Captives' are insurance companies owned by non-insurance companies. Since the 1960's, a new movement by corporations to establish insurance subsidiaries had gained momentum. This study was a long-range forecast of the 'captive' insurance movement. For the year 1990 and the year 2000, this study attempted to forecast the number of states with captive legislation, the percentage share of captives from the property/liability market in the United States and the international market, the percentage share of captive premiums derived from reinsurance operations and premiums derived from being the primary underwriters for non-parent risks in the year 2000. Aspects of the effect of captives on the domestic and international conventional insurance market and captive insurance domiciles were also considered. An attempt was made to forecast the year in which the Internal Revenue Service would consider captives bona fide insurance companies and the percentage of outside underwriting required.

Due to the scarcity of data on captive insurance companies, the Delphi Technique was used and evaluated as an approved method for insurance research.

An increase in captives in all areas was indicated by the results of the study. The Delphi Technique proved to be an effective method of obtaining data for insurance research.