

Connecticut

Since the passage of its captive law in 2008, Connecticut has distinguished itself as a leading domicile and as a centre for innovation in captive formation and thinking. Connecticut has also established a reputation as a place where the commitment of regulators to support and foster the growth of captives is second to none.

Whether it be through state-of-the-art captive law, its robust base of experienced service providers, or its already-established history as the centre of the property and casualty industry in the US, Connecticut has become synonymous with innovative, creative, and business-friendly solutions to the self-insurance of risk across all business sectors.

Connecticut caters for all kinds of captives, including pure, association, industrial insured, sponsored and special purpose financial, as well as sponsored licensed as a special purpose financial captive and risk retention groups.

The minimum capital requirements for these structures are:

- Pure and special purpose financial: USD 250,000
- Association, industrial insured, sponsored and sponsored licensed as a special purpose financial: USD 500,000
- Risk retention group: USD 1 million

Newly licensed captives receive a non-refundable tax credit of USD 7,500 for the captive's first taxable year in Connecticut. Premium taxes are subject to a maximum of USD 200,000 and minimum of USD 7,500 per year.

Direct premium taxes are levied as follows: 0.38 percent on first USD 20 million; 0.285 percent on next USD 20 million; 0.19 percent on next USD 20 million; and 0.072 percent, thereafter. Assumed premiums are taxed at the lower rates of 0.214, 0.143, 0.048 and 0.024 percent, respectively.

More information on captive insurance in Connecticut can be found at www.ct.gov.