
BUDGET UNIT BRIEF – FY 2026

Fiscal Services Division

July 1, 2025



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Captive Insurance

Purpose and History

2023 Iowa Acts, [Senate File 549](#) (Captive Insurance Act), allowed for the formation of captive insurance companies; established tax rates for captive insurance premiums; established requirements for the operation of captive insurance companies, including reporting and examination requirements; permitted the Commissioner of Insurance to suspend or revoke certificates to conduct business; created a Captive Insurance Regulatory and Supervision Fund; permitted the formation of protected cell captive companies and provided guidelines for their operations; and required the Iowa Insurance Division (IID) of the Department of Insurance and Financial Services to create administrative rules to administer the provisions of the Act.

2024 Iowa Acts, [House File 2636](#) (Captive Insurance Companies, Reinsurance Tax Act), amended the amount of reinsurance tax due from a captive insurance company on assumed reinsurance premiums written.

Captive insurance companies are a form of self-insurance where the insurance provider is owned entirely by the insurance holder. Captive insurance companies often work with traditional companies and may be an option for businesses to manage risks by underwriting their own insurance rather than paying premiums to a third-party insurer.

Beginning in FY 2024, the IID is to use 2.0 full-time equivalent (FTE) positions to examine and ensure compliance matters related to captive insurance.

Funding — State General Fund

For each fiscal year since FY 2024, \$450,000 was appropriated from the General Fund for this purpose in the Administration and Regulation Appropriations Act.

Related Statutes and Administrative Rules

Iowa Code chapter [521J](#)

Budget Unit Number

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More Information

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