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Tennessee Captive Insurance Section Caps Year of Growth **Tennessee Deepens Its Role as Destination for Captives**

NASHVILLE – Fifty seven (57) new captive insurance companies chose Tennessee as their domicile in 2015, according to data released today by the Tennessee Department of Commerce & Insurance. These new captives are comprised of 47 pure captives, four Risk Retention Groups (RRGs), and six protected cell captives (containing 106 protected cells).

A captive insurance company (called a “captive”) represents an option for many corporations and groups wanting to take financial control and manage risks by underwriting their own insurance. TDCI’s Insurance Division is responsible for properly regulating Tennessee’s captive insurance industry. In 2011, Gov. Bill Haslam signed the revised State of Tennessee’s Captive Statute which made the state’s existing captive insurance laws more effective, balanced, and flexible.

These 57 captives also include seven “redomestications” – a term used when an existing captive moves from one captive domicile to another. This is the largest group of redomesticated captives to occur since Tennessee’s captive insurance laws were revamped in 2011. The redomestications came from the following jurisdictions: Montana, Delaware, South Carolina, Nevada, South Dakota, Vermont, and St. Kitts in the Caribbean.

The addition of 57 new captives represented a 37% increase over last year, advancing Tennessee’s overall number of captives to 126. Including cell companies, cumulative risk bearing entities (RBEs) will close calendar year 2015 with 430 RBEs, a 58% increase over cumulative calendar year 2014. Four years ago, Tennessee only had two captive insurance companies.

“The Department welcomes the new captive insurance companies to Tennessee and we continue to maintain the proper regulation of the captive insurance market,” TDCI Commissioner Julie Mix McPeak said.

The captive insurance industry has created numerous jobs and invested assets under management in Tennessee, including an estimated \$2.6 million in revenues projected to be generated in Fiscal Year 2016.

About the Tennessee Department of Commerce & Insurance: TDCI is charged with protecting the interests of consumers while providing fair, efficient oversight and a level field of competition for a broad

array of industries and professionals doing business in Tennessee. Our divisions include the Athletic Commission, Consumer Affairs, Tennessee Corrections Institute, Emergency Communications Board, Fire Prevention, Insurance, Tennessee Law Enforcement Training Academy, Peace Officers Standards and Training, Regulatory Boards, Securities, and TennCare Oversight.

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