


# CELL COMPANY HANDBOOK | 09

Definitive guide to global cell companies  
Jurisdictional overviews  
Expert advice on diverse use of the cell structure

# North America



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# Mangrove Insurance Solutions PCC Washington D.C.



**Mangrove Insurance Solutions PCC**, ultimately owned by Marsh Inc. and managed by Marsh's Captive Solutions Group, is an ideal solution for companies seeking cost-effective risk-financing alternatives and ways to retain risks associated with joint ventures, strategic alliances and other special situations.

In the expanding PCC market, Mangrove provides companies:

- Benefits similar to those available through group and single-parent captives but at reduced start-up and management costs and timeframes.
- The potential to optimize the financing of their retained risks.
- The benefit of legal separation of insurance assets and liabilities between each participant, thereby protecting a cell participant from the liabilities and creditors of other cells.

Mangrove Insurance Solutions PCC, licensed in Washington D.C., is designed for companies whose risks are primarily located in the United States and which seek a flexible underwriting structure along with a respected regulatory environment. In addition, Washington D.C. captive statute allows cells within the PCC to establish themselves as either a traditional protected cell or an incorporated protected cell.

Mangrove PCC participants will benefit from the depth of knowledge and captive expertise provided by Marsh's Global Captive Solutions Group, which has been an integral part of the captive industry for nearly 40 years.

**For more information about Mangrove Insurance Solutions PCC, visit [www.mangrovepcc.com](http://www.mangrovepcc.com) or contact:**

Donna Weber  
Mangrove Insurance Solutions, PCC  
631-425-3207  
[donna.weber@marsh.com](mailto:donna.weber@marsh.com)

**MANGROVE**  
Insurance Solutions

# Arizona

## Vital statistics:

**Local name for the service:** Protected Cell Company (PCC)

**Date legislation was passed:** 2005

**Number of core cells:** 1

**Tax regime:** No premium taxes in Arizona

**Licensing fees:** \$5,500 annual licensing renewal fee

**Regulator contact name:** Stephanie Lefkowski, chief analyst,

**Regulator contact address:** Captive Division, 2910 N. 44th St, Suite 210,  
Phoenix, Az. 85018; Tel: +1 602 364 4490; Email: [captive@azinsurance.gov](mailto:captive@azinsurance.gov)

## PCCs in Arizona:

Charter Life Ins Co Inc



# District of Columbia



## Vital statistics:

**Local name for the service:** Protected Cell Captive Insurer

**Date cell captive legislation was passed:** Original protected cell legislation enacted on October 25, 2000. It was amended November 30, 2004 and again on March 14, 2007.

**Name of cell captive law:** Captive Insurance Company Amendment Act of 2006 D.C. Law 16-0286.

**Total number of cell companies:** 10

**Total number of individual active cells:** 12

**Capitalisation requirements:** Minimum capital for PCCI: US\$250,000. No minimum capital for PCs and ICs. Amount of capital required based on the plan of operation.

**Tax regime for cell companies/cells:** 0.250% on first US\$25m, 0.150% on next US\$25m. There is a US\$7,500 minimum premium tax and US\$100,000 maximum premium tax per PCCI and IC. PCCIs, PCs and ICs may also have a tax obligation to the US Internal Revenue Service.

**Licensing fees:** Licensing fees US\$500 one time application fee for the PCCI and each IC or PC, and a US\$300 annual renewal fee for each PCCI and IC.

**Regulatory contact name:** Dana G. Sheppard, associate commissioner, Risk Finance Bureau, District of Columbia Department of Insurance, Securities and Banking, Postal address: 1400 L Street, NW, Suite 400 Washington, DC 20005, Tel: +1 202 727 5074, email: [dana.sheppard@dc.gov](mailto:dana.sheppard@dc.gov), website: [www.disb.dc.gov](http://www.disb.dc.gov)

## PCCs in District of Columbia:



AAG Re, Inc  
Akros Insurance, IC, LLC  
Am. Staffing Assurance Co of Washington, DC, IC  
ASAC, Inc., PCC  
ASAE Ins Co, IC, AOP-01  
ASAE Ins Co, IC, DO-02  
ASAE Ins Co, Inc  
BB&T Assurance Company, Ltd Corporation  
Biltmore Ins Co, PCC  
Centurion Re Inc  
Chesapeake Bay Ins Co

Construction Capital Reinsurance Co, Inc  
Liberty IC Casualty II LLC  
Liberty IC Casualty LLC  
Mangrove Insurance Solutions, PCC  
Northern Lights Ins Co  
Procentury Risk Partners Ins Co  
ProTrans, Inc, IC  
RMG Ins Co, Inc  
TBB Ins Co  
Ullico Captive PCC  
USG Re, Inc

# District of Columbia

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*For more information about Mangrove Insurance Solutions PCC, visit [www.mangrovepcc.com](http://www.mangrovepcc.com)*

### **Contact details**

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**Tel:** +1 631 425 3207

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**Website:** [www.mangrovepcc.com](http://www.mangrovepcc.com)



[www.mmmlaw.com](http://www.mmmlaw.com)



**one firm.  
your firm.  
one step ahead.**

At this crucial time in the market, choosing the best legal counsel for your company is more important than ever. Morris, Manning & Martin's Captive Insurance team understands that creativity and a results-oriented approach distinguish leading lawyers from all the others. Many lawyers know the law and the mechanics of getting things done, but the lawyers who can solve complex problems and approach situations in a creative, resourceful manner are the ones that produce value.

Our lawyers are experienced in all aspects of insurance regulatory, corporate and tax matters. Specifically in the captive insurance arena, we are skilled in handling matters involving: single-parent (pure) captives, group captives, risk retention groups, cell captives, non-profit captives, redomestications, reinsurance, federal, state, and international taxation, representation of agents, brokers and captive managers, and dispute resolution with regulatory authorities.

For more information on Morris, Manning & Martin's Captive Insurance Practice, please contact Skip Myers at [rmyers@mmmlaw.com](mailto:rmyers@mmmlaw.com) or 202.898.0011.

# Delaware

## Vital statistics:

**Local name for the service:** PCC or ICC

**Date legislation was passed:** 1 January 2005

**Capitalisation requirements:** \$500,000

**Tax regime:** Each cell subject to tax of 0.02% direct and 0.01% assumed with a minimum of \$5,000 and a maximum \$200,000

**Licensing fees:** \$300 per year for core cell

**Regulator contact name:** William P White, administrator, Captive Insurance Program

**Regulator contact address:** Delaware Department of Insurance, One Customs House, 704 King Street, Suite 602, Wilmington, DE 19801, Tel: +1 302 577 1206, Fax: +1 302 577 1212, Email: william.p.white@state.de.us

## PCCs in Delaware:

Five Pointe Professional Liability Ins Co  
Pembroke Re

Security Pacific Ins Co



# Delaware



*Pembroke Reinsurance Inc (Pembroke Re) is a Delaware licensed protected cell company (PCC)*

PEMBROKE RE IS NAMED after a parish in Bermuda. In choosing the Bermudian name, we wanted not only to recognise ACE's heritage but also the part played by Bermuda in the alternative risk market in general. Pembroke Re is proud to be a member of the ACE Group, a company that has grown to become one of the strongest and most respected global insurers. Pembroke Re benefits from the depth of knowledge and experience that can be found within ACE, whether it is in providing its underwriting expertise and administrative capability, or its claims management and risk control services.

**Date formed:** December 2007  
**Sponsor:** The ACE Group

NORTH  
AMERICA



## Contact details

Carl Daly  
Paget Reinsurance Inc

**Registered address:**

ACE Building  
17 Woodbourne Avenue  
Hamilton HM08 Bermuda

**Tel:** +1 441 299 9353

**Email:** [carl.daly@ace.bm](mailto:carl.daly@ace.bm)

# Hawaii

## Vital statistics:

**Local name for the service:** Protected Cell Company

**Date cell captive legislation was passed:** Hawaii Revised Statutes, Title 24, Chapter 431, Article 19 (Enacted May 1986); Act 190, 2008 Legislative Session, enacted July 18, 2008, effective 7/1/08

**Name of cell captive law:** Hawaii Revised Statutes, §431:19, Part III. Sponsored Captive Insurance Companies

**Total number of cell companies:** 1

**Total number of individual active cells:** 1

**Capitalisation requirements:** Minimum statutory requirements: \$500,000

**Tax regime for cell companies / cells:** 0.25% on premiums from \$0-25m; 0.15% on premiums from \$25-50m; 0.05% on premiums from \$50-250m; 0% on premiums \$250m+

**Licensing fees:** \$1,000 annually

**Regulatory contact name:** Judy Nako, acting deputy insurance commissioner & captive insurance administrator

**Regulatory contact details:** 335 Merchant Street, Room 213, Honolulu, HI 96813  
Tel: +1 808 586 0981, Fax: +1 808 586 0987, email: [captiveins@dcca.hawaii.gov](mailto:captiveins@dcca.hawaii.gov)  
website: [www.captiveinsurance.hawaii.gov](http://www.captiveinsurance.hawaii.gov)

## PCCs in Hawaii:

Relo Global Reinsurance, Inc



# Kentucky

## Vital statistics:

**Local name for the service:** Sponsored protective cell (SPC)

**Date cell captive legislation was passed:** 2000, amended in 2006

**Name of cell captive law:** Kentucky Revised Statutes (KRS) 304, Subtitle 49, Captive Insurers

**Total number of cell companies:** 0

**Total number of individual active cells:** 0

**Capitalisation requirements:** Sponsored cell company is \$1m

**Tax regime for cell companies/cells:** Fees and taxes, standard for all captives

Captive Insurer Premium Taxes (due March 1 and paid in lieu of all other state taxes)

\$ millions	direct premium tax rate %	assumed
0-20	0.40	0.225
20-40	0.30	0.150
40-60	0.20	0.050
60+	0.075	0.025

**Licensing fees:** Total admission fees: \$600, total renewal fees: \$300

**Regulatory contact name:** Russell Coy II

**Regulatory contact details:** Tel: +1 502 564 6082, Toll-free: +1 800 595 6053

Fax: +1 502 564 4604, email: [Russell.Coy@ky.gov](mailto:Russell.Coy@ky.gov), postal address: PO Box 517, Frankfort, KY 40602, web: <http://captive.insurance.ky.gov>



# Montana

## Vital statistics:

**Local name for the service:** Protected cell captive (PCC)

**Date legislation was passed:** April 2003

**Number of core cells:** 1

**Estimated number of active cells:** 2

**Capitalisation requirements:** Minimum \$500,000

**Tax regime:** Minimum \$5,000, sliding scale

**Licensing fees:** Application fee \$200; licensing fee \$300

**Regulatory contact name:** Steve Matthews

**Regulatory contact address:** Montana State Auditor's Office, State of Montana, 840 Helena Avenue, Helena, Montana 59601, Tel: +1 800 332 6148, Fax: +1 406 444 2040, email: [smatthews@mt.gov](mailto:smatthews@mt.gov), website: [www.sao.mt.gov/](http://www.sao.mt.gov/)

## PCCs in Montana:

Pacific Re, Inc

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NORTH  
AMERICA



# Nevada

## Vital statistics:

**Local name for the service:** Sponsored captives

**Date legislation was passed:** 2005

**Name of cell captive law:** Added to the Captive Insurance Legislative statutes which were originally passed in 1999

**Total number of cell companies:** 5 (One dissolved)

**Total number of individual active cells:** 1

**Capitalisation requirements:** The sponsored captive must maintain \$500,000 in capital and surplus. The protected cells utilise the sponsored capital

**Tax regime for cell companies/cells:**

\$ Millions	Direct Rates %	Reinsurance Rates %
0-20	.400	.225
20-40	.200	.150
Over 40	.075	.025

\$5,000 minimum and \$175,000 maximum

\* A captive insurer is entitled to receive a nonrefundable credit of \$5,000 applied against the aggregate taxes owed for the first year in which the captive insurer incurs any liability for the payment of taxes.

An exception is made for sponsored captives pursuant to NRS694C.450 (3)

**Licensing fees:** Each sponsored captive and each protected cell pays \$300 initial licensing fee and a \$300 renewal every year

**Regulatory contact name:** Gary Cooper, Deputy Commissioner, Captive Insurance Program

**Regulatory contact details:** Division of Insurance, 788 Fairview Dr., Suite 300, Carson City, NV 89701; Tel: +1 775 687 4270 ext. 265; Fax: +1 775 687 3937  
Email: gcooper@doi.state.nv.us; website: <http://doi.state.nv.us/>

## PCCs in Nevada:

Capital Risk Management Ins Co  
Captive Insurance Solutions, Inc Emerald  
Re (dissolved)

Greenside Insurance Exchange  
Whitstone Keep Sponsored Captive, Inc

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# Oklahoma

## Vital statistics:

**Local name for the service:** PCC, ICC, SAC etc

*See the Captive Insurance Company Act: (36 Okl.St. Ann. §6470)*

**Date cell captive legislation was passed:** 25 May 2001

**Name of cell captive law:** Captive Insurance Company Act

**Total number of cell companies:** 1

**Total number of individual active cells:** 1

**Capitalisation requirements:** Depends on the type of captive formed

*See: 36 Okl.St. Ann. §6470.6*

**Tax regime for cell companies/cells:** *See the Captive Insurance Company Act*

**Licensing fees:** \$500 the first year, \$300 annually thereafter

**Regulatory contact name:** Heidi Halcarz

**Regulatory contact details:** email: Heidi.Halcarz@oid.ok.gov

## PCCs in Oklahoma:

PLICO Sponsored Captive Ins Co



# South Carolina

## Vital statistics:

**Local name for the service:** Protected Cell Insurance Companies

**Date cell captive legislation was passed:** 2000

**Name of cell captive law:** Sponsored Captives

**Total number of cell companies:** 2

**Total number of individual active cells:** 27

**Capitalization requirements:** Minimum \$500,000

**Tax regime for cell companies/cells:** A captive insurance company shall pay to the department by 1 March of each year, a tax at the rate of four-tenths of 1% on the first \$20m dollars and three-tenths of 1% on each dollar after that, up to a maximum tax of \$100,000 dollars. Taxes are based on the direct premiums written or contracted for on policies or contracts of insurance written by the captive insurance company during the year ending 31 December next preceding, after deducting from the direct premiums subject to the tax the amounts paid to policyholders as return premiums which must include dividends on unabsorbed premiums or premium deposits returned or credited to policyholders.

**Licensing fees:** \$300 first year, \$500 renewal

**Regulatory contact name:** Jeff Kehler, Program Manager, ARTS

**Regulatory contact details:** South Carolina Department of Insurance, 1201 Main Street, Suite 1000, Columbia, SC 29201

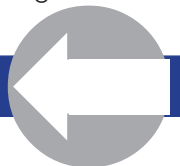
Tel: +1 803-737-6118, Fax: +1 803-737-4976, email: [jkeehler@doi.sc.gov](mailto:jkeehler@doi.sc.gov)

Web: [www.doi.sc.gov](http://www.doi.sc.gov)

## PCCs in South South Carolina:

Companion Captive

Energy Insurance Services



# Utah

## Vital statistics:

**Local name for the service:** Sponsored captives

**Date legislation was passed:** July 2003

**Capitalisation requirements:** \$500,000 unimpaired paid-in capital. \$500,000 free surplus. \$1m total capital requirement

**Tax regime:** There are no captive premium taxes, only an annual fee of \$5002 and an annual ecommerce fee of \$250

**Licensing fees:** Initial licence application: \$202; initial licence fee: \$5,002; annual renewal fee: \$5,002

**Regulator contact name:** Donnie Spann, captive insurance director

**Regulator contact address:** Utah Insurance Department, 3110 State Office Building, Salt Lake City, Utah 84114-6901, Tel: +1 801 537 9047, email: [dspann@utah.gov](mailto:dspann@utah.gov)



# Vermont

## Vital statistics:

**Local name for the service:** Protected Cell Companies

**Date cell captive legislation was passed:** 1999

**Name of cell captive law:** Sponsored Captive Insurance Companies

**Total number of cell companies:** 17

**Total number of individual active cells:** 67

**Capitalization requirements:** Minimum \$500,000

**Tax regime for cell companies/cells:** Minimum \$7,500, direct premium: 0.38% first \$20m; 0.285% on next; 0.19% on next; 0.072% thereafter, assumed premium = 0.214% first \$20m; 0.143% on next; 0.048% on next; 0.024% thereafter

**Licensing fees:** \$300 per Sponsored Captive, no fee per cell

**Regulatory contact name:** David Provost, Deputy Commissioner, Captive Insurance Division

**Regulatory contact details:** State of Vermont Department of Banking, Insurance, Securities and Health Care Administration, 89 Main Street, Montpelier, Vermont, 05620-3101

Tel: +1 802 828 3304, Fax: +1 802 828 3460, email: [captiveinfo@bishca.state.vt.us](mailto:captiveinfo@bishca.state.vt.us)

Web: [www.vermontcaptives.info](http://www.vermontcaptives.info)

## PCCs in Vermont:

American Safety Assurance (Vermont), Inc  
Ceres Reinsurance, Inc  
FNF Title Reinsurance Company  
HM Captive Ins Co  
John Hancock Ins Co of Vermont  
Liberty Sponsored Insurance (Vermont), Inc  
Metlife Reinsurance Company of Vermont  
MGIC Reinsurance Corporation of Vermont  
MS Builders Ins Co

National Union Fire Ins Co of Vermont  
Northgroup Sponsored Captive Insurance, Inc  
Promutual Solutions Ins Co  
Sponsored Captive Re, Inc  
Triad Re Insurance Corporation  
United Guaranty Partners Ins Co  
United Ins Co, USA, Ltd  
Watch Hill Ins Co

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