

# ESTATE PLANNING: WHO SHOULD OWN THE CAPTIVE INSURANCE COMPANY?

From an estate planning perspective, there are a variety of ways to structure the ownership of a captive insurance company to enhance the overall tax and asset protection benefits available through §831(b) captive planning.

While the estate plan should certainly be customized to fit the specific needs of those benefiting from ownership of a captive insurance company, three basic trust structures can be used as the basis for the captive ownership structure. These trust structures are as follows: (1) the State Income Tax Protection Plan; (2) the Asset Protection Plan; and (3) the Estate/GST Tax Protection Plan. A simple diagram of each of these three structures is outlined below.

