

Connecticut Insurance
Department

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Getting Started:

Ready Resources

For Prospective

Captive Owners

Steps for forming a captive

Licensing application ([link](#))

Find a Recognized Captive Service Provider – Connecticut has a wealth of insurance know-how and that includes captive service providers, companies that provide actuarial, legal, investment management and administrative expertise. The providers are vetted by the Insurance Department, understand the state regulations and work with clients to apply for licensing, set up and administer the captive insurance company.

Connecticut Insurance Department
Helping Business Control the Cost of Risk



CT Captive Solutions for Businesses

Imagine finding an insurance company that understands your unique needs, tailors a program to help you minimize your risks, care for your employees or reinvests your unused premiums back in your business.

You don't have to imagine any longer. Captive insurance companies are growing in popularity as an alternative to the traditional insurance market and allows businesses of all disciplines to control costs, protect your assets and reinvest the savings back into the operations. When you control your costs, you control your destiny.

Captive insurance companies are not just for Fortune 500 companies, but a well-regulated captive can provide numerous benefits and cost-savings for middle market employers. That's already happening in Connecticut. Employers in the fields of construction, manufacturing, communications, health care, supermarkets and more have created captive insurers to address their coverage costs and improve their risk management. They have found a business solution that works for them. Whether it's coverage for liability, health care, property and casualty or other risks unique to your business, a captive solution might just work for you too.

Connecticut Insurance Department can help you explore the possibilities and determine if creating a captive – your very own internal insurance company – is the right solution for you. We've created this tool kit to help get you started.



Captive FAQs

Q: What is captive insurance?

A: It is an insurance company that is wholly owned and controlled by a parent company, an association or a group, to insure its own risk. Any underwriting profits – premium and capital not used to pay claims – can be returned to the parent company.

Q: What are the benefits to forming a captive?

A: A captive insurance company, licensed by the Insurance Department, can help businesses better control their costs, improve coverage of risk, reduce financing costs, create new revenue and protect assets.

Q: Who is a good candidate for a licensed captive insurance company?

A: Businesses with the following traits are usually good candidates for a captive:

- Financial stability
- Predictable losses with good spread of risk
- Desire to insure your own risk
- Ability to finance the risks and exposure
- Commitment from senior management

Q: Is there a fee to apply for a license?

A: Yes, the initial application fee is \$800. Once a licensed captive is formed, the annual fee is \$375.

Q: How Does A Business Form A Captive?

A: There are a few basic steps to get there:

Conduct a business analysis prior to applying to determine if a captive is the right management tool.

Select a recognized captive service manager. These are companies that provide actuarial, legal, investment management and administrative expertise and are vetted by the Insurance Department.

The CID offers the following tools:

- [Steps to form a captive](#)
- [List of Captive managers](#)

Meet with the Insurance Department regulatory unit and your captive service manager to get the initial feedback.

For more information contact:

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THE RIGHT FIT

“The speed at which they responded and the insightful questions the Department asked convinced us that we made the right decision in choosing Connecticut. I feel very confident that our captive insurer will be a very effective management tool for our entire operation allowing us to remain competitive and grow our business.”

- Jason Giessel, owner of specialty concrete firm RC Structures



Helping Connecticut Businesses Succeed