

INSIDE the Beltway

Written by Dave Kirby

Task Force Makes Congressional Rounds on Behalf of Enterprise Risk Captives

SIIA's "summer soldiers" trudged through triple-digit heat throughout Capitol Hill to rally Congressional support for captive insurance companies that cover the often unique risks of small businesses. This was the latest foray by members of the Enterprise Risk Captive Advocacy Task Force (ERCATF) appealing for clarification of the new law taking effect in 2017 governing captives that operate under the Internal Revenue Service (IRS) code 831(b).

Members of the task force and others in the captive industry have expressed uncertainty with some aspects of the new law as it applies to captive company ownership, valuation and other elements. Previously, SIIA members and staff had made repeated visits to members of Congress, the congressional Joint Committee on Taxation (JCT) and the IRS.

"It's imperative that we make sure that all the key people and committees on the Hill understand the importance of small captives and consider further legislative action to improve the risk mitigation capabilities of small and medium sized businesses," said **Ryan Work**, SIIA's vice president of government relations during a briefing for task force members prior

to their Congressional visits. The congressional meeting schedule put together by SIIA staff focused on senators and representatives of captive domicile states as well as Members of key committees that would be likely to consider future legislation affecting enterprise risk captives.

"It's important to remember that the glass isn't even half empty, in fact it's pretty full," said committee chair Jeff Simpson. *"By increasing the allowable annual premium under 831(b) from \$1.2 million to \$2.2 million (indexed to inflation), the new law has already proved beneficial to owners of small captives. Now there are just a few more details we need help with from the government."*

Task force member **Doug Butler** of MIJS Captive Management LLC of Atlanta was participating in his first round of Congressional visits with SIIA. "I'm impressed that SIIA members who otherwise may be in competition for some of the same business have come together for the good of our industry," he said. "It's important to note at this point that we and members of Congress really want the same outcomes – to operate small captives in the right way for everyone's benefit."

Kevin Doherty, a longtime member of SIIA's Alternative Risk Transfer (ART) Committee who also serves as president of the Tennessee Captive Insurance Association, said that SIIA's leadership provides a good chance for long range success of the small captive industry. "As a non-domiciliary-specific organization, SIIA has unique attributes in federal legislative affairs that can help





Office of Senator Tim Scott, SIIA Members Keith Langlands, Joel Pina and Doug Butler

the state organizations focus on the best ways to serve their industries and markets. In this way, SIIA can serve as everyone's Washington office for captive insurance matters," he said.

ERCATF "Summer Soldiers"

Members of the Enterprise Risk Captive Advocacy Task Force participating in the July round of Congressional visits: **Bill Buechler**, Crow Horwath; **Doug Butler**, MIJS Captive Management; **John Capasso**, Captive Planning Associates; **Kevin Doherty**, Nelson Mullins; **Jeremy Huish**, Artex; **Keith Langlands**, Synergy Captive Strategies; **Chaz Lavelle**, Bingham, Greenbaum, Doll LLP; **Josh Miller**, KeyState; **Michael O'Malley**, Strategic Risk Solutions; **Joel Pina**, Keystone; **Joanne Shaver**, Intuitive; **Jeff Simpson**, Gordon, Founaris & Mammarella, PA. ■

Congressional Offices Visited by SIIA Members

Senate

- Sen. Lamar Alexander (R-TN)
Chairman, HELP Committee
- Sen. Tom Carper (D-DE)
Finance Committee
- Sen. Chris Coons (D-DE)
Finance Committee
- Sen. Bob Corker (R-TN)
Banking Committee
- Sen. Charles Grassley (R-IA)
Finance Committee
- Sen. Dean Heller (R-NV)
Finance Committee
- Sen. Johnny Isakson (R-GA)
Finance Committee
- Sen. David Perdue (R-GA)
Budget Committee
- Sen. Tim Scott (R-SC)
Finance Committee
- Jim Lyons, Majority Tax Counsel
Finance Committee

House of Representatives

- Rep. Marsha Blackburn (R-TN)
Energy and Commerce Committee
- Rep. John Carney (D-DE)
Financial Services Committee
- Rep. Dr. Phil Roe (R-TN)
Education and Workforce Committee

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