2025 marks 40 years in the existence of the Vermont Captive Insurance Association.

The VCIA at Forty

The Vermont Captive Insurance Association reflects on some of the organization's biggest accomplishments and looks to the future.

By Alex Wright

The Vermont Captive Insurance Association (VCIA) was formed on June 24, 1985.

Since then, it has played a key advocacy role in representing and driving forward the legislative and regulatory interests of Vermont's captive industry.

Forty years later and the VCIA is going stronger than ever, with bold new plans to broaden its relationship with the federal and state governments, working closely together on key initiatives that will impact the industry, and to raise greater awareness of its work among members.

Coming four years after the Special Insurer Act of 1981 was passed, the VCIA was established to help enable required captive legislation and ensure that its regulation remains effective.

Kevin Mead, CEO of the VCIA, said that every year its legislative committee goes out to all its members and asks them what they want in terms of changes to the current state legislation and regulations governing captives. Then it looks at the changes that the Vermont Department of Financial Regulation is considering and agrees on a draft captive bill.

"It's one of the hallmarks of how we work together," said Sandy Bigglestone, deputy commissioner of Vermont Department of

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Financial Regulation's captive insurance division. "We don't necessarily need to come to the table and agree upon absolutely everything, but we can always find some common ground. We're having conversations on an ongoing basis and are constantly coming up with ideas on improvements that we can discuss and consider for the next session of the legislature that could lead to valuable policy changes.

"Also, having that strong relationship between industry and government has enabled us to go to the legislature and implement new positions in our budgets in order to have the resources and funding needed to carry out the good work we have been doing. In that respect,

"We need to create greater excitement around what we're doing to make sure that we're fostering the best possible environment for captives to thrive in."
— Kevin Mead, *CEO, VCIA*

the VCIA has been there alongside us in terms of testifying to the legislature in support of our needs."

Among its key achievements: In 2002, the VCIA was instrumental in helping to establish Vermont as the world's third largest captive domicile. Two years later, it formed the International Center for Captive Insurance Education.

ADVOCACY WORK

In 2010, following the enactment of the Non-Admitted and Reinsurance Reform Act as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which prevents states other than the home state of a U.S. insurance company from imposing regulations or taxes on the sale of non-admitted insurance, the VCIA successfully argued the case that it wasn't intended for captives and, therefore, it should be excluded.

In 2023, the VCIA, the Vermont Department of Financial Regulation and the Department of Economic Development led a trade mission to Mexico City to drum up interest among Latin American countries forming captives in Vermont. Today, the VCIA hosts America's largest captive insurance conference, which also provides significant revenue for the state's hospitality and tourism industry every year.

The VCIA has been active on multiple fronts in recent years. It held its first post COVID-19 annual Hill Day at the Capitol Building in Washington, D.C. on March 18, where a delegation met with staffers to discuss captive insurance and any upcoming federal legislation and regulations that may impact the industry in Vermont, and tried to forge relationships with them.

"There are many pieces of federal legislation and regulation that impact Vermont's captive industry: for example, the Terrorism Risk Insurance Act and the Safer Banking Act," said Mead. "So, it was important that we were able to speak with them and keep these issues top of mind."

The VCIA also does advocacy work with the National Association of Insurance Commissioners and the National Council of Insurance Legislators.

Another key initiative that the VCIA helped establish was the Vermont Captive Insurance Emerging Leaders in March 2023, which was originally chaired by Brittany Nevins, captive insurance economic development director at the Vermont Department of Economic Development. The group educates and helps bring younger generations into the state's captive industry either as interns or new hires. This year alone, the Department of Financial Regulation

SUMMARY

- ***Forty years later,*** the VCIA is going stronger than ever.
- ***The VCIA has*** aided Vermont in becoming the world's third largest captive domicile, among other achievements.
- ***Captive owners domiciled*** in Vermont are excited for the future and the many exciting opportunities to come.

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attracted double the number of summer internships — 72 — as a result of the drive.

"The VCIA is an essential component to Vermont's captive insurance industry," said Nevins. "The quality of education provided, the networking, the advocacy and the emerging leaders initiative are all vital for the continued success of the industry in Vermont.

"Captive owners and service providers alike recognize that being in Vermont for the annual conference is truly where the captive world comes to meet. The association's efforts to provide input into updating Vermont's laws every year has meant that every year Vermont is improving and the importance of that cannot be understated."

She added: "It's become clear as Vermont has become the top global domicile that we need to play a more active role in building talent locally to fill future captive insurance jobs and that we all need to work together to achieve this goal. Already we are seeing tremendous success with students applying for internships, attending the conference and starting a new job in the industry in greater numbers. This is just the beginning of the benefits we'll see from this initiative for years to come."

One of Vermont's key benefits is that because it's a small state, the legislature is always keen to hear from captive owners about their businesses.

One such owner is Gail Newman, vice president of risk management at Bright Horizons, who is also a VCIA board chair and member. She testified about her captive, which domiciled in Vermont eight years ago, in front of both the senate finance committee and the house of commerce committee.

Newman said her company was initially attracted to Vermont because it shared the same values and way of working. The same goes for the fellow VCIA members, she said, many of whom have similar risks and insurance needs.

"There's a great camaraderie between members, regardless if they have been there for 40 years or have just started their captive," said Newman. "It's also a great resource, not just from a legislative and regulatory standpoint, but also from just being able to reach out and speak to other members within the network who can help and support you.

"As a risk manager, it gives me peace of mind that we are doing the right thing and have a team of people and infrastructure to support me. And there are a host of other captive owners here for who that is the same."

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Moving forward, Mead said that the message from members is clear: They want the VCIA to be more vocal about all the hard work it's doing for Vermont's captive industry behind the scenes to maintain their success, which often goes unnoticed. By raising its profile in that way, he said that it will only stand to benefit both the members and the VCIA.

"For us to do that, we need to create greater excitement around what we're doing to make sure that we're fostering the best possible environment for captives to thrive in," said Mead. "So you're going to be seeing a lot more from us in the coming weeks and months in that respect." &

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