



Submit electronically to: [DFR.CaptiveMail@vermont.gov](mailto:DFR.CaptiveMail@vermont.gov)

Or mail to: DFR – Captive Division, 89 Main Street, Montpelier, VT 05620 – 3101

(p) 802-828-3304 | <http://www.dfr.vermont.gov/>

**DEPARTMENT OF FINANCIAL REGULATION**  
**REQUEST FOR CHANGE IN BUSINESS PLAN**  
**FOR ADDITION OF PROTECTED CELL(S)**  
**GENERAL INSTRUCTIONS**

This form is intended for use when forming a protected cell(s) of an existing, licensed sponsored captive insurance company. If seeking a license for a new sponsored captive insurance company with proposed protected cells, please use the general application form found on our website.

If the intent of the licensed sponsored captive insurance company's business plan is to have multiple cells with substantially similar business plans but different cell owners/participants, this form is not required for each cell. However, all relevant information must be included with request to add cells.

1. Prior to completing the Request, it may be advisable to coordinate a meeting with the Vermont Department of Financial Regulation (Department). If the business plan for the proposed cell will be substantially like that of other cells already operating within the licensed sponsored captive, a meeting is not necessary.
2. The **Request for Change in Business Plan for Addition of Protected Cell(s) "Request"** is a "fillable" PDF Form only, and it is recommended to open and complete in Adobe Acrobat. Note: Printing a blank form for manual completion is not recommended, as questions with the drop down 'Select One' response do not print.
3. The **Request** must be filled out in its entirety with all materials attached, including those items listed in question 11, as applicable. A written explanation is required for any items deemed not applicable. IF materials were previously provided for the licensed sponsored captive insurance company and/or other cell(s), please note as such.
4. The **Request** and related materials should be submitted through: [DFR.CaptiveMail@vermont.gov](mailto:DFR.CaptiveMail@vermont.gov)

Review of the **Request** to add a protected cell can vary significantly depending on the complexity of the business plan. The Department strives to take no longer than thirty (30) days from receipt of the complete form and the typical turn-around time is five (5) business days.

Upon approval the Department will return a secure copy of the Business Plan Change Request form with the DFR Stamp of Approval.

Please refer to our [Guidance for Protected Cells](#) document as a resource. For questions and further guidance, please contact:

**Christine A. Brown, CFE**  
*Director of Captive Insurance*  
**Vermont Department of Financial Regulation**  
[email]: [christine.brown@vermont.gov](mailto:christine.brown@vermont.gov)

**Jim DeVoe-Talluto, CPA, CFE**  
*Assistant Director of Captive Insurance*  
**Vermont Department of Financial Regulation**  
[email]: [jim.devoe-talluto@vermont.gov](mailto:jim.devoe-talluto@vermont.gov)



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[User Fillable PDF Form Only]

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1. Name of licensed sponsored captive insurance company:

\_\_\_\_\_

VT License # \_\_\_\_\_ License Date \_\_\_\_\_

2. Individual to be contacted regarding this business plan change request: \_\_\_\_\_

\_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_ E-Mail \_\_\_\_\_

3. Are you forming multiple protected cells with this request? YES NO

If yes, attach a schedule including the information requested in items #4-8 with business plan, including coverage/limits and effective dates by cell. See General Instructions for additional information.

4. Name of proposed protected cell:

\_\_\_\_\_

5. Will protected cell be formed as an incorporated protected cell (IPC)? YES NO

If yes, select form of organization \_\_\_\_\_

6. Name of participant/owner of the cell (**attach additional pages as needed**):

Name \_\_\_\_\_

Address \_\_\_\_\_

\*Enclose Financial Statements (audited or unaudited), or 10K's of the participant/owner.

Provide organizational chart, including the specific identity of any insurance affiliates.

7. Proposed Capital and Surplus of cell

(a) Capital \$ \_\_\_\_\_  
Surplus \$ \_\_\_\_\_  
Total \$ \_\_\_\_\_

\*If a Letter of Credit is to be used to satisfy capital and surplus requirement, see General Instructions.

8. Basis of Accounting

If "other accounting", please explain: \_\_\_\_\_

9. VT Approved Captive CPA\*\*, if different from that of Sponsor \_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_ E-Mail \_\_\_\_\_

10. VT Approved Captive Actuary\*\*, if different from that of Sponsor \_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_ E-Mail \_\_\_\_\_

**\*\*For Responses to Questions 9 and 10, above, must be Vermont Captive Approved Service Providers. To confirm go to <https://dfr.vermont.gov/industry/captive-insurance/become-vermont-captive/approved-service-providers> and if not approved, Applications may be found at <https://dfr.vermont.gov/captive-insurance/become-vermont-captive/applications-and-forms>**

11. Include the following with this request (if **not** included, please attach a written explanation):

Included

- (a) If an incorporated protected cell: Draft Articles of Incorporation/Organization and Bylaws or, if formed as a reciprocal, a draft of the Power of Attorney-in-fact and Subscribers' Agreement.
- (b) If an incorporated protected cell: Biographical Affidavit for each Director not previously provided for the Sponsor, using either Vermont's prescribed Biographical Affidavit form or the NAIC's Biographical Affidavit form. Note: No resident director requirement for cells.
- (c) Composition of governing body and description of oversight function.
- (d) Draft Participation Agreement.
- (e) List of service providers, including:

- (1) Responsibilities
  - (2) Fee structure/estimated fees
  - (3) Affiliations between service providers and sponsor and/or cell
  - (4) Draft service agreements/engagement letters, if available.
- (f) Detailed Plan of Operation with supporting data including:
- (1) Information about participant(s), including but not limited to name(s), industry, relationship with Sponsor and/or among other participants (if any), state(s) in which they operate.
  - (2) Risks to be insured (direct/assumed) by line of business, including basis of coverage (claims-made, occurrence or modified claims-made); per occurrence/aggregate limits; combined limits; deductibles or self-insured retentions; effective date(s) of coverage.
  - (3) Fronting company, if applicable, including collateral requirements and type/form of security.
  - (4) Name of Trustee and draft Trust Agreement, if applicable.
  - (5) Reinsurance program by line of business, including amount or % reinsured, legal name(s) of reinsurer(s), domiciliary jurisdiction of reinsurer(s) and AM Best number(s)/NAIC code(s);
  - (6) Maximum retained risk (per occurrence and annual aggregate);
  - (7) Marketing/sales plan and materials;
  - (8) Underwriting strategy;
  - (9) Claims handling information;
  - (10) Description of loss prevention program, including key processes and procedures.
- (g) Loss projections/loss pick determined by actuary.
- (h) Financial projections for a five-year period on an expected and adverse basis, including assumptions for each scenario (note: projected capital should support both expected and adverse scenario)
- (i) Request(s) for permitted practice(s)
- (j) Sample insurance policy
- (k) Draft reinsurance agreement(s)
- (l) Description of investment policy.

I CERTIFY THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF ALL THE INFORMATION GIVEN IN THIS APPLICATION IS TRUE AND CORRECT AND THAT ALL ESTIMATES GIVEN ARE TRUE ESTIMATES BASED UPON FACTS WHICH HAVE BEEN CAREFULLY CONSIDERED AND ASSESSED.

Printed Name \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_

Title and Business Affiliation \_\_\_\_\_