

MARSH CAPTIVE SOLUTIONS: CONNECTICUT

GENERAL INFORMATION

Location	Connecticut is located in the northeastern United States, close to both the New York and Boston metropolitan areas.
Accessibility	Direct air transportation to Hartford, CT is available from most major cities in the United States and international locations, and proximate to all major New York airports.
Applicable Legislation	Senate Bill 281 signed into law by Connecticut's Gov. Jodi Rell in June 2008, effective January 1, 2008.
Regulatory Agency	Connecticut Insurance Department.

REGULATORY ISSUES

Acceptable Licensed Entity Types	Pure captives, association captives, industrial insured captives, and risk retention groups.
Acceptable Organizational Forms	Stock, member-managed limited liability company, mutual, non-profit, and reciprocal.
Permitted Business	All commercial lines and most fronted personal lines.
Direct Insurance Permitted	Related and "controlled unaffiliated business" as per statute.
Reinsurance Permitted	Related reinsurance permitted as well as "controlled" unrelated risk on a fronted reinsurance basis.
Policy Form and Rate Approval	Not required.
Local Office Requirement	Principal place of business. One board of directors meeting held annually in Connecticut. One resident director in Connecticut.

Head of Office

Art Koritzinsky

Sales Coordinator

Michael Serricchio

Office Address

Captive Solutions
501 Merritt 7
Norwalk, CT 06856-6010

T: 1.203.229.6874

F: 1.203.229.6510

MARSH CAPTIVE SOLUTIONS: CONNECTICUT *CONTINUED*

CAPITALIZATION & SOLVENCY REQUIREMENTS

Entity	Minimum Capital and Surplus (Cash or Letter of Credit)
Pure Captive	US\$250,000
Industrial Insured	\$500,000
Association Captive	\$750,000
Risk Retention Group	\$1,000,000

Premium Taxes — Tax on Direct Premiums

0.380% on first US\$20 million.

0.285% on next \$20 million.

0.190% on next \$20 million.

0.072% thereafter.

Premium taxes are subject to a minimum of \$7,500 per year and a maximum of \$200,000 per year.

Investment Restrictions

No investment restrictions, except to the extent that such investment would threaten the solvency or liquidity of the captive. Dividends require Regulator approval.

Taxation

Income generated by the captive will be subject to the federal tax rate of the captive parent (assuming the parent is US-based). Captive insurers are not subject to Connecticut state income tax and are excluded from Connecticut's state income tax calculations.