

JLT Towner Releases Update on Dodd-Frank

Burlington, VT (October 24, 2012) – More than two years ago, the Nonadmitted and Reinsurance Reform Act (NRRA) was signed into law as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Dodd-Frank was and continues to be a work in progress, according to a new paper by JLT Towner's Thomas P. Stokes.

“There are some very thorny issues that are still to be resolved,” says Stokes, U.S. Consulting Practice Leader for JLT Towner Group. “We remain concerned how states, reacting to loosely worded federal legislation, will interpret the business conducted by captive insurance companies. There is the potential states will see some captive business as a revenue source.”

The paper cites recent developments that muddle some issues involving the federal law. Because states have now begun to act on their own, creating a hodge-podge of potentially different treatments of captive business, Congress may need to legislate a more specific tax-sharing arrangement to end the confusion.

As Stokes says in the paper, do not expect any such solution soon – at least until well after the November elections. Until then, JLT Towner recommends that captives conduct a thorough analysis to determine if and when action is needed.

Clients and friends can download the paper, titled *Keeping Up with Dodd-Frank*, on the JLT Towner website under *Thought Leadership Papers*.

To learn about these and other issues that may affect your captive, please contact us. JLT Towner Group US and our global partner, JLT Insurance Management, can assist you with your captive management and risk financing efforts.

JLT Towner Group US is an independent, full-service captive insurance management and captive consulting company with a multi-domicile reach. A partner of Hanover Stone Partners, LLC, JLT Towner is dedicated to providing alternative risk solutions to meet diverse needs.

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