHF 3 to 20 million depending upon business plan Organization Fund 20% - 50% of capital with a minimum of CHF 0.3Mio
<b>Complexity</b>	Medium complexity
<b>Speed of licencing</b>	Subject to business plan
<b>Estimated cost</b>	\$130,000
<b>Business Infrastructure</b>	<ul style="list-style-type: none"> <li>• Big Four accountancy firms (PwC, Deloitte Touche, E&amp;Y, KPMG) present</li> <li>• Large Reinsurer presence</li> <li>• Presence of International Law firms (Norton Rose, White and Case, Clifford Chance, Allen &amp; Overy)</li> <li>• International Banks presence</li> </ul>

## US ONSHORE – NEW YORK

New York is a state in the northeastern United States, and is the 27th-most extensive, fourth-most populous and seventh-most densely populated U.S. state. New York is bordered by New Jersey and Pennsylvania to the south and Connecticut, Massachusetts, and Vermont to the east. The state has a maritime border in the Atlantic Ocean with Rhode Island, east of Long Island, as well as an international border with the Canadian provinces of Quebec to the north and Ontario to the west and north.

New York has always been a vital centre for the financial services industry, most especially the insurance sector and the first captive insurance legislation was introduced in 1996.

<b>Minimum Capital Requirement</b>	Pure - \$250,000 Group \$500,000 Protected Cell structures disallowed
<b>Complexity</b>	High complexity
<b>Speed of licencing</b>	4-6 weeks
<b>Estimated cost</b>	\$80,000
<b>Business Infrastructure</b>	<ul style="list-style-type: none"> <li>• Big Four accountancy firms (PwC, Deloitte Touche, E&amp;Y, KPMG) present in state</li> <li>• Reinsurer presence in state</li> <li>• International Law firms present in state</li> <li>• International Banks presence in state</li> </ul>

## US ONSHORE – SOUTH CAROLINA

South Carolina is a state in the southeastern region of the United States. The state is bordered to the north by North Carolina, to the south and west by Georgia across the Savannah River, and to the east by the Atlantic Ocean.

The South Carolina captive insurance legislation was passed in 2000, and the state enjoyed rapid growth in the early part of that decade. The growth has since slowed due in part to a more restrictive regulatory climate and a desire to focus on specific groups such as healthcare related captives, which comprise 40% of the captives licensed in South Carolina. Risk retention groups are another market segment that has been a primary target for South Carolina. South Carolina currently regulates approximately 200 captives.

<b>Minimum Capital Requirement</b>	Pure - \$250,000 Association (Stock)-\$750,000 Industrial Insured - \$500,000 Sponsored Captive - \$1,000,000 Other restrictions depending on type of sponsored captive, association or industrial insured. Special Purpose Captive - As determined by Director
<b>Complexity</b>	High complexity
<b>Speed of licencing</b>	4-6 weeks
<b>Estimated cost</b>	\$70,000
<b>Business Infrastructure</b>	<ul style="list-style-type: none"> <li>• Big Four accountancy firms (PwC, Deloitte Touche, E&amp;Y, KPMG) present in state</li> <li>• No Reinsurer presence in state</li> <li>• No International Law firms present in state</li> </ul>

## US ONSHORE - VERMONT

Vermont is a state in the New England region of the northeastern United States. It borders the other U.S. states of Massachusetts to the south, New Hampshire to the east, New York to the west, and the Canadian province of Quebec to the north. Lake Champlain forms half of Vermont's western border with the state of New York and the Green Mountains run north–south the length of the state.

With close to 600 regulated domiciled captive insurance companies, Vermont is the largest captive insurance domicile in the United States. The state is also the third largest captive domicile in the world, having the most captives and underwritten premiums.

The State is home to many of the captive insurance companies owned by Fortune 500 corporations, as well as large risk retention groups. It has been a leader in the regulation of captive insurance companies since the passing of the 1981 “Special Insurer Act,” which made Vermont the first captive domicile. The Vermont domicile’s statutes and regulations have been used as a blueprint for many state domiciles formed thereafter.

<b>Minimum Capital Requirement</b>	USD \$100,000 – USD \$250,000
<b>Complexity</b>	High complexity
<b>Speed of licencing</b>	4-6 weeks
<b>Estimated cost</b>	\$75,000
<b>Business Infrastructure</b>	<ul style="list-style-type: none"> <li>• Big Four accountancy firms (PwC, Deloitte Touche, E&amp;Y, KPMG) present in state</li> <li>• No Reinsurer presence in state</li> <li>• No International Law firms present in state</li> </ul>