

**State of Arizona  
Department of Insurance  
Captive Insurance Division  
Facts and Statistics  
As of December 31, 2011**

<b>Applicable Law:</b>	Arizona Revised Statutes §20-1098 et seq. plus applicable parts of Title 20.	
<b>Permitted Coverages:</b>	Commercial Property and Casualty, Surety, Life and Disability	
<b>Organizational Structures:</b>	Stock, Mutual, Reciprocal, Nonprofit, or Limited Liability Company	
<b>Minimum Capital and Surplus Requirements:</b>	Pure Captive	\$250,000
	Association or Industry Group	\$500,000
	Risk Retention Group	\$500,000
	Agency Captive	\$500,000
	Protected Cell	\$500,000
	Pure Reinsurers	one-half of the above indicated amounts
<b>Fees:</b>	Initial License	\$1,000
	Examiner Revolving Fund	100
	Original Charter Documents	75
	Articles of Incorporation	60 (payable to AZ Corporation Commission)
	Captive Renewal License	5,500
	Examination	Varies
<b>Captive Insurance Division Contact Information:</b>	Stephanie Lefkowski Chief Analyst 2910 N. 44 <sup>th</sup> St., Suite 210 Phoenix, Arizona 85018 Telephone: 602-364-4490 Fax: 602-364-3989 <a href="mailto:slefkowski@azinsurance.gov">slefkowski@azinsurance.gov</a> <a href="http://www.azinsurance.gov/captives/index.html">http://www.azinsurance.gov/captives/index.html</a>	

**Arizona Advantage:**

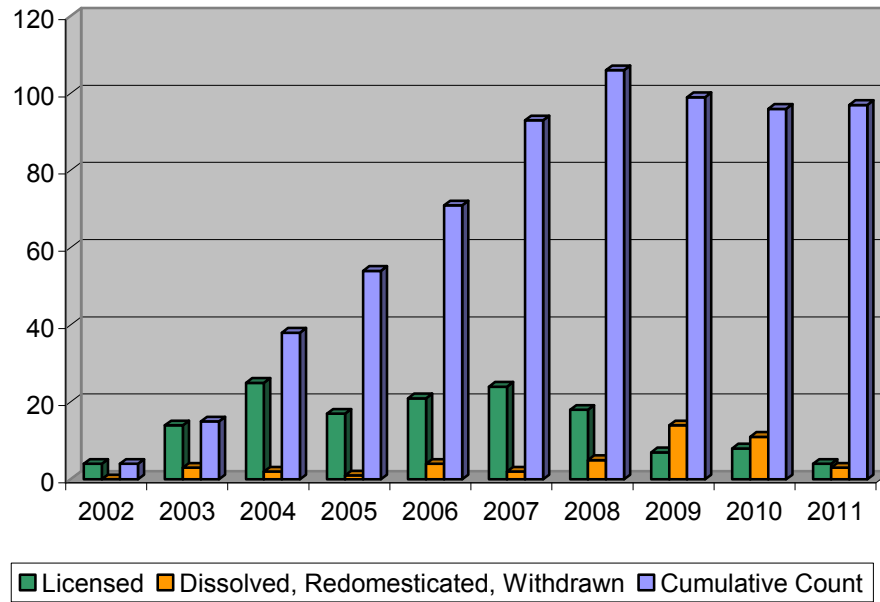
- Flat rate fees provide cost effective application and regulation processes
- No premium tax
- Small company exemption of annual Actuarial Opinion and Audit requirements may apply
- No statutory exam for pure captives
- Pro-business environment
- Balance between competitive law and appropriate regulatory oversight
- Experienced team of professionals with collaborative industry relationship

**Arizona Requirements:**

- Permissible lines of business with underwriting authority
- Payment of Fees
- At least one Directors meeting annually in Arizona
- Maintain principal place of business in Arizona
- Arizona Captive Manager
- Books and records in Arizona
- Minimum Capital and Surplus
- Resident Statutory Agent
- Financial reporting requirements

### Cumulative Growth by Year

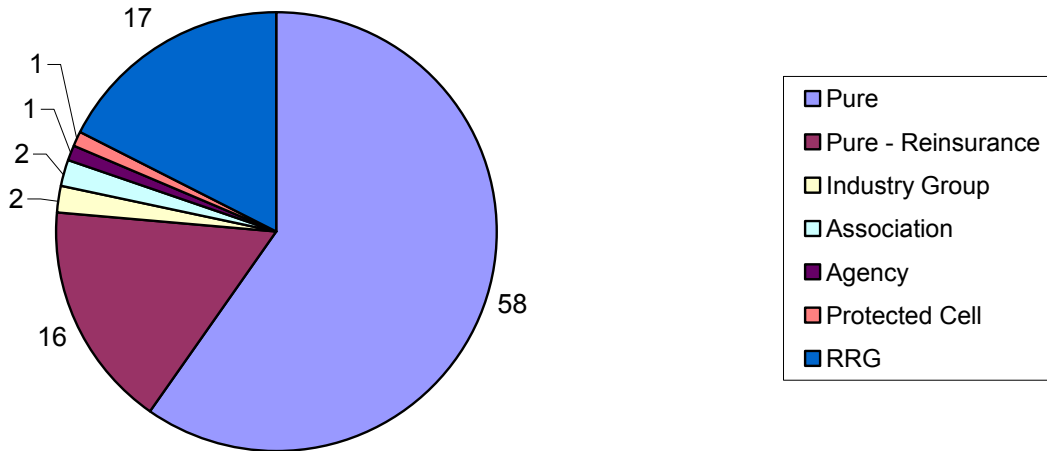
Year	Licensed	Dissolved, Redomesticated, Withdrawn	Net Growth Count	Cumulative Count	Net Growth Percentage	Pending Applications
2011	4	3	1	97	1%	1
2010	8	11	-3	96	-3%	
2009	7	14	-7	99	-7%	
2008	18	5	13	106	14%	
2007	24	2	22	93	31%	
2006	21	4	17	71	31%	
2005	17	1	16	54	42%	
2004	25	2	23	38	153%	
2003	14	3	11	15	275%	
2002	4	0	4	4		
<b>Total</b>	<b>142</b> 100%	<b>45</b> 32%	<b>97</b> 68%			



## Distribution by Captive Type

Type of Captive	December 31, 2011			December 31, 2010		December 31, 2009		December 31, 2008	
	Current Count	Percent of Total	Pending Applications	Count	Percent of Total	Count	Percent of Total	Count	Percent of Total
Pure	58	60%		58	60%	60	61%	62	58%
Pure - Reinsurance	16	16%	1	14	15%	12	12%	13	12%
Industry Group	2	2%		2	2%	2	2%	2	2%
Association	2	2%		2	2%	1	1%	2	2%
Agency	1	1%		1	1%	4	4%	5	5%
Protected Cell	1	1%		1	1%	1	1%	1	1%
RRG	17	18%		18	19%	19	19%	21	20%
<b>Total</b>	<b>97</b>	<b>100%</b>	<b>1</b>	<b>96</b>	<b>100%</b>	<b>99</b>	<b>100%</b>	<b>106</b>	<b>100%</b>

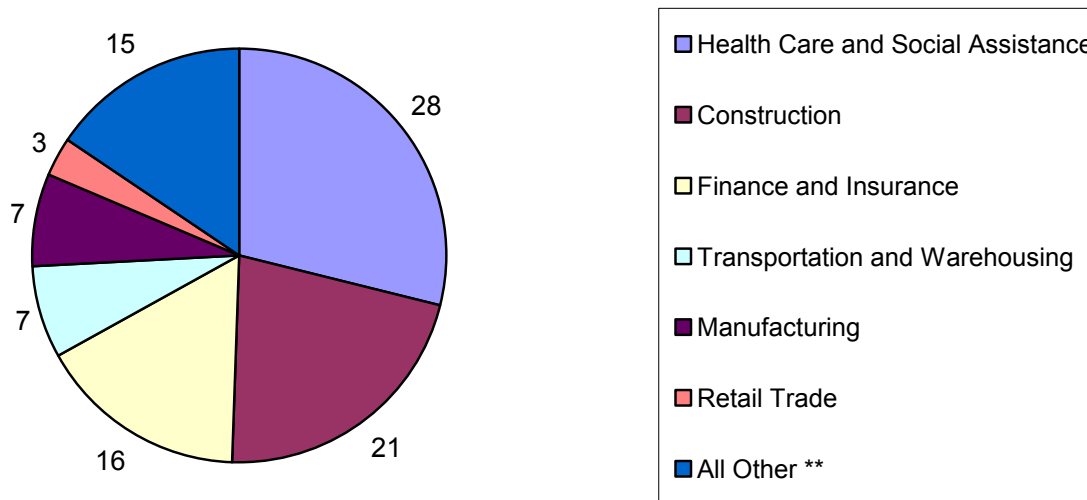
**Current Distribution**



## Distribution by Industry Classification

Industry Classification *	December 31, 2011			December 31, 2010		December 31, 2009		December 31, 2008	
	Current Count	Percent of Total	Pending Applications	Count	Percent of Total	Count	Percent of Total	Count	Percent of Total
Health Care and Social Assistance	28	29%	1	29	30%	32	32%	34	32%
Construction	21	22%		21	22%	22	22%	26	25%
Finance and Insurance	16	16%		13	14%	16	16%	16	15%
Transportation and Warehousing	7	7%		7	7%	6	6%	8	8%
Manufacturing	7	7%		7	7%	6	6%	7	7%
Retail Trade	3	3%		4	4%	4	4%	4	4%
All Other **	15	15%		15	16%	13	13%	11	10%
<b>Total</b>	<b>97</b>	<b>100%</b>	<b>1</b>	<b>96</b>	<b>100%</b>	<b>99</b>	<b>100%</b>	<b>106</b>	<b>100%</b>

**Current Distribution**



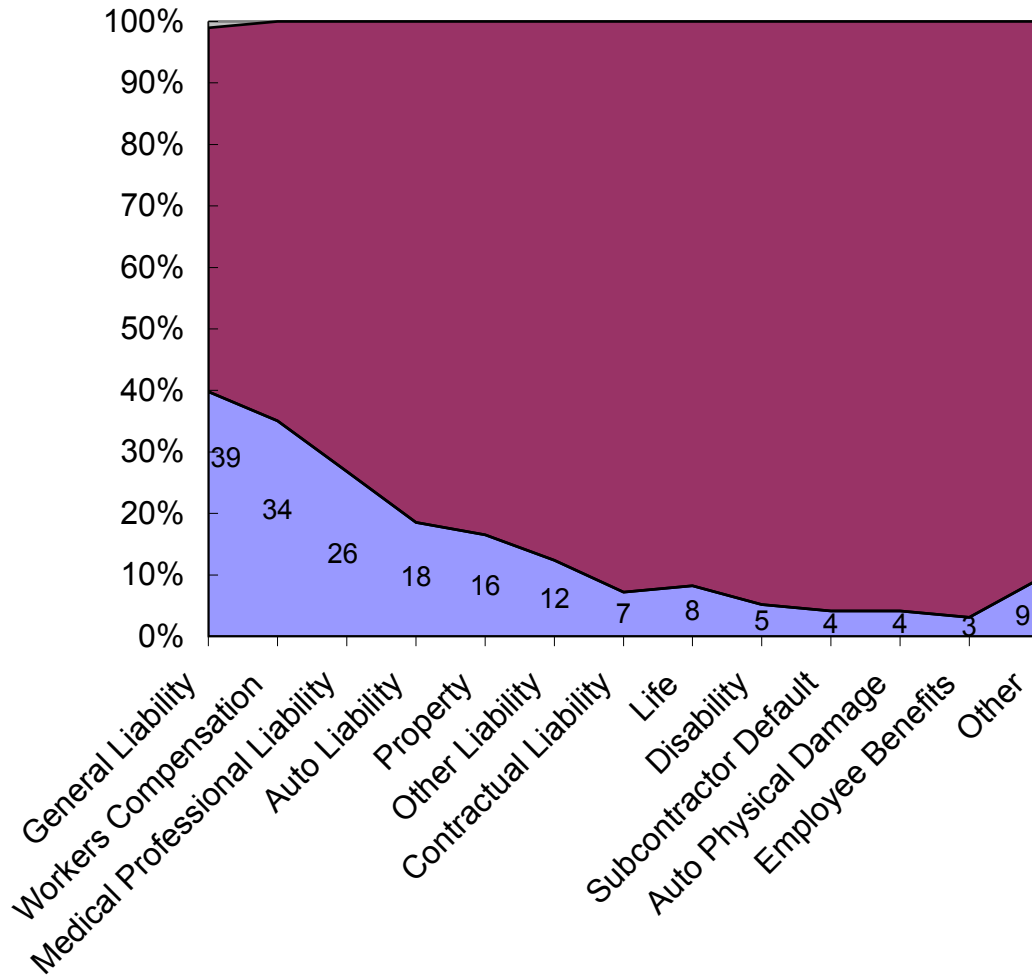
\* Based on North American Industrial Classification System which is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

\*\* All Other includes Arts, Entertainment and Recreation (3); Accommodation and Food Services (3); Administrative and Support and Waste Management and Remediation (2); Utilities (2); Wholesale Trade (2); Agriculture, Forestry, Fishing and Hunting (1); Professional, Scientific, and Technical Services (1); and Information (1).

## Industry Classification Pure vs. RRG

Industry Classification	Pure Captives		RRGs		Total Captive Count		Pure vs. RRG	
	Current Count	Percent of Total	Current Count	Percent of Total	Current Count	Percent of Total	Pure	RRG
Health Care and Social Assistance	15	19%	13	76%	28	29%	54%	46%
Construction	19	24%	2	12%	21	22%	90%	10%
Finance and Insurance	16	20%	0	0%	16	16%	100%	0%
Transportation and Warehousing	5	6%	2	12%	7	7%	71%	29%
Manufacturing	7	9%	0	0%	7	7%	100%	0%
Retail Trade	3	4%	0	0%	3	3%	100%	0%
All Other **	15	19%	0	0%	15	15%	100%	0%
<b>Total</b>	<b>80</b>	<b>100%</b>	<b>17</b>	<b>100%</b>	<b>97</b>	<b>100%</b>	<b>82%</b>	<b>18%</b>

## Line of Business

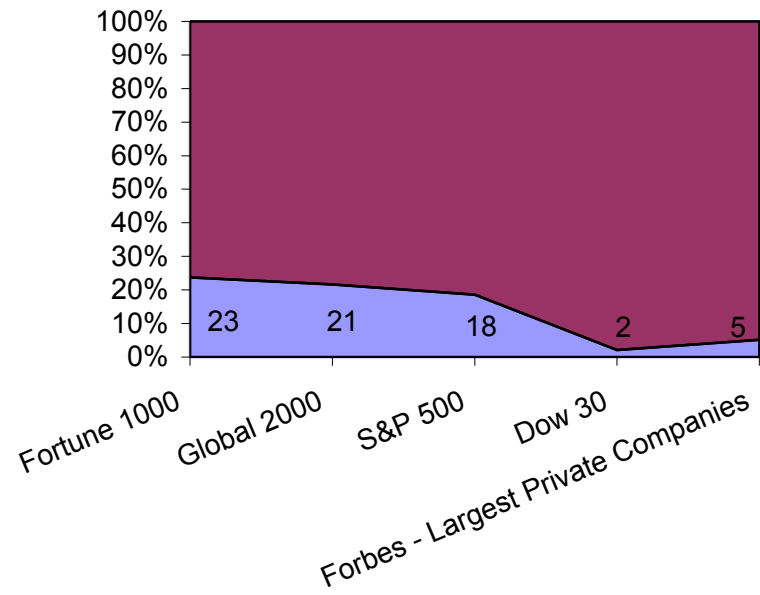


Lines of Business are not mutually exclusive. Many captives write multiple lines of business. The "Other" Line of Business includes Cargo, Credit Life and Disability, Crime, Inland Marine, Occupational Accident, Surety, and Travel.

## Parent Stature

	Count	Percent of Total Captives <u>Out of 97 Captives</u>
<b>Fortune 1000</b>	23	24%
<b>Global 2000</b>	21	22%
<b>S&amp;P 500</b>	18	19%
<b>Dow 30</b>	2	2%
<b>Forbes - Largest Private Companies</b>	5	5%

Designations are not mutually exclusive



## Captive Companies

ARS §20-1098.23 allows the Department to release the name of the captive insurer, the date licensed, the type of captive insurer, the industry of the owners or members and the license status. Following is a list of captives holding an active license in the State of Arizona.

Captive Name	Industry Group	Year Licensed	Captive Type
1873 Group	Construction	2010	Pure
Advanced Physicians Insurance RRG	Health Care and Social Assistance	2004	RRG
Allied Professionals Insurance Co. RRG	Health Care and Social Assistance	2003	RRG
American Association of Orthodontists RRG	Health Care and Social Assistance	2009	RRG
American Honda Insurance Corp.	Manufacturing	2007	Pure
American Pride Captive Insurance Company	Health Care and Social Assistance	2004	Pure
Apple Insurance Company, Inc.	Manufacturing	2008	Pure
Applied Medico-Legal Solutions RRG	Health Care and Social Assistance	2003	RRG
AquaGuardian Insurance	Construction	2010	Association
Ark Defense, Inc.	Health Care and Social Assistance	2007	Pure
Associated Insurance Company for Excess (AICE)	Administrative and Support and Waste Management and Remediation Services	2007	Pure
Azul Insurance Company Limited	Utilities	2006	Pure
Black Diamond Insurance, Inc.	Arts, Entertainment, and Recreation	2009	Pure
Bradstreet Assurance Associates. Ltd.	Arts, Entertainment, and Recreation	2008	Pure
BRS Insurance Co.	Accommodation and Food Services	2010	Pure

California Medical Group RRG	Health Care and Social Assistance	2004	RRG
Cambridge Arizona Insurance Company	Health Care and Social Assistance	2008	Pure
Care Improvement Reinsurance Corporation of America	Health Care and Social Assistance	2007	Pure - Reinsurance
Cart Captive Assurance Co.	Construction	2005	Pure
Cast Captive Insurance Co.	Transportation and Warehousing	2004	Pure
Centurion Medical Liability Protective RRG	Health Care and Social Assistance	2004	RRG
Charitable Service Providers Reciprocal RRG	Health Care and Social Assistance	2004	RRG
Charter Life Insurance Co., Inc.	Finance and Insurance	2005	Protected Cell
Chip Re Inc.	Manufacturing	2006	Pure
Clear Lake Insurance Co.	Construction	2006	Pure
Cypress	Manufacturing	2008	Pure
DB Selective	Construction	2006	Pure
Development Insurance Group	Construction	2008	Pure
Diversified Insurance Co.	Construction	2006	Pure
DMG Insurance Co.	Health Care and Social Assistance	2007	Pure
Elite Transportation RRG	Transportation and Warehousing	2005	RRG
Embassy Insurance Corp.	Construction	2005	Pure
Enterprise Indemnity Captive Insurance Co.	Finance and Insurance	2004	Pure
Escoba Insurance Company	Construction	2006	Pure

EyeMed Insurance Co.	Manufacturing	2010	Pure - Reinsurance
Fairway Insurance Company	Arts, Entertainment, and Recreation	2005	Pure
Fort Gatlin Assurance Company	Construction	2008	Pure
Fort Wayne Medical Assurance Company RRG	Health Care and Social Assistance	2006	RRG
Franchise Insurance Group	Accommodation and Food Services	2009	Industry Group
Global One Insurance Co.	Professional, Scientific, and Technical Services	2004	Pure
Healthcare Captive Insurance Co.	Health Care and Social Assistance	2004	Pure
Hospitality Ins. Solutions	Accommodation and Food Services	2006	Pure
Huntington Captive Ins. Co.	Finance and Insurance	2006	Pure
Independent Innovative Captive Insurance Company	Retail Trade	2005	Pure - Reinsurance
Innovative Physician Solutions RRG	Health Care and Social Assistance	2005	RRG
Ironwood Insurance Company	Construction	2006	Pure
Maricopa Captive Insurance Co., Inc.	Construction	2005	Pure
Memorial Captive Insurance Co.	Health Care and Social Assistance	2004	Pure
MG Re, Inc.	Finance and Insurance	2011	Pure - Reinsurance
Midwest Provider Insurance Co. RRG	Health Care and Social Assistance	2004	RRG
Mohave Transportation Insurance Co.	Transportation and Warehousing	2006	Pure
Northwestern Arizona Regional Insurance Co.	Health Care and Social Assistance	2007	Pure
NW Re, Ltd.	Wholesale Trade	2009	Pure

OHSU Insurance Company	Health Care and Social Assistance	2008	Pure
Olympia RRG	Health Care and Social Assistance	2008	RRG
Orange County Medical Reciprocal Ins. Co. RRG	Health Care and Social Assistance	2004	RRG
Osprey Insurance	Manufacturing	2007	Pure
Pacific Captive Insurance Co.	Agriculture, Forestry, Fishing and Hunting	2004	Industry Group
PacWest Captive Ins. Co	Finance and Insurance	2003	Agency
Paragon Insurance Co.	Construction	2005	Pure
PCR	Construction	2008	Pure
Peconic Indemnity Co.	Finance and Insurance	2004	Pure
Penn-Ohio Life Insurance Co.	Finance and Insurance	2007	Pure - Reinsurance
Perimeter	Construction	2008	Pure
PharmaCare Captive Re, Ltd.	Retail Trade	2005	Pure - Reinsurance
PHP RRG	Health Care and Social Assistance	2007	RRG
Providence Assurance Inc.	Health Care and Social Assistance	2007	Pure
Pruco Reinsurance, Ltd.	Finance and Insurance	2011	Pure - Reinsurance
Prudential Arizona Reinsurance Captive Co.	Finance and Insurance	2004	Pure - Reinsurance
Prudential Arizona Reinsurance Co. III	Finance and Insurance	2008	Pure - Reinsurance
Prudential Arizona Reinsurance Term Company	Finance and Insurance	2010	Pure - Reinsurance
Prudential Arizona Reinsurance Universal Company	Finance and Insurance	2011	Pure - Reinsurance

QCS Insurance Co.	Wholesale Trade	2006	Association
Red Rock RRG	Transportation and Warehousing	2010	RRG
Restoration RRG	Construction	2004	RRG
Risk Resources	Manufacturing	2007	Pure
Riverside Captive Insurance Company	Retail Trade	2004	Pure
Royal Assurance	Transportation and Warehousing	2008	Pure
Saguaro National Captive Insurance Co.	Administrative and Support and Waste Management and Remediation Services	2004	Pure
SBLI Re, LLC	Finance and Insurance	2007	Pure - Reinsurance
SC Insurance Company	Health Care and Social Assistance	2010	Pure
Scottsdale Captive Insurance Co.	Health Care and Social Assistance	2005	Pure
Social Services Providers Captive Ins. Co.	Health Care and Social Assistance	2005	Pure - Reinsurance
South States Insurance Company, Inc.	Construction	2009	Pure
Southeastern Legacy Insurance Company	Finance and Insurance	2011	Pure - Reinsurance
Southwest Insurance Co.	Construction	2007	Pure
SRP Captive Risk Solutions, Ltd.	Utilities	2003	Pure
Tenn Re	Transportation and Warehousing	2008	Pure
TGG Captive Insurance Co.	Health Care and Social Assistance	2002	Pure
TPC Insurance Services, Inc.	Construction	2009	Pure - Reinsurance
Tri-Vecta Indemnity Company, Inc.	Construction	2009	Pure

Universal Prudential	Finance and Insurance	2006	Pure - Reinsurance
UVN Insurance Co.	Information	2010	Pure
Valley Assurance Company	Health Care and Social Assistance	2008	Pure
Washington & Michigan	Finance and Insurance	2008	Pure
Western Insurance RRG	Construction	2004	RRG
Xpress Assurance, Inc.	Transportation and Warehousing	2007	Pure