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## **"The Battle Goes On"**

### **IRS' Battle Against Micro-Captives Continues**

*Captive Insurance Times*

March 18, 2020

In an article published on March 18, 2020 in *Captive Insurance Times*, Chamberlain Hrdlicka shareholder Phil Karter discusses the IRS battle against micro-captives and the latest settlement offer.

I would not characterize the IRS latest move as one against micro captives, but rather a recognition of the limitations on its own resources to effectively manage a large number of captive audits in the pipeline, explains Karter. In attempting to reduce the workload, the IRS has proposed a settlement that is arguably reasonable for bad captives or ones where the dollar amount at issue may not justify the expense of defending an audit, but much less so for well-organized, well run captives that have been caught in the audited net simply because of the reporting requirement and consequent close scrutiny given to micro-captives generally.

To view the full article, you may click [here](#).