

**No. 77. An act relating to captive insurance companies.**

(H.649)

Sec. 1. 8 V.S.A. § 6010 is amended to read:

§ 6010. LEGAL INVESTMENTS

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(d) No risk retention group shall make a loan to or investment in its members or affiliates of its members. This prohibition shall not apply to any loan or investment in effect prior to January 1, 2026.

Sec. 2. 8 V.S.A. § 6007 is amended to read:

§ 6007. REPORTS AND STATEMENTS

(a) Captive insurance companies shall not be required to make any annual report except as provided in this chapter.

(b) Prior to March 1 of each year, and prior to March 15 of each year in the case of pure captive insurance companies, association captive insurance companies, sponsored captive insurance companies, industrial insured captive insurance companies, or agency captive insurance companies, each captive insurance company shall submit to the Commissioner a report of its financial condition, verified by oath of two of its executive officers or, in the case of a captive insurance company formed as a limited liability company or as a reciprocal insurer, of two individuals authorized by the governing board.

(c) Each captive insurance company shall report using generally accepted accounting principles, statutory accounting principles, or international financial

reporting standards unless the Commissioner requires, approves, or accepts the use of any other comprehensive basis of accounting, in each case with any appropriate or necessary modifications or adaptations thereof required or approved or accepted by the Commissioner for the type of insurance and kinds of insurers to be reported upon, and as supplemented by additional information required by the Commissioner. As used in this section, “statutory accounting principles” means the accounting principles codified in the NAIC Accounting Practices and Procedures Manual. Upon application for admission, a captive insurance company shall select, with explanation, an accounting method for reporting. Any change in a captive insurance company’s accounting method shall require prior approval. ~~Except as otherwise provided, each risk retention group shall file its report in the form required by subsection 3561(a) of this title, and each risk retention group shall comply with the requirements set forth in section 3569 of this title.~~

(d) The Commissioner shall by rule propose the forms in which pure captive insurance companies, association captive insurance companies, sponsored captive insurance companies, and industrial insured captive insurance companies shall report. ~~Subdivision 6002(e)(3) of this title shall apply to each report filed pursuant to this section, except that such subdivision shall not apply to reports filed by risk retention groups.~~

(e)(e) On or before March 1 of each year, in a form and manner prescribed by the Commissioner, each risk retention group shall file with the National

Association of Insurance Commissioners (NAIC) a copy of its annual statement convention blank, the signed jurat page, the actuarial certification, and any other additional filings prescribed by the Commissioner for the preceding year. Any amendments and addendums to the annual statement filing subsequently filed with the Commissioner shall also be filed with the NAIC.

(f) Each year, in a form and manner prescribed by the Commissioner, each risk retention group shall file with the NAIC a copy of the quarterly statements exhibiting its condition and affairs for the period beginning on January 1 of the current calendar year through and including the last day of the quarter for which the report is being made. The first quarterly statement shall be filed on or before May 15. The second quarterly statement shall be filed on or before August 15. The third quarterly statement shall be filed on or before November 15. If any of the dates specified in this subsection falls on a day other than a business day, then the quarterly statement is due on or before the first business day preceding such date. Information filed with the NAIC shall include a jurat page. A copy of any amendments and addendums to a quarterly statement subsequently filed with the Commissioner shall also be filed with the NAIC.

(g) The Commissioner may adopt by rule additional filing requirements for risk retention groups. All risk retention group annual and quarterly financial statements shall be filed electronically with the NAIC.

(h) Any pure captive insurance company, association captive insurance company, sponsored captive insurance company, industrial insured captive insurance company, or agency captive insurance company may make written application for filing the required report on a fiscal year-end. If an alternative reporting date is granted:

(1) the annual report is due 75 days after the fiscal year-end; and

(2) in order to provide sufficient detail to support the premium tax return, the captive insurance company shall file prior to March 15 of each year for each calendar year-end, the premium schedule of the “Vermont Captive Insurance Company Annual Report.”

(i) Subdivision 6002(c)(3) of this title shall apply to each report filed pursuant to this section, except that such subdivision shall not apply to a report filed by a risk retention group.

Sec. 3. 8 V.S.A. § 6034i is added to read:

§ 6034i. CERTIFYING STATEMENT AFTER COMMENCEMENT OF  
BUSINESS

(a) Within 30 days after commencing business, each protected cell shall file with the Commissioner a statement under oath or affirmation certifying that the protected cell possessed the requisite funding prior to commencing business, including any required collateral in accordance with the protected cell’s approved plan of operation.

(b) The statement required by subsection (a) of this section shall be signed by the following:

(1) for an unincorporated protected cell, the president and secretary of the sponsored captive insurance company;

(2) for an incorporated protected cell, its president and secretary; and

(3) for a protected cell formed as a limited liability company or as a reciprocal insurer, two individuals authorized by the governing board.

#### Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

Date Governor signed bill: March 24, 2026