



Clear guidance needed for 831(b) service providers – Mike DiMayo

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Mike DiMayo, principal at Oxford Risk Management Group, has called on the United States' authorities to publish greater guidance on the management of captives making the 831(b) tax election.

Maryland-based DiMayo welcomed the latest intervention from the Captive Insurance Companies' Association (CICA) and is among those working with Senator Chuck Grassley and the Self-Insurance Institute of America (SIIA) on proposals that are being considered by Congress restricting the ownership of captives making the election.

“Colleagues around the country are concerned by the promoter audits, which can be time consuming and expensive,” he told Captive Review. “Frankly, if you are following statutory and Treasury published technical guidance, why should you be subjected to that shot across the bow?”

“It would be better if both the industry and the Treasury jointly clarified acceptable best standards and industry professionals follow those guidelines. Practitioners who follow those best practices should be OK and those that don't should be scrutinized.”

Regarding the ownership restrictions within the current proposals on the Hill, DiMayo believes if passed they will be a worthwhile trade-off if it means less pressure from the IRS.

“Having industry lobbyists working directly with Congress means they will address what Treasury believes are some of the potentially abusive areas, while maintaining that captive insurance is a legitimate business planning and risk management structure,” he added.

See more at: <http://captiveview.com/news/clear-guidance-needed-for-831b-service-providers-mike-dimayo/>
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