



Insurance Division

Captive Insurance Program

Iowa's Captive Timeline:

- Captive legislation passed in Iowa in April 2023 (Iowa Code Chapter 521J)
- Administrative rules adopted in March 2024 (Iowa Administrative Rules 191-113)
- Captive program through IID officially launched in September 2024

“With a modern, competitive bill that is comparable in many ways to the captive statutes of other jurisdictions, including with respect to premium taxes and fees, dedicated captive regulators and a robust underlying insurance industry, Iowa will be a captive domicile to watch in the future.” National Law Review



Reasons to consider Iowa as a captive domicile:

- Iowa is an insurance hub
 - 11% of Iowa's GDP is from insurance; highest percentage in the United States
 - home to the world's first business accelerator program for insurance technology (GIA)
- History of successful and consistent insurance regulation
 - nearly 200 domestic insurance carriers in Iowa
- Iowa is a centrally located pro-business state
 - ranked 2nd best state to start a business in 2023 (Akounto, accounting software company)



Reasons to consider Iowa as a captive domicile (continued):

- Captive Insurance Program in Iowa
 - Updated and modern captive legislation
 - Reasonable captive taxes and fees
 - Dedicated captive regulators focusing on:
 - Solvency
 - Adherence to Iowa's captive statute
 - Collaboration
 - Customer Service



Types of Captives (minimum capitalization)

Pure Captive (\$250,000)

Industrial Insured Captive (\$500,000)

Risk Retention Group (\$500,000)

Protected Cell Captive (\$500,000)

Branch Captive (depends on formational type of parent captive)

Special Purpose Captive (determined by commissioner)



* A “captive reinsurance company” must maintain at least 50% of the capital required for that type of captive company.

Iowa Captive Tax Rates:

In Millions of \$	Direct Written Premium Tax Rate	Assumed Reinsurance Premium Tax Rate
\$0 - \$20	0.35%	0.20%
\$20 - \$40	0.25%	0.125%
\$40 - \$60	N/A	0.045%
\$60 +	N/A	0.02%

- ❖ Minimum tax is \$5,000 and maximum tax is \$100,000
- ❖ No maximum tax is applicable to protected cell captives

Iowa Captive Fees:

\$200 Certificate of Authority Licensing Fee

\$300 Annual Registration Fee

- ❖ Outside legal, financial, and examination services may be utilized, and the reasonable cost may be charged to the applicant.





Miscellaneous information about Iowa's captive program:

- 1.) Service providers need to be pre-approved via an application process:
 - Captive Manager, Independent CPA, Qualified Actuary
- 2.) Iowa's captive website provides all necessary applications (fillable pdf's)
 - The three primary items required with a new application include: captive application, actuarial feasibility study, comprehensive business plan
- 3.) Acceptable captive insurance company formations: stock insurer, mutual insurer, reciprocal insurer, nonprofit corporation, limited liability company, and series limited liability company.
 - Each protected cell must be incorporated.
- 4.) Generally accepted accounting principles (GAAP) may be used unless unique circumstances dictate that statutory accounting should be utilized.
- 5.) Requests to report on a fiscal year-end basis will be considered for any captive type other than a risk retention group.