

IMPORTANT NOTICE

Subject: IRS Notices Regarding 831(b) Reinsurance Captives

February 6, 2017

Wise F&I carefully monitors IRS actions related to the use of the 831(b) election by a reinsurance company.

Recently, the IRS issued [Notice 2016-66](http://www.irs.gov/pub/irs-drop/n-16-66.pdf) (www.irs.gov/pub/irs-drop/n-16-66.pdf) that designated a certain type of transaction that involves an 831(b) entity, as a 'Transaction of Interest'. Additionally, the IRS is requiring a certain disclosure be made to the IRS in the event that a given scenario meets the definition of a 'Transaction of Interest' in that Notice.

The required disclosure, if applicable, was originally required to be filed with the IRS by 1/30/2017; however, the IRS issued a subsequent [Notice 2017-08](http://www.irs.gov/pub/irs-drop/n-17-08.pdf) (www.irs.gov/pub/irs-drop/n-17-08.pdf) that changed the filing deadline to be 5/1/2017.

Wise F&I simply seeks to bring the existence of the IRS Notice(s) to your attention so that you may review their content and then meet with your reinsurance tax advisor(s) to discuss and determine whether or not the provisions of the Notice(s) apply to your given reinsurance situation.

Wise F&I and its affiliates are not registered tax advisors and none of the information contained in this notice should be construed as tax advice. This notice to you is being made for informational purposes only.

Questions or concerns?

Please contact Client Services at 800-849-1080 or email ClientServices@WiseFandI.com.

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