P & P CAPTIVE NEWSLETTER

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SPECIAL EDITION

GOVERNOR DOUGLAS INCREASES COMMITMENT TO CAPTIVES

Our last issue contained the first installment ("TAKING STOCK") of a two part series recounting the evolution of the nation's – perhaps the world's – finest captive regulatory team. We described Vermont's system as being unrivaled not only from the standpoint of flexibility and accessability, but also in terms of effectiveness in assuring industry safety and soundness. We concluded that with current market conditions and exponential growth of the industry, new structures and methods might be needed to maintain Vermont's regulatory edge. This article describes the *bold steps being taken by Governor Douglas, his staff, and the Commissioner, to assure the continued excellence of the Captive Division.*

On March 26, 2003 Governor James Douglas and Commissioner John Crowley announced that Vermont's Captive Division is to be designated as a stand-alone division, ranking equally with the other divisions within the Vermont Department of Banking, Insurance, Securities and Health Care Administration. Legislation was drafted and introduced on that date, and is making its way through the Legislature without controversy.

The restructure is not technically complete until the legislation is made effective, but changes are already being implemented. Len Crouse is the first Deputy Commissioner for Captive Insurance, and Derick White is now Director.

This reorganization had been recommended for several years by VCIA and other industry leaders, with the support of the Captive Division. While the prior administration never fully embraced the concept, Governor Douglas immediately understood the benefits of recognizing the importance of the Division, both as a means of strengthening it and sending a

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strong message of Vermont's continued commitment. Working with the Governor's Chief of Staff, Tim Hayward, and the Secretary of Administration, Mike Smith, Commissioner Crowley and Len Crouse came up with the blueprint for reorganization.

The Captive Insurance Division still will require expansion of its capabilities to keep pace with the industry. In times of budgetary pressure, that goal will require even greater effort. The new structure will help assure that the Captive Division's voice will be heard clearly in the discussion of competing regulatory needs. Already, the Captive Division is adding three new examiners over the next few weeks.

The Douglas administration and the individuals named above deserve congratulations for this decisive and farsighted step.

E-MAIL OPTION

If you would prefer to save a tree and receive your copy of the P&P Captive Newsletter by e-mail, please contact Cara Griswold at (802) 223-2102 or by e-mail at cgriswold@primmer.com.

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