

Michigan

The State of Michigan is a stable, progressive, and business friendly domicile with unsurpassed customer service. Regulations are well reasoned and flexible to serve traditional and emerging industries.

Due to the unique background experience of Department of Insurance and Financial Services (DIFS) staff, application reviews are completed within 30 days.

DIFS offers pre-application meetings to ensure applicants are comfortable and ready to apply. Unlike some restrictive domiciles, Michigan allows a captive applicant to choose its actuarial and auditing firms.

Michigan can license pure captives. In terms of association captives, they can be incorporated as a stock insurer or a mutual insurer, or organised as a limited liability company.

The state also licenses industrial insured captives, either as a stock insurer or a limited liability company, as well as sponsored captives, non-profit pure captives and special purpose financial captives.

The capitalisation requirements for these types are:

- Pure captive: USD 150,000
- Association (stock insurer or limited liability company): USD 400,000
- Association (mutual insurer): USD 750,000
- Industrial insured (stock insurer or limited liability company): USD 300,000
- Sponsored: USD 500,000
- Non-profit pure: USD 250,000
- Special purpose financial: USD 250,000

Michigan does have a resident agent requirement, meaning two of three captive incorporators/organisers must be state residents. Annual board meetings of directors must be held in Michigan.

Finally, the state does not have a tax rate, but it does have a renewal fee based on premium volume.

More information on captive insurance in Michigan can be found at www.michigan.gov/difs.

A photograph of the Detroit skyline, featuring several prominent skyscrapers and a body of water in the foreground. The word "Michigan" is overlaid in large, white, sans-serif font across the center of the image. In the foreground, there are two tugboats on the water, one of which is moving and leaving a white wake. The sky is clear and blue.