
MEMORANDUM

TO: SENATE COMMITTEE ON FINANCE
FROM: DAVID PROVOST, DEPUTY COMMISSIONER, DEPARTMENT OF FINANCIAL
REGULATION
SUBJECT: 2020 CAPTIVE BILL
DATE: JANUARY 23, 2020
CC: Richard Smith, Vermont Captive Insurance Association; Ian Davis, Vermont Department of
Economic Development

DFR and the Vermont Captive Insurance Association have considered the request of the Committee to revise the proposal to give the commissioner discretion in setting the minimum capital of a dormant captive. We offer this alternative:

Current proposal:

(c) A dormant captive insurance company that has been issued a certificate of dormancy shall:
(1) possess and thereafter maintain unimpaired, paid-in capital and surplus of not less than \$25,000.00 or such amount specified by the Commissioner in his or her discretion;

Revised proposal:

(c) A dormant captive insurance company that has been issued a certificate of dormancy shall:
(1) possess and thereafter maintain unimpaired, paid-in capital and surplus of not less than \$25,000.00; provided, however, that if the dormant captive insurance company had never capitalized, it shall not be required to add capital upon entering dormancy;

This revision will meet the needs of industry without putting DFR in a position of negotiating a statutory requirement.