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LAUREN YBARRA

AUSTIN:

512.479.1143

LAUREN.YBARRA@

HUSCHBLACKWELL.COM

Texas Captives: Growth, Governance, and What Comes Next

The Texas Captive Insurance Association's annual conference, held in San Antonio on October 13–14, 2026, brought together captive owners, regulators, and advisers to discuss the continued development of the Texas captive insurance market. The conference highlighted both substantial market growth and increasingly sophisticated approaches to captive operations, investments, and governance.

The Texas Department of Insurance's (TDI) presentation underscored that momentum. TDI reported 106 licensed captives at the time of the conference, compared with 94 in 2025 and 84 in 2024. Gross premiums increased from approximately \$11.3 billion in 2024 to \$17.3 billion in 2025, while assets under management grew from approximately \$37.8 billion to \$43.4 billion. These figures demonstrate the expanding scale of the Texas captive market.

The "Captive Growth Strategies" panel offered practical perspectives on managing and expanding a captive. Discussions addressed how organizations allocate accounting, renewals, investment, and claims responsibilities internally. A central takeaway was the importance of coordination among risk management, treasury, finance, and legal teams, supported by clear operational accountability.

Other discussions emphasized evaluating expansion opportunities against their costs and complexity. Financial strength ratings should serve a defined business purpose, given the resources and ongoing commitments involved. Employee benefits also emerged as an area of interest, requiring careful consideration of program structure and applicable ERISA requirements.

The conference agenda reflected the broadening role of captives within enterprise risk management. Sessions explored actuarial advice beyond pricing and reserving, investment portfolio evolution, owner-controlled

insurance programs, and preserving attorney-client privilege in liability claims. Together, these topics highlighted the importance of aligning captive strategy with the organization's broader risk and financial objectives.

Regulatory compliance and governance remained recurring themes. TDI identified examination findings involving dividend approvals, affiliated loan agreements, and material changes to plans of operation. The AI governance discussion also highlighted written governance programs, testing, documentation, accountability, and oversight of third-party vendors—considerations reflected in the National Association of Insurance Commissioners' (NAIC) AI Model Bulletin.

Why This Matters

This conference reinforced the opportunities presented by Texas' growing captive market. Companies forming or expanding captives can benefit from pairing their strategic objectives with sound operations, thoughtful governance, and early regulatory planning.

For businesses considering the formation or expansion of a captive, key considerations may include identifying coverage gaps and retained risks, assessing the long-term costs and operational requirements of a captive program, and ensuring appropriate governance and compliance frameworks are in place. As captives continue to play a larger role in enterprise risk management strategies, organizations should regularly evaluate whether their captive structure aligns with broader business, financial, and risk management objectives.

Contact Us

For more information on captive formation, governance, compliance, or whether a captive may be a fit for your business, please contact our Insurance Regulatory team.

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