

ISLE OF MAN. WHERE YOU CAN BE CONFIDENT IN A PREMIER CAPTIVE DOMICILE JURISDICTIONAL COMPARISON



The table below compares the Isle of Man to its nearest competitor jurisdictions in respect of its captive insurance capabilities

Strategic Considerations		European Offshore		European Onshore		International Offshore
		Isle of Man	Guernsey	Ireland	Malta	Bermuda
Infrastructure	Expertise in Insurance/Reinsurance/Captive Availability of Professional Services Capacity to Expand	Yes Yes Yes ¹	Yes Yes No - restrictions apply	Yes Yes Yes	Yes Yes Yes	Yes Yes No - restrictions apply
Access and Communications	Business Flight Connections Modern Telecommunications Outside Natural Catastrophe Zone	Daily to UK & Ireland Yes Yes	Daily to UK & Ireland Yes Yes	Daily International Yes Yes	Daily to Europe Yes Yes	Daily to United States/UK Yes No - Hurricane risk
Regulatory Environment	Flexibility Outside of EU Regulation Within EU VAT Zone	Yes Yes Yes ²	Yes Yes No	No - encumbered by EU No - EU Member Yes	No - encumbered by EU No - EU Member Yes	Yes Yes No
Reputation	'AA' Standard & Poor's Sovereign Rating IMF/OECD/FATF Compliant	Yes Yes	Yes Yes	No - 'BBB+' Rated Only Yes	No - 'A-' Rated Only Yes	Yes Yes
Political	Acceptability to reinsurers/fronting insurers	Yes	Yes	Yes	Yes	Yes
Domicile Maturity	Political Stability More than 100 captives managed More than 10 years Captive experience	Yes Yes Yes	Yes Yes Yes	Yes Yes Yes	Yes No No - Established in 2004	Yes Yes Yes
Financial Considerations						
Banking	Availability of International bank Comprehensive range of banking services	Yes Yes	Yes Yes	Yes Yes	Yes Yes	Yes Yes
Taxation	Low Tax Domicile (Headline Tax Rate <10%) Compliant with EU Code of Conduct Group on business taxation	Yes - 0% rate for Insurers Yes	Yes - 0% rate for Insurers Yes	No - 12.5% rate for Insurers Yes	No - 35% rate for Insurers ³ Yes	Yes - 0% rate for Insurers N/a
Capital	Multiple forms of capital allowed 100% loan back to parent (subject to approval)	Yes Yes	Yes Yes	Yes No ⁵	Yes No	Yes Yes
Solvency II	Outside Solvency II	Yes	Yes	No	No	No ⁴ - Solvency II equivalence applied for
Operational Considerations						
Licensing	Speedy Set Up process	Yes	Yes	No - Minimum 3 months	No - Minimum 3 months	Yes
Captive Programmes	Ability to write Insurance & Reinsurance in one vehicle Protected Cell Company legislation Incorporated Cell Company legislation International Life Insurance Centre Limited Liability Partnerships	Yes Yes Yes Yes Yes	Yes Yes Yes No Yes	No No No No Yes	Yes Yes Yes No Yes	Yes Yes No No Yes
Redomiciliation legislation	Ease of Transfer in/out of domicile	Yes	Yes	No	Yes	Yes

¹ Capacity - Pragmatic work permit system operated and lower population density than UK.

² EU VAT - within the VAT zone for transactions which require registration for financial efficiency.

³ Effective rate can be reduced through tax credit system.

⁴ Current thought is that Bermuda will not apply Solvency II to captive insurance companies.

⁵ Free cash in excess of minimum solvency requirements and subject to regulatory approval.