

May 28, 2026

Mr. Roy Eft, Chair
Indiana Department of Insurance
NAIC Blanks (E) Working Group
1100 Walnut Street, Suite 1500
Kansas City, Missouri 64106-2197

M. Steve Drutz, Vice Chair
Office of the Insurance Commissioner, State of Washington
NAIC Blanks (E) Working Group
1100 Walnut Street, Suite 1500
Kansas City, Missouri 64106-2197

Re: Blanks Working Group Meeting-May 28, 2026
On Referral from the F Committee
Agenda Item H/Attachment 15
2026-08BWG

Dear Chair Eft and Vice Chair Drutz and Members of the NAIC Blanks Working Group,

I am writing as President of the Vermont Captive Insurance Association (“VCIA”), the largest captive domicile in the United States and in the world with regard to this pending matter on referral from the NAIC Financial Standards and Accreditation (F) Committee. VCIA was founded in 1985; it unites captive owners, insurance leaders, and service providers through strategic advocacy, world-class education and ongoing collaboration strengthening Vermont’s leadership and supporting a connected global community of captive professionals. Over 2,000 insurance professionals benefit from VCIA programs each year, and VCIA spearheads an emerging leaders initiative to recruit and retain a future captive workforce.

A captive is a wholly-owned subsidiary of an entity that provides risk mitigation, loss control and claims services to its parent company or related entities. Captives are regulated by state law based on where they are domiciled. Captives may serve a social utility, for example, for housing associations and hospital networks to manage and combat high insurance costs. This involves true risk transfer as is the case with other insurers.

Captives play an important role in the insurance community and provide needed insurance for their owners, particularly with respect to hard-to-place coverages and at a time when many commercial coverages have been quite expensive or difficult to find. We do not believe it is in the best interest of captives, their owners, the NAIC or existing state captive domiciliary states for the NAIC to attempt to fundamentally change the way captives are regulated and/or subject them to a different regimen than the longstanding, existing practice is—of regulation by the domiciliary home state.

This proposal would add a new Category “O” for captives, international insurers and other “unique” type insurers to the Schedule T Blanks financial statements.

Specifically, Proposal **2026-08BWG Modified** is as follows:

“Add a code “O – Other” to the active status column on Schedule T for reporting entities that have a unique, restricted license type that does not fit into one of the other existing categories. Add a field to provide a description of the other license type, for example, captive insurers or international insurers. The proposal changes the “N – None of the Above” status code to “N – None,” as instances where the existing codes do not apply would now be reported through the “O – Other” status code.”

We respectfully suggest that the inclusion of captives is misguided, as they do not routinely complete the referenced financial statements and are otherwise regulated under a strict and thorough home state regulatory oversight regimen such as that employed by the Vermont Department of Financial Regulation (VTDFR). We have a similar position to the referral from the F Committee to the National Treatment and Coordination Working Group regarding subjecting captives to the Uniform Certificate of Authority (UCA) regulations.

We understand that the NAIC is most concerned with international insurers and gaining further insight into their financial operations and that the intent is not to include captives. However, proposal 2026-08BWG does expressly mention captives and if not stricken, the requirements associated with filing of Schedule T may become applicable to captives and very likely required for states to adhere to in the accreditation process.

If there is a fundamental misunderstanding about captives, the role they play, and how they are presently regulated, we offer to provide further insight and information to the NAIC and its members, along with our sister trade associations in other states and as well, those states that are active captive domiciles if they are so inclined.

Thank you for your consideration of our views.

Respectfully Submitted,



Ian Davis
President

cc:

Ms. Sharon Clark, Insurance Commissioner, Commonwealth of Kentucky, Chair, NAIC Financial Standards and Accreditation (F) Committee

Ms. Jill Youtsey-Manager, Data Quality-Blanks

Ms. Mary Caswell-Manager, Data Quality-Blanks

Arshawn Teymoorian-McIntyre & Lemon, PLLC

Jeffrey M. Klein-McIntyre & Lemon, PLLC

Christine Brown, Deputy Commissioner, Vermont Department of Financial Regulation