
A BILL FOR AN ACT

RELATING TO CAPTIVE INSURANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. Section 431:19-116, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:
- 3 "(a) Each captive insurance company licensed to do business
4 in this State shall pay to the director of finance through the
5 commissioner a tax on gross premiums on or before March 1 of each
6 year, as follows:
- 7 (1) .25 per cent on \$0 to \$25,000,000 of gross premiums for
8 insurance written on all risks or property resident,
9 situated, or located within this State, and on risks
10 and property situated elsewhere upon which no premium
11 tax is otherwise paid during the year ending on the
12 preceding December 31, less return premiums and less
13 any reinsurance accepted;
- 14 (2) .15 per cent on more than \$25,000,000, to \$50,000,000
15 of gross premiums for insurance written on all risks or
16 property resident, situated, or located within this
17 State, and on risks and property situated elsewhere
18 upon which no premium tax is otherwise paid during the



1 year ending on the preceding December 31, less return
2 premiums and less any reinsurance accepted; [~~and~~]
3 (3) .05 per cent on more than \$50,000,000, to \$250,000,000
4 of gross premiums for insurance written on all risks or
5 property resident, situated, or located within this
6 State, and on risks and property situated elsewhere
7 upon which no premium tax is otherwise paid during the
8 year ending on the preceding December 31, less return
9 premiums and less any reinsurance accepted[~~+~~]; and
10 (4) 0.00 per cent on more than \$250,000,000 of gross
11 premiums for insurance written on all risks or property
12 resident, situated, or located within this State, and
13 on risks and property situated elsewhere upon which no
14 premium tax is otherwise paid during the year ending on
15 the preceding December 31, less return premiums and
16 less any reinsurance accepted;
17 provided that the annual maximum aggregate tax on gross premiums
18 to be paid by a captive insurance company shall not exceed
19 \$200,000."

20 SECTION 2. New statutory material is underscored.

21 SECTION 3. This Act shall take effect on July 1, 2007.



Report Title:

Maximum Annual Premium Tax

Description:

Establishes a \$200,000 maximum annual premium tax paid by captive insurance companies licensed by the DCCA. (SD1)

