

VCIA: Group captives moving onshore

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US onshore domiciles are the most popular choice for setting up a group captive, according to poll at this year's Vermont Captive Insurance Association (VCIA) conference.

In a panel, 'Group captives take centre stage', 74 percent of attendees said they would choose an onshore US domicile to set up their group captive, in comparison to 3 percent who said they would opt for for an offshore domicile.

Monica Everett, business development director at Artex Risk Solutions, suggested that this shift could be down to recent scrutiny from the Internal Revenue Service.

Everett explained that Grand Cayman and Bermuda used to be the most popular domiciles, but recently there has been a shift back to domiciling onshore in the US.

Len Crouse, partner of US operations at JLT Towner Insurance Management suggested that people "feel better moving to onshore", with increased scrutiny on captives from the federal government and the National Association of Insurance Commissioners.

The panel also discussed the benefits of creating a group captive. Some included group captives providing more control, premium based upon loss experience, improved purchase power, the opportunity for underwriting profit, and investment income benefit.