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Act No. 77 (H.649). An act relating to captive insurance companies

Subjects: Insurance; captive insurance companies; risk retention groups; loans; sponsored captive insurance companies; statements

This act makes several amendments to Vermont law as it pertains to captive insurance. First, it prohibits a risk retention group from lending to or investing in its members or the affiliates of its members. Second, it requires a risk retention group to file annual and quarterly statements with the Department of Financial Regulation in the National Association of Insurance Commissioners (NAIC) report form and include a signed jurat page and actuarial certification. The Commissioner is authorized to adopt by rule additional filing requirements. Finally, the act requires each protected cell covered by a sponsored captive insurance company to file, within 30 days of commencing business, a statement under oath or affirmation certifying that the cell possessed the requisite funding prior to commencing business, including any required collateral in accordance with the cell's plan of operation as approved by the Commissioner of Financial Regulation. The statement shall be signed by the cell's president and secretary or by two individuals authorized by the governing board, depending upon how the cell is organized.

Effective Date: July 1, 2026