

Contact: David Mace
Director of Communications
Agency of Commerce and Community Development
National Life Building, Drawer 20
Montpelier, VT 05620
802 828 5229
david.mace@state.vt.us



FOR IMMEDIATE RELEASE

January 27, 2006

2005 BUSY FOR NEW VERMONT CAPTIVES 37 Captives Licensed Brings Total to 754 at Year End

MONTPELIER -- The year 2005 closed with 37 new captives licensed bringing the total number of captive licenses issued to 754, according to data released by the Vermont Department of Banking, Insurance, Securities and Health Care Administration (BISHCA).

The new captives represent every form available in Vermont with 26 being pure captives. Five new risk retention groups were formed along with 3 sponsored captives, 2 association captives and 1 branch captive rounding out the new 2005 licensees. Gross written premium in 2005 is expected to top \$12 billion, up from \$10.9 billion in 2004.

"Steady is the word I would use to describe 2005," said Leonard Crouse, Vermont's Deputy Commissioner of Captive Insurance. "We're seeing a lot of good quality captives with steady activity for new risk retention groups." Some of the companies in the class of 2005 include Pfizer, Husqvarna, DuPont Chemical & Energy, Nestle, Chevron, Sun Microsystems, HSBC, Liberty Mutual, FM Global and BASF Americas.

"If there's an emerging trend that we're seeing it would be the expanded interest in Vermont by the healthcare industry," said Derick White, Director of Captive Insurance. "It will be interesting to see if that sector's activity maintains pace in 2006."

Another trend that has emerged has been the growth in redomestications. "4 of our 2005 captives licensed were redomestications," said Dan Towle, Director of Financial Services. "I think it's fair to say that we'll continue to see redomestication activity in 2006."

Interest in Vermont as a domicile was very high on several recent recruitment trips, including the World Captive Forum in Florida. Upcoming recruitment trips are scheduled for the following cities: Cleveland, Chicago, Kansas City, and New York City. "Vermont is proud of its reputation as the gold standard of domiciles," said Governor Jim Douglas. "We will continue to make sure that we keep pace with the changing needs of the industry and will do whatever it takes to retain our leadership position."

For more information on Vermont's captive industry, visit <http://vermontcaptive.com> or call Dan Towle at 802-828-5232 or email dan@thinkvermont.com.

###