



June 20, 2013

Hon. James J. Donelon, President
National Association of Insurance Commissioners
c/o Louisiana Department of Insurance
P.O. Box 94214
Baton Rouge, LA 70804-9214

Hon. Ben Nelson, Chief Executive Officer
National Association of Insurance Commissioners
444 North Capitol Street NW, Suite 701
Washington, DC 20001

Doug Slape, Chair
Captive and Special Purpose Vehicle Use (E) Subgroup
National Association of Insurance Commissioners
c/o Texas Department of Insurance
P.O. Box 149104
Austin, TX 78714

RE: New York Department of Financial Services Call for "National Moratorium"
on Captive Insurance Transactions

Gentlemen,

The Captive Insurance Companies Association (CICA) is the domicile neutral trade association for the captive insurance industry. Our members are primarily North American based, but our mission is to represent the captive insurance industry without regard to individual domiciles or regulators.

As you know, Benjamin M. Lawskey, Superintendent of Financial Services for the New York State Department of Financial Services, recently issued a report criticizing the captive insurance industry that included a vaguely worded call for a national moratorium on captive insurance transactions.

CICA would like to take this opportunity to thank NAIC President Jim Donelon for his thoughtful rejection of Mr. Lawskey's call for a national moratorium and for his observation that the NAIC already has a process for addressing some of the concerns identified by Mr. Lawskey without attacking the long established captive insurance industry that is carefully regulated by the various members of the NAIC who have been authorized by their state legislatures to regulate captive insurance companies.


Reply to: CICA Administrative Office
4248 Park Glen Road
Minneapolis, MN 55416
Phone: (952) 928-4655; Fax: (952) 929-1318
e-mail: info@CICAWorld.com

CICA President
1401 S. Ocean Blvd #1007
Pompano Beach, FL 33062
Phone: (954) 960-2627
e-mail: dharwick@CICAWorld.com

We were particularly troubled by Mr. Lawsky's comments impugning the regulation of captive insurance companies in states with a long history of credible regulatory oversight.

CICA's principal concern is that the traditional captive insurance market from which our members are drawn will be negatively affected by Mr. Lawsky's concerns about a very narrow and unconventional form of reinsurance transaction utilized by banks and life insurance companies. While acknowledging that the regulators may require a more in-depth review of those transactions, CICA objects to the broad negative characterization of the entire captive insurance industry in Mr. Lawsky's report.

Respectfully submitted,



Dennis P. Harwick
PRESIDENT

CC: Dan Daveline, Assistant Director – Financial Regulatory Services
Jan Koenigsman, Life/Health Financial Analysis Manager
Captive and Special Purpose Vehicle Use (E) Subgroup
National Association of Insurance Commissioners

NAIC Main Office
110 Walnut Street, Suite 1500
Kansas, City, MO 64106