

**State of Arizona**  
**Department of Insurance**  
**Captive Insurance Division**  
**Facts and Statistics**  
**As of December 31, 2014**

<b>Applicable Law:</b>	Arizona Revised Statutes §20-1098 et seq. and other 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 the AZ Corporation Commission)
	Captive Renewal License	5,500
	Examination	Varies
<b>Captive Insurance Division Contact Information:</b>	Vincent Gosz, Chief Analyst Rae Hughes, Captive Analyst Maidene Scheiner, Administration 2910 N. 44 <sup>th</sup> St., Suite 210 Phoenix, Arizona 85018 Telephone: 602-364-4490 Fax: 602-364-3989 <a href="http://www.azinsurance.gov/">http://www.azinsurance.gov/</a>	

### **Arizona's Advantages:**

- 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 routine 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's 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 as of December 31, 2014

Year	Licensed	Dissolved, Redomesticated, Withdrawn	Net Growth Count	Cumulative Count	Net Growth Percentage	Pending Applications
2014	13	5	8	114	8%	1
2013	9	3	6	106	6%	
2012	8	6	2	100	2%	
2011	4	3	1	98	1%	
2010	8	10	-2	97	-2%	
2009	7	14	-7	99	-7%	
2008	18	5	13	106	14%	
2007	25	2	23	93	33%	
2006	21	4	17	70	32%	
2005	17	1	16	53	43%	
2004	24	2	22	37	147%	
2003	14	3	11	15	275%	
2002	4	0	4	4		
Total	172	58	114			

## Distribution by Captive Type

Type of Captive	December 31, 2014			December 31, 2013		December 31, 2012		December 31, 2011	
	Current Count	Percent of Total	Pending Apps	Count	Percent of Total	Count	Percent of Total	Count	Percent of Total
Pure	72	63%		66	62%	62	62%	58	60%
Pure - Reinsurance	21	18%		18	17%	15	15%	16	16%
Industry Group	3	3%		2	2%	2	2%	2	2%
Association	2	2%		2	2%	2	2%	2	2%
Agency	2	2%	1	1	1%	1	1%	1	1%
Protected Cell	1	1%		1	1%	1	1%	1	1%
RRG	13	11%		16	15%	17	17%	17	18%
Total	114	100%	1	106	100%	100	100%	97	100%

## Distribution by Industry Classification\*

Industry Classification	December 30, 2014			December 31, 2013		December 31, 2012		December 31, 2011	
	Current Count	Percent of Total	Pending Apps	Count	Percent of Total	Count	Percent of Total	Count	Percent of Total
Health Care and Social Assistance	29	25%		30	28%	29	27%	28	29%
Construction	19	17%		19	17%	20	18%	21	22%
Finance and Insurance	25	22%	1	20	18%	18	17%	16	16%
Transportation and Warehousing	7	6%		7	6%	7	6%	7	7%
Manufacturing	9	8%		9	8%	9	8%	7	7%
Retail Trade	3	3%		3	3%	3	3%	3	3%
All Other	22	19%		18	17%	14	13%	15	15%
Total	114	100%	1	106	97%	100	92%	97	100%

## Non-RRG vs. RRG by Industry Classification\*

Industry Classification	Non-RRG Captives		Captive 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	17	17%	12	92%	29	25%	59%	41%
Construction	19	19%	0	0%	19	17%	100%	0%
Finance and Insurance	25	25%	0	0%	25	22%	100%	0%
Transportation and Warehousing	6	6%	1	8%	7	6%	86%	14%
Manufacturing	9	9%	0	0%	9	8%	100%	0%
Retail Trade	3	3%	0	0%	3	3%	100%	0%
All Other	22	22%	0	0%	22	19%	100%	0%
Total	101	100%	13	100%	114	100%	89%	11%

\* Industry Classification 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.

## Captive Insurance 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.

<b>Captive's Name</b>	<b>Industry Group</b>	<b>Year Licensed</b>	<b>Captive Type</b>
1873 Group, Inc.	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 Company, Inc.	Construction	2010	Association
Arizona Health Reciprocal Insurance Company	Health Care and Social Assistance	2014	Industry Group

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
AXA Re Arizona Company	Finance and Insurance	2012	Pure - Reinsurance
Azul Insurance Company Limited	Utilities	2006	Pure
Best Practices Re, Inc.	Healthcare	2013	Pure - Reinsurance
Big Sky Reinsurance, Inc.	Educational Services	2014	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
Cast Captive Insurance Co.	Transportation and Warehousing	2004	Pure

Central Farmers Insurance, Inc.	Manufacturing	2014	Pure
Centurion Medical Liability Protective RRG	Health Care and Social Assistance	2004	RRG
Charitable Service Providers Reciprocal Group Captive	Health Care and Social Assistance	2004	Industry Group
Charter Life Insurance Co., Inc.	Finance and Insurance	2005	Protected Cell
Cherokee Guarantee Company, Inc. A Risk Retention Group	Health Care and Social Assistance	2012	RRG
Clear Lake Insurance Co.	Construction	2006	Pure
CS Life RE Company	Finance and Insurance	2014	Pure - Reinsurance
CST Insurance Company	Finance and Insurance	2014	Agency
Cypress Insurance Company	Manufacturing	2008	Pure
DB Selective Insurance Group Inc.	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
Drake Property & Casualty Insurance Company	Finance and Insurance	2014	Pure - Reinsurance
Earl Grey Insurance Company, Inc.	Manufacturing	2012	Pure
Elite Transportation RRG	Transportation and Warehousing	2005	RRG
Embassy Insurance Corp.	Construction	2005	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



Gulf Atlantic Casualty Insurance Co.	Construction	2014	Pure
Healthcare Captive Insurance Co.	Health Care and Social Assistance	2004	Pure
Heartland Risk Management Company	Health Care and Social Assistance	2012	Pure
Heinz-Noble, Inc.	Manufacturing	2014	Pure
Hospitality Ins. Solutions, Inc.	Accommodation and Food Services	2006	Pure
Huntington Captive Ins. Co.	Finance and Insurance	2006	Pure
Hyundai Capital Insurance Company	Manufacturing	2012	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
Jameson Insurance Company	Transportation and Warehousing	2013	Pure
Kamila Insurance Company	Finance and Insurance	2014	Pure

KZAD Captive, Inc.	Staffing and Related	2013	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
Miranda Insurance Company, Inc.	Real Estate	2014	Pure
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
Orange County Medical Reciprocal Ins. Co. RRG	Health Care and Social Assistance	2004	RRG
Osprey Insurance	Manufacturing	2007	Pure
Pacific Annuity Reinsurance	Finance and Insurance	2012	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 Insurance Co.	Construction	2008	Pure
Peconic Indemnity Co.	Finance and Insurance	2004	Pure
Penn-Ohio Life Insurance Co.	Finance and Insurance	2007	Pure - Reinsurance
Perimeter Insurance Company, Inc.	Construction	2008	Pure
PharmaCare Captive Re, Ltd.	Retail Trade	2005	Pure - Reinsurance
PHP RRG	Health Care and Social Assistance	2007	RRG
Ponderosa Indemnity, Inc.	Construction	2012	Pure
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
Prudential Term Reinsurance Company	Finance and Insurance	2014	Pure - Reinsurance
Prudential Universal Re	Finance and Insurance	2013	Pure - Reinsurance
QCS Insurance Co.	Wholesale Trade	2006	Association
Red Rock RRG	Transportation and Warehousing	2010	RRG
Risk Resources Ltd.	Manufacturing	2007	Pure
Riverside Captive Insurance Company	Retail Trade	2004	Pure
Royal Assurance, Inc.	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
Security Life of Denver International	Finance and Insurance	2013	Pure - Reinsurance
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
Spackler Insurance Company	Professional Services	2014	Pure
SRP Captive Risk Solutions, Ltd.	Utilities	2003	Pure
Standardbearer Insurance Company, Inc.	Healthcare and Social Assistance	2013	Pure
Tenn Re	Transportation and Warehousing	2008	Pure
TGG Captive Insurance Co.	Health Care and Social Assistance	2002	Pure
The Medical Alliance Insurance Company	Health Care and Social Assistance	2013	Pure

TPC Insurance Services, Inc.	Construction	2009	Pure
United Insurance Services, Inc.	Finance and Insurance	2014	Pure
Universal Prudential Arizona Reinsurance Company	Finance and Insurance	2006	Pure - Reinsurance
UVN Insurance Co.	Information	2010	Pure
Washington & Michigan Insurance, Inc.	Finance and Insurance	2008	Pure
Western Insurance Group	Construction	2013	Pure
Xenia Assurance Company, Inc.	Hotels	2013	Pure
Xpress Assurance, Inc.	Transportation and Warehousing	2007	Pure