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## Vermont Legislature to Address 2012 Captive Housekeeping Proposals

**Burlington, VT**— In an annual rite of winter, the Vermont legislature in 2012 will consider a captive housekeeping bill, which includes minor changes to its treatment of risk retention groups.

One change puts into writing a sentence that states the department's existing right to limit an RRG's net amount of risk retained for an individual risk. The added sentence to state captive statutes conforms specifically to the National Association of Insurance Commissioners' annual accreditation review. Another proposed change allows RRGs to become participants, but still not sponsors, of cell companies. This conforms to NAIC reinsurance guidelines.

Other proposed changes would allow:

- Association captives to no longer file the NAIC blank
- Sponsored captives and their cells to form as mutual or nonprofit corporations
- Captives to add an option to place assets in a trust account, with the Commissioner as beneficiary, to satisfy minimum capital and surplus requirements

"The willingness of Vermont legislators and regulators to adapt to changes in the industry is just one reason why Vermont remains a preferred domicile for many captives," says Guy Ragosta, CEO of The Towner Management Group's U.S. operations.

For more information about how these and other proposed changes may affect your captive insurance company or RRG, please feel free to contact us.

### ***About The Towner Management Group***

*Towner Management (TMG) is an independent, full-service captive insurance and international business entity management company with a multi-domicile reach. TMG, a partner of Hanover Stone Partners, LLC, is dedicated to providing alternative risk solutions to meet diverse needs.*