



MISSOURI SENATE

JEFFERSON CITY

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Major Economic Development Tool Lands on Governor's Desk

Bill Forming Captive Insurance Companies Clears Last Legislative Hurdle on Final Day of Session

JEFFERSON CITY – Sen. John Loudon, R-Chesterfield, is pleased to announce today that the legislature has passed his [Senate Bill 215](#) that will allow captive insurance companies to form in Missouri. Captive insurance companies only insure all or part of the risks of its parent company.

“These are high-paying, white-collar jobs,” said Sen. Loudon. “I can’t think of a single proposal in the last several years that will create hundreds of millions of dollars of economic activity. Captive insurance is one tool companies use to manage their costs, which in turn, help keep the cost of everyone’s insurance premiums down. [SB 215](#) will serve as a major catalyst for the state’s economy.”

Analysts predict that 50 or more new captive insurance companies will be formed in Missouri in the next three years. The tax and fees alone from these companies will add as much as \$10 million to state coffers.

[SB 215](#) will allow captive insurance companies to apply to the Department of Insurance, Financial Institutions & Professional Registration for a license to provide insurance and annuity contracts to parent, affiliated, or controlled unaffiliated companies. They won’t be allowed to provide personal vehicle or homeowner’s insurance. Worker’s compensation may be reinsured by the captive insurance provider. The measure also addresses the formation of special purpose life reinsurance captives (SPLRCs) to facilitate financing life insurance, annuity, or accident and health reserves.

“Passage of [SB 215](#) is a win-win-win situation for all involved,” said Sen. Loudon. “Insurance companies will stay more viable and pass their reduced risks along in reduced premiums for businesses. Those businesses then will be able to invest more into their actual operations, fueling their growth –

helping Missouri's overall economy grow. I look forward to Governor Blunt signing this economic development bill."

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