



2025 Captive Industry Survey & Trend Report

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INTRODUCTION

The fifth annual Self-Insurance Institute of America, Inc. (SIIA) Captive Industry Survey is meant to help member companies and individuals understand the current state of the captive industry, and serve the needs of current and potential business. Nearly 70 individual captive companies, service providers, brokers, and owners provided feedback, covering a number of important topics in the captive space.

SIIA would like to thank the members of the Captive Committee, survey participants, and the captive owners who participated in this survey, as well as the members who continue to proactively engage in advocacy activities to improve, grow, and strengthen the industry.

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GENERAL INDUSRY TRENDS AND HIGHLIGHTS

The 2025 Captive Survey results demonstrate consistent and encouraging growth for the industry over recent years. For the fourth straight year, respondents collectively ranked their sentiments on the future of the captive industry as bullish. This year's survey features a general industry section, service provider section, and owners' section, largely consistent with the previous year's questions, in order to observe valuable year-over-year industry trends. SIIA's Captive Committee made a point to expand on the recently added sections like: medical stop-loss specific captives, brokers, and prospective captive owners, to analyze areas of growth in the captive space.

You can view highlights, data, and historical trends from this year's survey below.

2025 SIIA CAPTIVE SURVEY TRENDS AND HIGHLIGHTS

- **General Industry Outlook Remains High**

Captive Survey respondents rated the future of the captive industry an 8 on a scale of 1-10. While this is still an encouraging report for the future of the industry, it is a slight drop from the score of 9, which has been reported each of the last four years.

- **Emerging Trends and Risks in the Captive Industry**

Respondents reported a number of trends and a broad range of emerging risks in the captive space, with the largest share centered on cost pressures – including high-cost drugs, specialty drugs, PBMs, and general cost control measures – which together account for nearly a third of responses. Medical stop-loss emerged as the single most frequently cited issue. Respondents also highlighted risk management strategies – such as pooling, retention, and managing renewals—as key tools for maintaining stability, while cyber and emerging risks reflect growing awareness of new threat vectors that captives need to underwrite or mitigate. Regulatory scrutiny, particularly from the IRS, remained a notable concern, pointing to the ongoing need for compliance vigilance. Finally, mentions of growth, entry barriers, and structure suggest that participants are also thinking strategically about the long-term sustainability and competitiveness of the captive model.

- **Gap or MSL Once Again Sees Most Increase in Captive Use**

For the third year in a row, gap or medical stop-loss was reported as the area in which respondents (62%) had seen the largest increase in use. The other areas that respondents reported seeing increased interest were Cyber (17%) and Professional Liability (13%). While the remaining 8% of respondents listed various topics, including P&C and climate-related risks.

- **Emerging Operational Trends and Concerns**

Price inflation was listed as the most concerning operational trend, selected by 35% of respondents. This selection has remained consistent over recent years, with it being the top concern and its selection ranging between 29% and 35% each of the last three years. The next most common trends listed were Mergers/ Acquisitions/ Consolidation (22%) and Creative Business Solutions (22%). Staffing Shortages were also listed as an issue by 12% of respondents. This was an interesting result, as prior to this survey, Staffing Shortages had been slowly climbing each year, culminating at 30% last year.

- **Increase in Staff Hiring Numbers**

The slight dip in sentiment is especially interesting when considering that staff hirings continue to grow. 73% of respondents reported adding staff in the past year; this is an increase from the previous year, when only 64% of respondents reported that they had added staff in the previous year. Although the number of companies reporting adding staff increased, the average number of staff added per company (9) slightly decreased from last year, when there was an average of 13 staff members hired.

- **Increase in Management Roles**

Similar to recent years, a significant number of these additions in staffing were underwriting, sales, and accounting roles. However, there was a significant increase in account managers and management staff overall reported in this year's survey.

- **Captive Formations Again Outpacing Closures**

For the fourth year in a row, captive formations have significantly outpaced closures. This year, survey respondents reported an average of nearly 4 new captive formations for every 1 captive closure per respondent in 2024. This is an increase from last year's rate of 3 formations to 1 closure.

- Captive Formations and Closures Decrease**

Although formations outpaced closures at a higher rate, the total for both formations and closures decreased from last year. We are starting to see a pattern of fluctuation, with the average numbers alternating between years. For example, this year the average captive formed per respondent was 19, while the average captive closed was 5. Respondents in last year's survey reported an average formation of 46 and an average closure of 16. The year before had an average of 4 captive formations and 1 closure, and 2022's survey reported 41 captive formations and 17 closures.
- Group Captives Listed as Most Popular Captive Structure Formed**

Group Captive was the most common structure formed this past year, selected by 35% of respondents. Cyber dropped from the most popular in last year's survey, to the third most popular this year, being selected by 20% of respondents. The second most popular group seen formed in this year's survey was Single Parent, selected by 35% of respondents. Single Parent has been a consistent selection, while other types have fluctuated over the years. The Single Parent selection has remained between 30% and 35% the last three years. Another year-over-year trend is that, for the first time in 4 years, not a single respondent selected RRG.
- Employee Benefits / MSL Sees the Most Growth**

For the third year in a row, Employee benefits/ Medical stop-loss was listed as the area that has seen the most growth, selected by 44% of respondents. Property and Casualty was the second most listed area at 27%. Respondents also listed Enterprise Risk and Workers compensation as other areas of growth.
- Captives Being Redomiciled, Moving Onshore**

For the second year in a row, responses show 34 captives have been redomiciled this past year. Responses once again report a trend of captives moving from offshore to onshore. Like last year, common onshore sites include Tennessee, North Carolina, and Vermont. When asked why, respondents pointed to the increasingly captive-friendly state regulatory environment.
- Captive Clients Served**

Respondents reported a record number of captive clients served this year. The responses show over 13,000 clients served. Although that number was skewed by a few strong outliers. Although the average was 620 clients served, the median was only 30. Interestingly, while the average and totals were the highest on record, the median was the lowest in 4 years. When removing the largest outlying number, the total and averages actually drop to around 6,000 and 258, respectively. That would place the figures well below the 2024 survey numbers of 7,665 total and 548 average.
- Total Captive Premium Amounts Reported Similar to Last**

The total captive premium amount reported this year (\$15,574.773,043) was nearly exactly the same as last year (\$15,281.000,000), however, interestingly enough, the average slightly decreased. This can be explained by the small increase in this year's number of respondents and slight decreases from some of the respondents in last year's survey. For example, the highest reported individual total in the 2024 and 2023 surveys was over \$8 billion; this year, the highest reported individual total was only \$5.3 billion.
- MSL Respondents Report Top Barriers for Entry**

The top reported barrier for entry into medical stop-loss captives concerned capitalization and financial requirements, with responses listing initial capital and buy-ins ins as their top concern. The second most common response concerned data and underwriting barriers. Many respondents highlighted that getting the right data for proper underwriting/risk evaluation could be a challenge. While the vast majority of responses fell into one of the previously mentioned two categories, respondents also listed market competition, regulatory, and expertise/model design as additional barriers.

- **Net Loss Ratio of the Captive Book of Business**

A narrow majority of respondents (56%) in the MSL section reported a Net Loss Ratio of Less than 80%. 28% of respondents reported a ratio between 81-90%, and 16% of respondents reported a ratio between 91-100%.

- **Distribution of Premiums**

When asked to describe their distribution of premium by group size, the majority of respondents (54%) reported that their group size was over 250. 46% reported having a group size between 101 and 250. When asked to describe their distribution of premiums by stop-loss deductible, there was a nearly even split among the answer choices. 27% percent of respondents list their deductibles in between 50k and 100k, 27% reported between 100k and 150k, 27% listed between 150k and 250k and 19% of respondents listed in between 250k and 500k.

- **Known Risks/Lasers Absorbed into the Captive Not Considered a Threat**

57% of respondents reported that they do not consider known risks/lasers absorbed into a captive as a threat to the overall captive health.

- **Brokers Using a Wide Range of Captives**

Brokers report working across a wide mix of captive structures, with single-parent captives and group captives cited most often. The third most reported response highlighted stop-loss focused captives. The rest report a mix of heterogeneous/homogeneous captives and industry-specific programs like medical and warranty captives.

- **Brokers List Improved Risk Management as the Main Driver for Captive Use**

47% of respondents listed Improved Risk Management as the main reason for captive use. Cost Savings were a clear second choice at 38%. The rest of the respondents listed reasons like Control of Claims and Shared Savings Models.

- **Brokers Overwhelmingly Believe Demand for Captives Will Continue to Grow**

90% of respondents using a captive believe that demand for captives will continue to grow over the next 5 years.

- **Opportunities for the Captive Industry to Improve on With Brokers Using Captives**

58% of respondents reported that they either “have not” or are “not sure” if their clients’ perceptions of their services have changed since getting involved with captives. When asked how likely they were to recommend a captive option to their other clients 63% of respondents reported that they are “highly likely” to do so while 37% said they would be “likely” to do so. It is notable that no respondents said they would not recommend captives, but the responses reveal room for growth among the significant group that said they are only “likely”.

- **Brokers Not Using Captives**

Similar to last year, there was a limited response for the brokers not using a captive section, but the few responses we received confirmed what many in the industry suspected. The main reason some brokers are not using captives is because they report that they do not know enough about them to recommend them to clients. All respondents reported that the current market is limiting their ability to manage their clients’ risk, and that they believe offering a captive option could provide a solution. Furthermore, respondents indicated that they have seen competitors successfully implement captive solutions and that they would be open to doing so themselves. The clear takeaway from this section is that there is an opportunity for the captive industry to identify and educate brokers on the benefits of captive insurance

- **Captive Owners Are Hearing About Captives from SIIA**
32% of Captive owners reported hearing about captives from SIIA, which is nearly double the 17% that reported doing so in last year's survey. Respondents also listed CPAs, Lawyers and financial advisors as their sources for learning about captives.
- **Captive Owners Report Group Captive as Most Common**
50% of Captive Owners report having a Group Captive Structure for their business. 33% report having a single-parent structure, after being the most commonly listed structure last year. While 17% of the respondents reported an RRG structure.
- **Captive Owners Not Considering Leaving or Closing Captives**
For the first time in the last 4 years, 100% of Captive Owners reported that they are not considering leaving or closing their captives. Over the previous 4 years, that number had ranged between 70% and 83%.
- **Opportunity to Increase Captive Education Among Prospective Captive Owners**
The results from this year's survey were nearly the same as last year, with responses indicating interest but a lack of knowledge about captives. However, there were some improving and encouraging signs. While the overarching theme remained the same, many responses indicated an improvement in education and increased interest in captives. There were no such responses last year. Beyond a need for an increase in Captive education, the barrier to entry was also listed as a hurdle towards a captive.

Full response data, including full data charts, can be found below in section III. In addition, the 2024 SIIA Captive Industry Survey may be found in the [Members Section of SIIA's website](#).

SIIA ACTIVITIES & CAPTIVE ISSUES UPDATE

SIIA continues to play an active role in both advocacy and education on all matters relating to captive insurance arrangements on behalf SIIA's captive members and the broader captive insurance community. Through our Government Relations team, SIIA connects our members with Members of Congress and their staff, staff for Congressional Committees and Leadership staff, Federal Departments and IRS officials, and State regulators.

More specifically, we focus our attention on key Congressional Committees such as the Senate Finance and House Ways & Means Committees, as well as Leadership offices in both political parties in both the House and Senate. Engagement has also extended to State regulators—particularly in captive domicile states—and Federal regulators, including the IRS. Our efforts focus on educating these policymakers about the fundamentals of captive insurance, its role in risk management, the benefits of forming a captive arrangement, and the challenges faced by industry stakeholders.

Alongside advocacy, SIIA and our Captive Committee remain committed to advancing education and raising awareness within the industry. In addition to conference panels, industry surveys, and existing resources, SIIA has expanded its work to develop new educational tools. Last year, SIIA introduced its Captive 101 education course. A series of concise, accessible courses for members and the public, featuring webinars, one-pagers, and other materials designed to (1) provide a clear introduction to captives and (2) support industry growth.

The webinar series, in particular, has received positive feedback from our SIIA members interested in learning more about captives, with topics like “What is a Captive and How Does it Work?”, “Do you need a Captive?” and “Types of Captives.” You can access these webinars by accessing our educational page [here](#). SIIA and our Captive Committee Members are excited to build on these educational materials by releasing a Captives 201 course later this year, which will explore complex industry issues in greater depth. In addition to the self-produced materials, SIIA is also partnering with Captive.com to produce additional educational content, such as a podcast series to be released later this year.

FEDERAL AND STATE REGULATORY & LEGISLATIVE LANDSCAPES

The overall Federal regulatory and Congressional legislative landscape relating to captive insurance has remained relatively quiet throughout 2025. We believe this is due in large part to significant action taken in January 2025 by the outgoing Biden Administration which – in the waning days of the Administration's ability to govern – released IRS's Final Regulations on section 831(b) micro captives. These regulations took effect immediately upon publication on January 14, 2025.

For background, ever since 2014, SIIA and its captive members have consistently and actively advocated for fair treatment of section 831(b) captive insurance arrangements, engaging Congress and the IRS to balance oversight with access for small and mid-sized businesses that rely on captives for risk management. For example, responding to the IRS's 2023 proposed regulations — which sought to classify many 831(b) elections as “Listed Transactions” or “Transactions of Interest”— SIIA submitted formal comments arguing the rules were overly broad, would unfairly restrict legitimate risk-mitigation practices, and that the proposed 65% Loss Ratio threshold lacked statutory authority. While the IRS ultimately finalized the rules, it did incorporate SIIA's feedback by lowering the Loss Ratio to 30%. The final regulations maintain strict disclosure requirements, heightened scrutiny of loan-back arrangements, and place the burden on taxpayers to prove the legitimacy of their captives, though limited transition relief is available for those resolving disputes or revoking their 831(b) elections before 2026. You can find the full final rule [here](#). The validity of the final regulations has been challenged in federal court, though no court has yet issued an opinion on the issue.

Rev. Proc. 2025-13 provided a new, streamlined procedure for micro-captives to revoke their Section 831(b) election. Previously, the election had been irrevocable without the consent of the Commissioner. The procedure has allowed those with micro-captives to exit their captive arrangement efficiently and thus avoid the ongoing reporting requirements imposed by the new final rule. Hundreds of cases involving micro-captives remain pending on the U.S. Tax Court docket. In 2025, the IRS has won 4 additional cases against taxpayers in such an arrangement, bringing the total record of the IRS in micro-captive cases that have been tried to 12-0.

Despite these regulatory efforts at the Federal level, policymaking at the State level throughout 2025 has been largely encouraging for the captive industry as a whole. This continues the trend that we have seen in the last couple of years, in which States have enacted policies designed to promote and encourage the growth of captive insurance by creating a friendly environment for captive arrangements. This year, these measures have focused on balancing effective oversight with operational flexibility, simplifying licensing processes, reducing administrative hurdles, and offering targeted incentives—all aimed at fostering a regulatory climate where captives can thrive as a strategic tool for risk management and economic development.

Specific examples of this trend include Arizona’s HB 2193, which lowers capital requirements for protected cell captives, reduces compliance burdens for dormant captives, and streamlines license renewals, making it easier for smaller or emerging captives to participate. In addition, Georgia’s HB 348 broadens the types of insurance and reinsurance captives can underwrite and updates definitions to enhance competitiveness and Montana’s SB 60, effective in 2026, introduces tiered premium tax rates and tailored treatment for protected cells and series structures. Connecticut’s HB 6433 would expand flexibility for captives by allowing conversions to protected cells, transfers between entities, and independent management of insolvent cells and South Carolina’s SB 210 increases regulatory flexibility and eases compliance requirements to support industry growth.

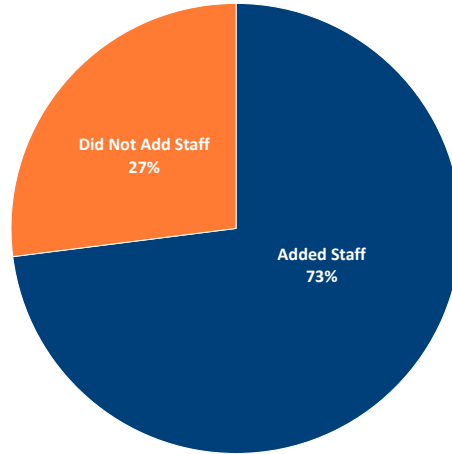
Together, these measures reflect a clear trend of States creating predictable, efficient, and supportive environments that encourage formation, expansion, and innovation within the captive insurance market. SIIA and our captive members will continue to advocate for and support policies like these in 2026 and beyond.

2025 CAPTIVE SURVEY DATA & RESULTS

General Industry Section

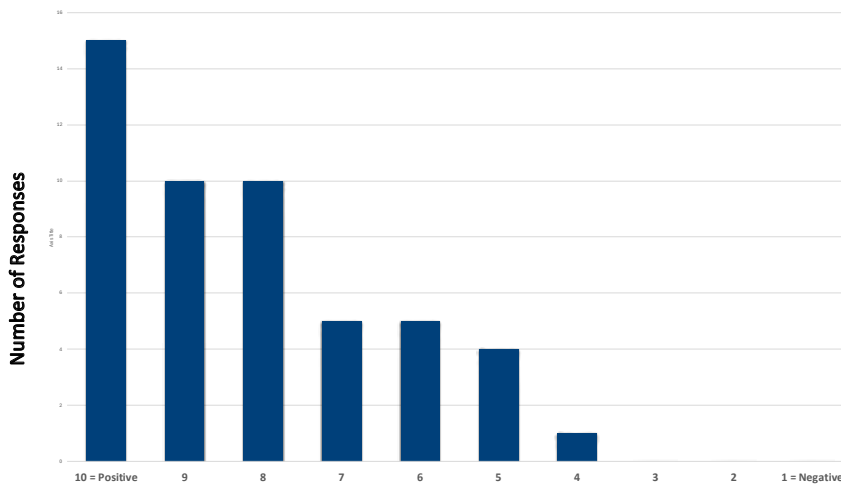
1. Did you add staff/headcount in 2024? If so, how many and what disciplines?

Average Reported Staff Added: 9
Median Reported Staff Added: 4
Total Reported Staff Added: 223



2. On a scale of 1-10, what are your sentiments on the future of the captive industry?

1 = Negative Average Reported Sentiment: 8
10 = Positive Median Reported Sentiment: 8.5

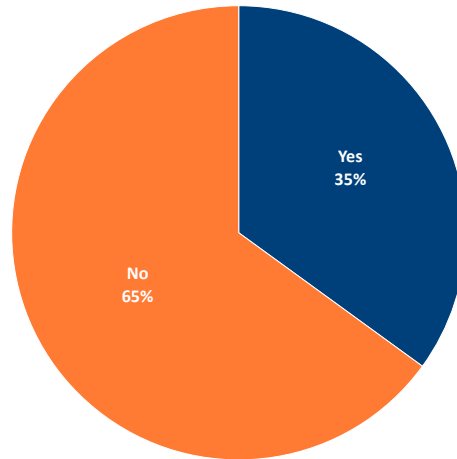


3. What is the biggest trend/emerging risk you currently see in the captive insurance space?



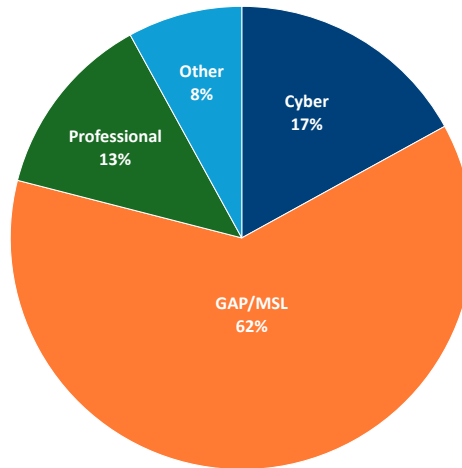
4. Have you noticed any evolving regulatory trends increasing or decreasing captive interest?

The majority of respondents (65%) reported that they did not notice any evolving regulatory trends affecting captive interest. The most common answers cited by the 35% of respondents who did notice trends affecting captive interest include IRS scrutiny and state regulations allowing a more favorable landscape for captives.



5. In what areas are you seeing an increase in interest or captive use?

Most respondents (62%) reported seeing an increased interest in the gap or medical stop-loss areas. The 17% that chose "other" all cited "property" as an area with an increased interest in captive use.



Service Provider Section

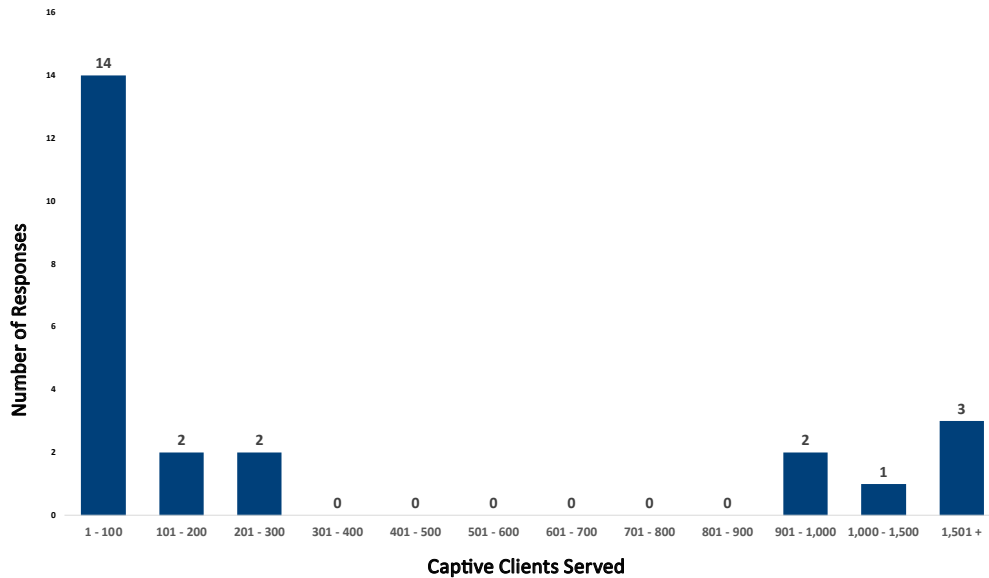
1. How many captive clients do you currently serve? (For structures such as rent a captives, please count individual cells)

Average reported clients currently served: 620

Total reported clients currently served: 13,003

Median reported clients currently served: 30

Highest reported clients currently served: over 7,000



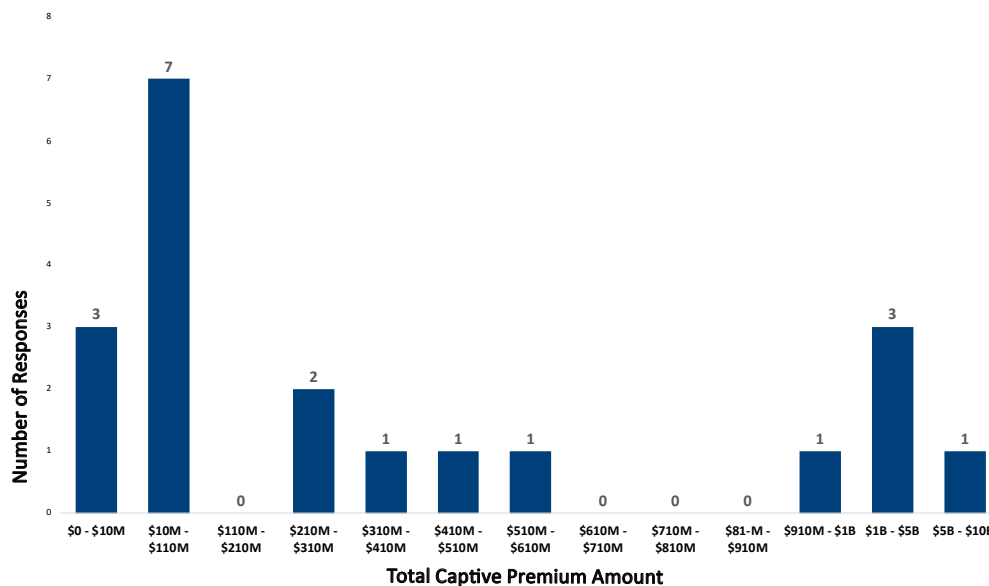
2. What is your total captive premium amount? (Gross written premium)

Average reported total captive premium: \$839,040,686

Total reported total captive premium: \$15,574,773,043

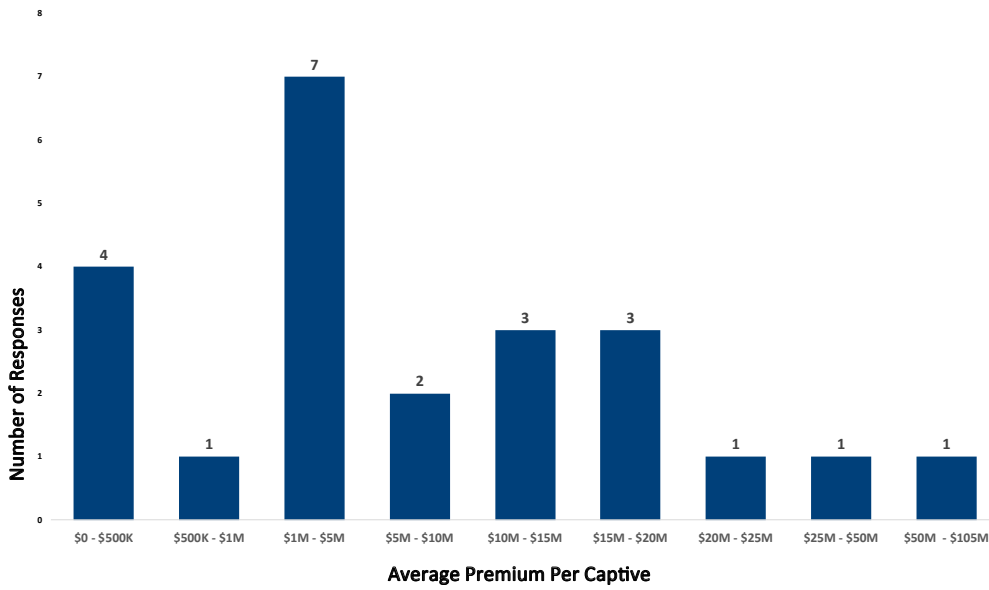
Median reported total captive premium: \$81,797,106

Highest reported total captive premium: >\$5,000,000,000



3. What do you estimate is your average premium per captive?

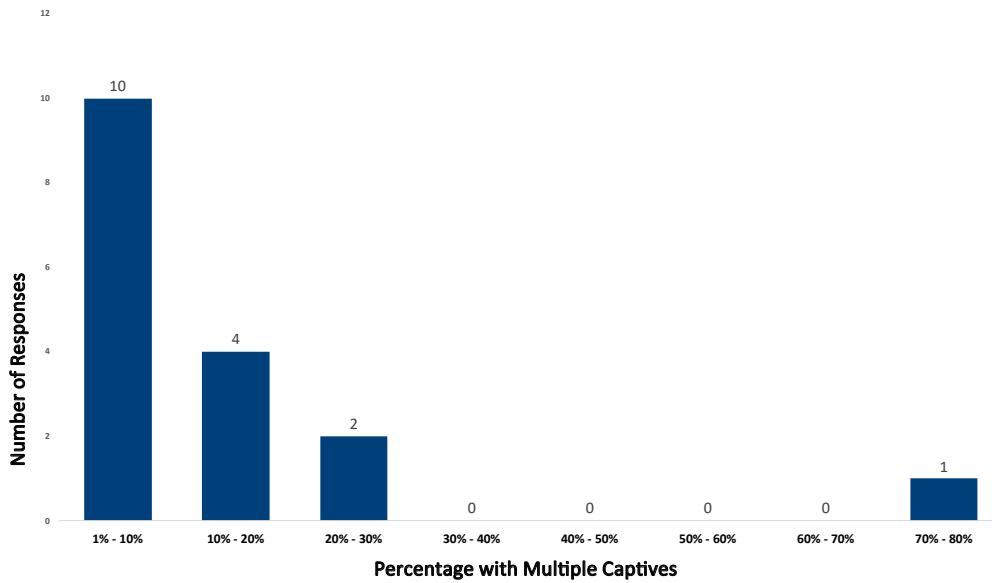
Estimated average premium per captive: \$12,977,960



4. What percentage of your customers have multiple captives?

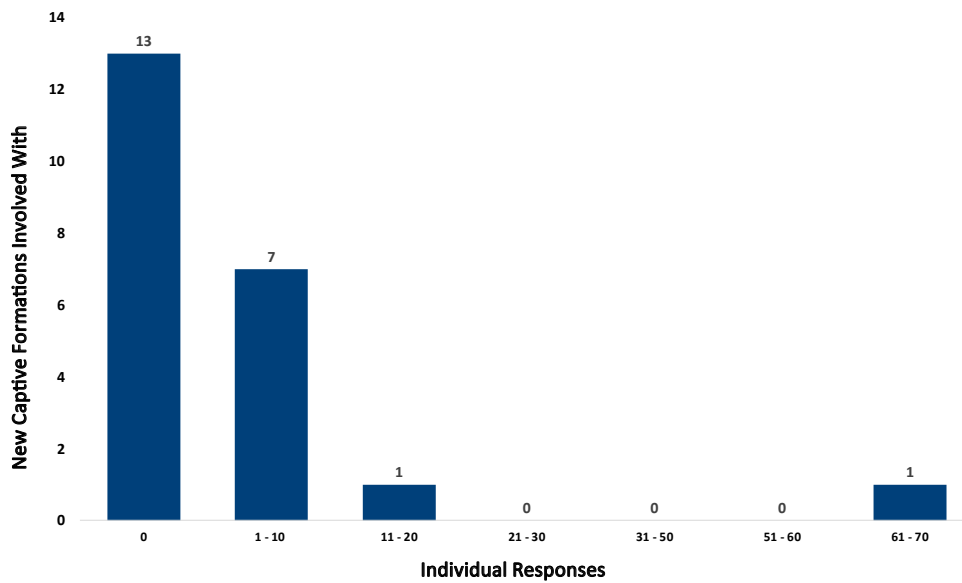
Average reported percentage of customers with multiple captives: 12%

Median reported percentage of customers with multiple captives: 8%



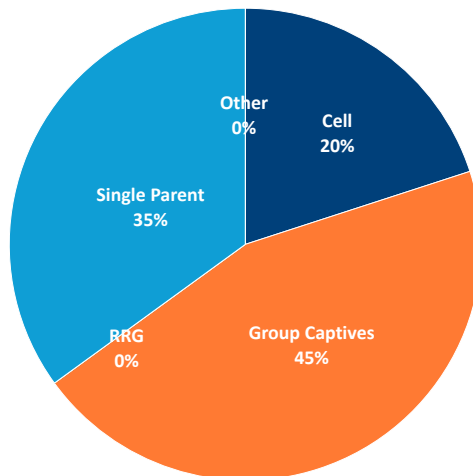
5. How many new captive formations were you involved with in 2024?

Average reported new formations involved with: 19
Median reported new formations involved with: 4
Total reported new formations involved with: 437
Highest reported new formations involved with: 275



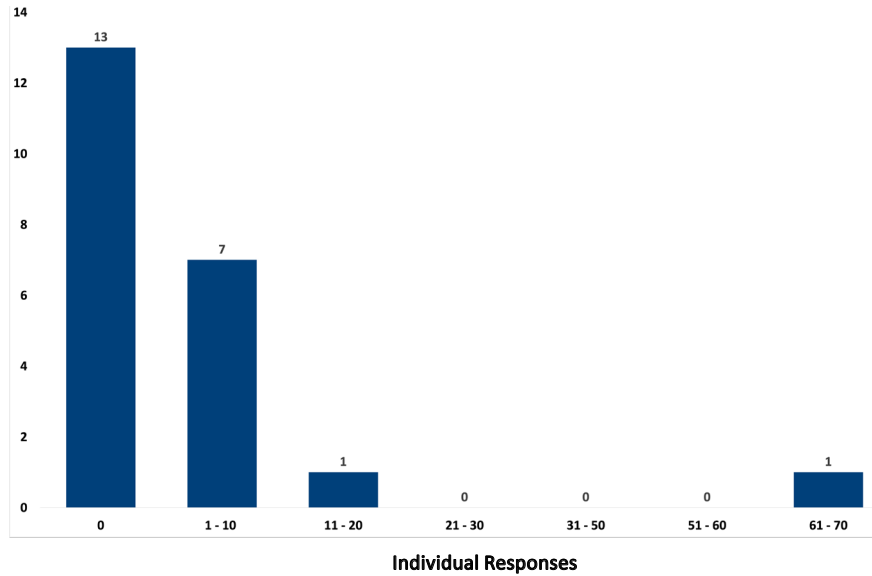
6. What kind of captive structures have you seen formed the most in 2024?

Respondents reported Group Captives (45%) as the most seen captives formed in 2024. After being reported as the most common captive structure for the last three years, Single Parent dropped to second this year at 35%. For the first time in survey history, no respondent listed RRG or other as an answer.

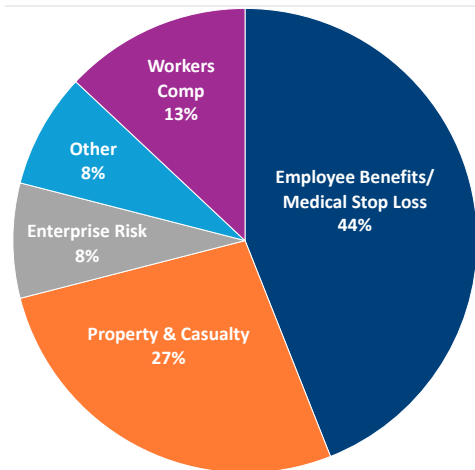


7. How many captive closures did you experience in 2024?

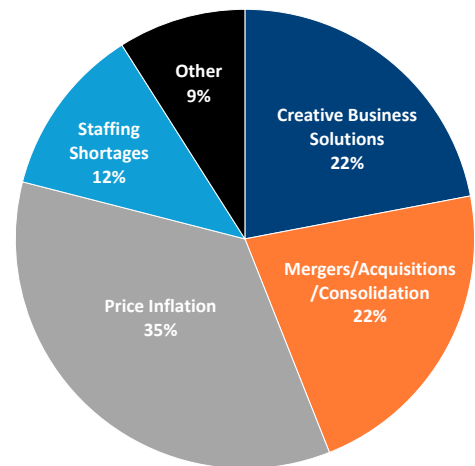
Average captive closures experienced: 5
Median captive closures experienced: 0
Total captive closures experienced: 120
Highest captive closures experienced: 68



8. In which area are you seeing the most growth? (additional captive premium/new captive formations)



9. Which of the following trends have you noticed?



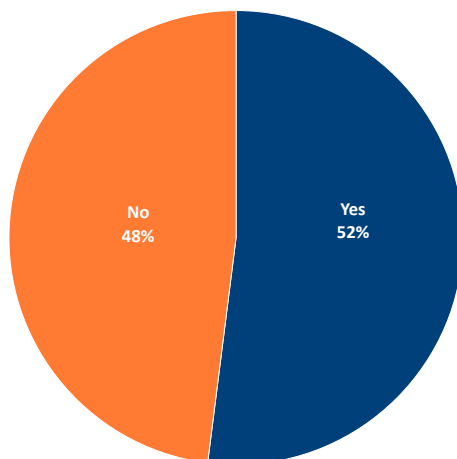
10. How many of your captives have been redomiciled? Where have those domiciles come from and where are they moving to?

The majority of respondents did not have their captive redomiciled (74%). The 26% who reported they did, had a total of 34 captives redomiciled. The vast majority of respondents reported seeing domiciles moving from offshore islands to onshore locations. Reported onshore destinations include Kentucky, Tennessee, Utah, Vermont, North Carolina, and Indiana.

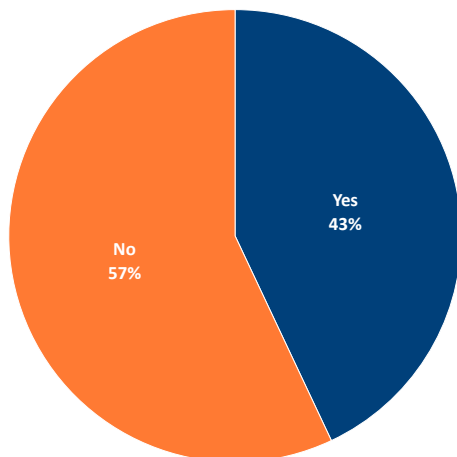
Medical Stop-Loss Section

1. Are you able to leverage your medical stop-loss captive block to provide more favorable renewals for participating policyholders? If yes, what is the overall/average renewal?

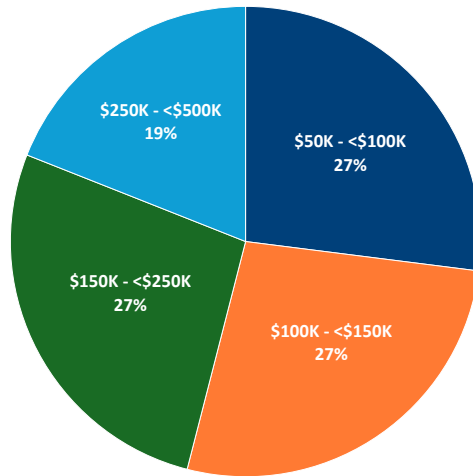
A slight majority of respondents (52%) reported yes. The most common overall/average annual renewal was about 10%, with the median also being 10%. The highest reported overall/average renewal was 19%.



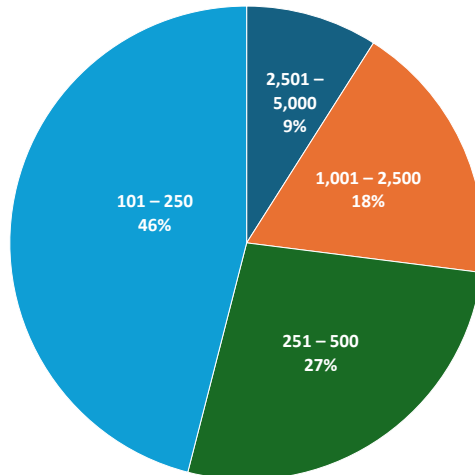
2. Do you consider known risk/lasers being absorbed into the captive a threat to the health of the captive?



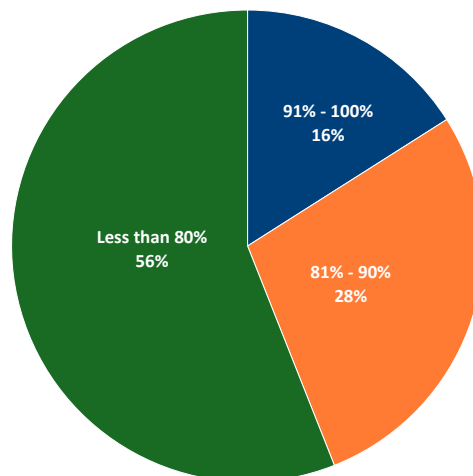
3. What is the distribution of premiums by stop-loss deductible?



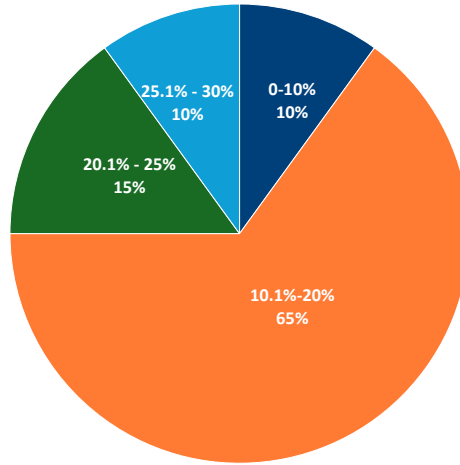
4. What is your distribution of premium by group size?



5. What is your net loss ratio of the captive book of business?

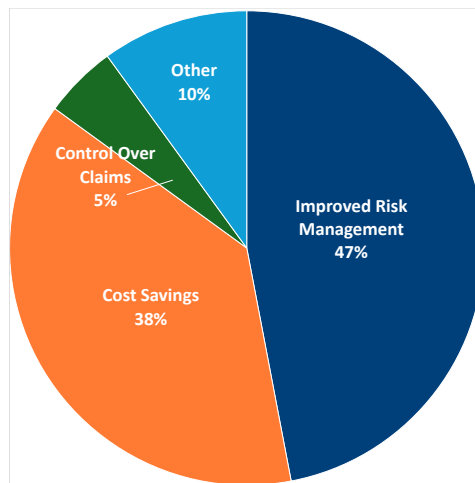


6. What is the expense ratio of the captive book of business? (Expenses include Commissions, State Tax, Carrier Fee, and MGU Fee)

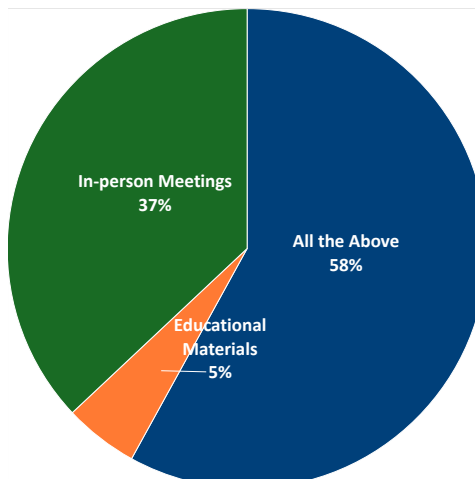


Brokers Using Captive Section

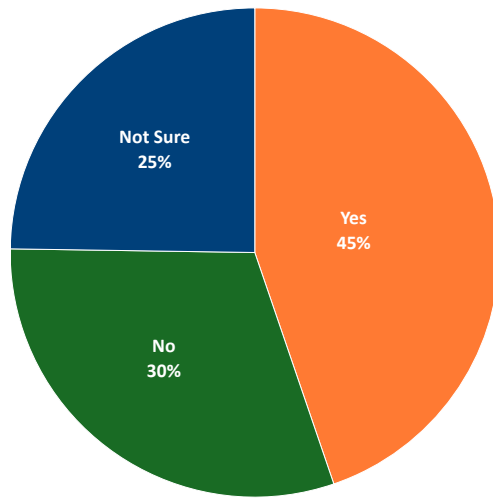
1. What is the primary motivation for your clients to form a captive?



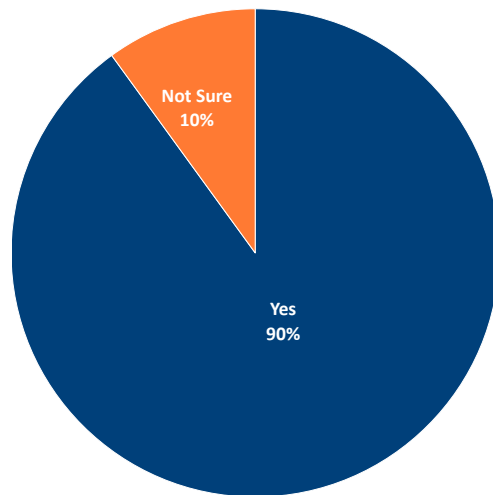
2. How do you communicate the benefits of captive insurance to your clients?



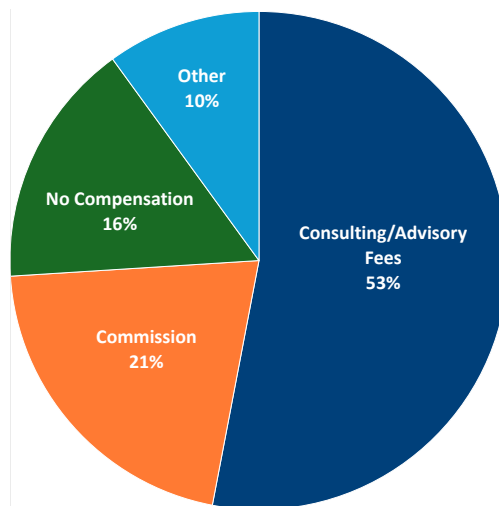
3. Have you noticed any changes in the way your client perceives the services you provide?



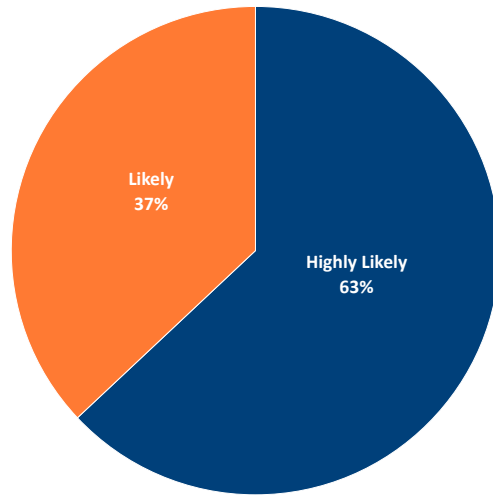
4. Do you think the demand for captive insurance will grow in the next 5 years?



5. How are you compensated for their participation in the Captive?



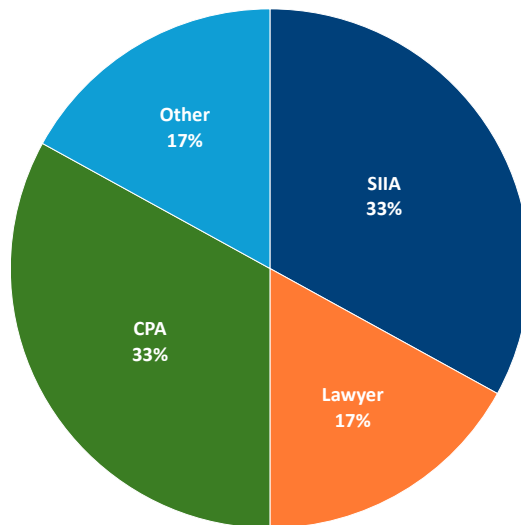
6. How likely are you to recommend a captive option to other clients?



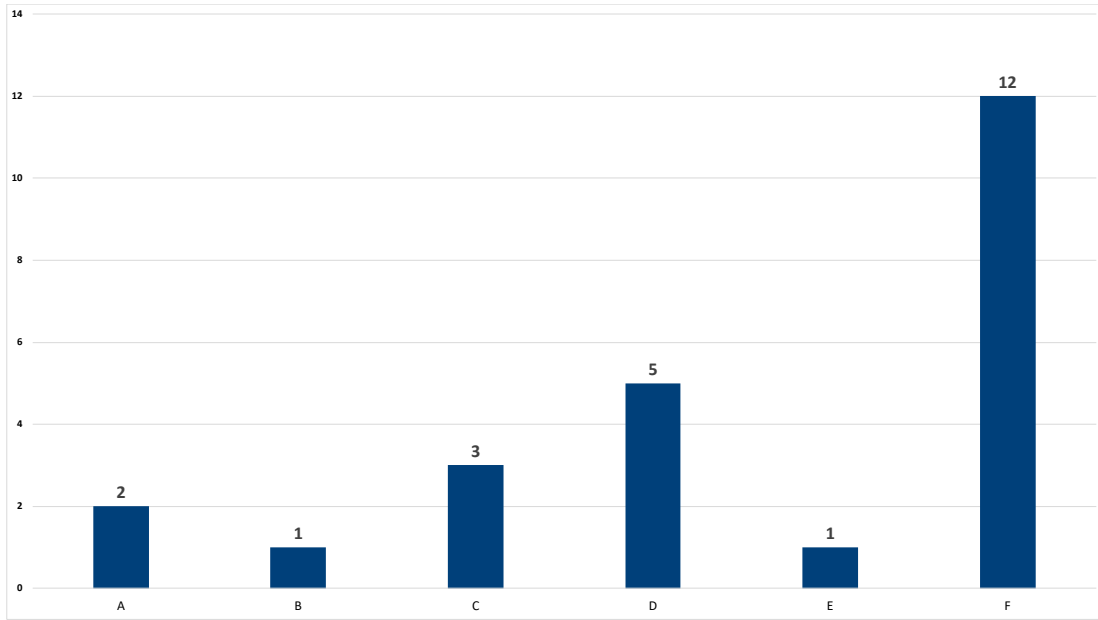
Captive Owner / Policy Owner Section

1. How did you first hear about captives?

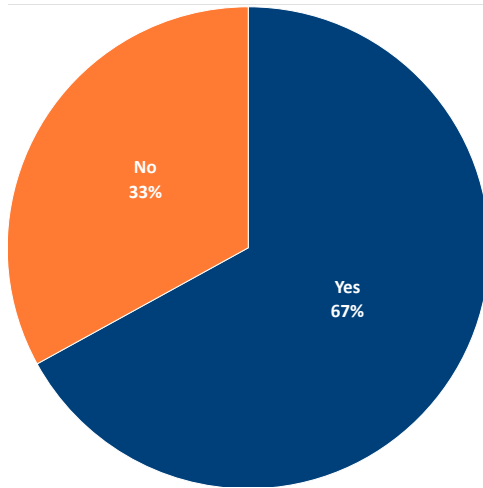
Most Captive Owners (66%) reported hearing about captives from workers in the insurance industry. The others cited SIIA and their attorney.



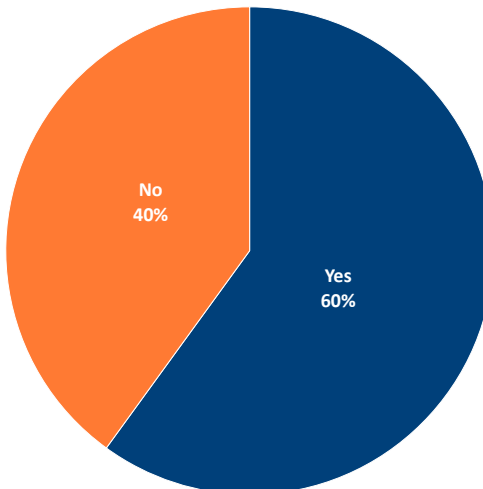
2. How many captives do you currently have set up for your business?



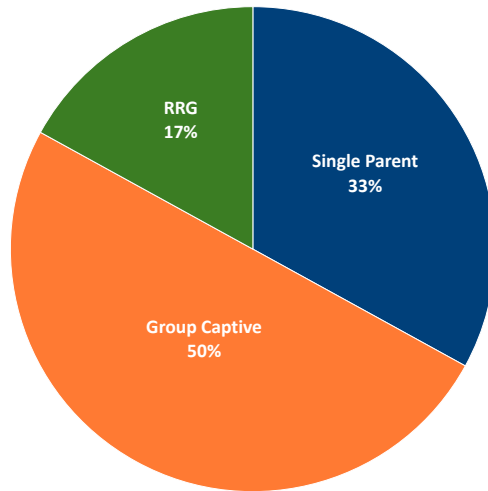
3. Do you employ third-party risk?



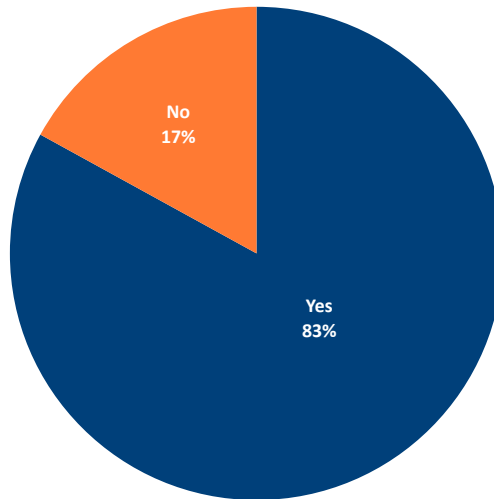
4. Were you able to find coverage for your captive-related risk in the commercial market?



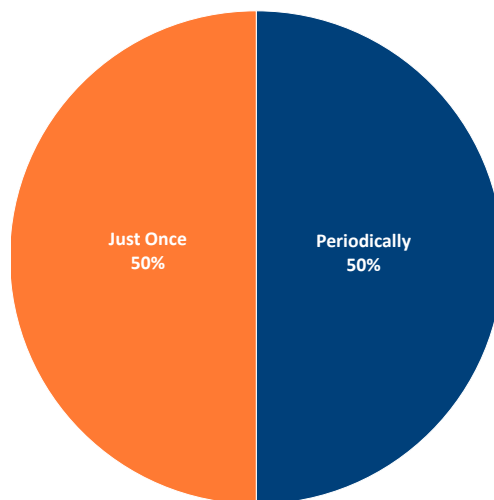
5. What kind of captive structure does your business have?



6. Do you also self-insure your employees' health or other benefits?



7. How often does your captive's board of directors normally meet each year whether in person or via phone/web conference?



8. Have you considered closing or leaving your captive?

For the first time in the last 4 years, 100% of Captive Owners reported that they are not considering leaving or closing their captives. Over the previous 4 years, that number had ranged between 70% and 83%.



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of self-insurance gets done.

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