

# Nevada

Nevada, which is known for being a business-friendly state, ranks high in the nation as a domicile for captive insurers. Why is it so attractive? Among many contributing factors is its no personal or corporate tax structure, and a tax credit of up to USD 5,000 applicable to the first year of a captive's acquisition of a certificate of authority. In Nevada, the captive insurance industry enjoys low application expenses, simplified financial reporting requirements, a fair and consistent regulatory environment, and a dedicated team to help our captive insurers achieve success.

Nevada offers the following types of captives:

- Agency: An insurer that is owned or directly or indirectly controlled by an insurance agency or brokerage and that only insures risk of policies that are placed by or through the agency or brokerage (minimum capital and surplus of USD 600,000)
- Alien: An insurer formed to write business for its parents and affiliates and is licensed pursuant to the laws of an alien jurisdiction that imposes statutory or regulatory standards acceptable to the insurance commissioner on companies transacting the business of insurance in such a jurisdiction
- Branch: An alien captive insurer licensed to transact the business of insurance through a business unit with a principal place of business in Nevada
- Association: An insurer that only insures risks of the member organisations of an association and the affiliated companies of those members, including groups formed pursuant to the US Liability Risk Retention Act of 1986 (minimum capital and surplus of USD 500,000)
- Pure/single parent: An insurer that only insures risks of its parent and affiliated companies, or controlled unaffiliated companies or controlled unaffiliated businesses, and can include a branch captive insurer (minimum capital and surplus of USD 200,000)
- Rental: An insurer formed to enter into contractual agreements with policyholders or associations to offer some or all of the benefits of a programme of captive insurance and that only insures risks of such policyholders or associations (minimum capital and surplus of USD 800,000)
- Sponsored/series LLC: A captive insurer in which: (i) the minimum capital and surplus required by law is provided by one or more sponsors; (ii) only insures risk or its participants through separate participant contracts; and (iii) funds the liability for each participant through one or more protected cells where the assets of each protected cell are segregated from the assets of the general account of the sponsored captive insurer. (minimum capital and surplus of USD 500,000)
- Protected cell: A separate account established by a sponsored captive insurer in which the assets are maintained for one or more participants in accordance with the terms of a participant contract

The general requirements for setting up a captive in Nevada include holding an annual meeting in Nevada, as well as retaining, employing and contracting a Nevada-licensed attorney, an actuary, and an approved accountant, respectively.

Premium taxes, annual reports, licence renewals and fees, and current updated business plans all are all due on or before 1 March. Audited financial filings are due on or before 1 June for RRGs and 30 June for non-RRGs.

Non-pure captives are subject to examination by the insurance commissioner every five years, although this may be extended to every five years if comprehensive annual audits are conducted.

For more information on captive insurance in Nevada can be found at [www.doi.nv.gov/captive-insurance](http://www.doi.nv.gov/captive-insurance).



# Nevada