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# A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1       SECTION 1. Section 431:19-104, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3       "(a) Each captive insurance company licensed pursuant to  
4 this article shall possess and thereafter maintain unimpaired  
5 capital and surplus in the amount established by the  
6 commissioner; provided that:

7       (1) The commissioner shall take into account the nature  
8 and volume of business transacted by each captive  
9 insurance company, and any other factors deemed  
10 appropriate by the commissioner;

11       (2) Class 3 companies shall be subject to other applicable  
12 provisions of this chapter that may require capital  
13 and surplus in excess of those established by the  
14 commissioner; and

15       (3) Minimum capital and surplus established by the  
16 commissioner shall be ~~[no]~~ not less than the following  
17 amounts:



- 1 (A) Class 1 company: \$100,000;  
2 (B) Class 2 company: \$250,000;  
3 (C) Class 3 company: \$500,000;  
4 (D) Class 4 company: [~~\$500,000~~] \$100,000; and  
5 (E) Class 5 company: An amount as determined by the  
6 commissioner on a case by case basis."

7 SECTION 2. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9 SECTION 3. This Act shall take effect on January 1, 3000.



S.B. NO. 2042  
S.D. 1

**Report Title:**

Insurance; Sponsored Captive Insurance Companies; Minimum  
Capital and Surplus; Reduction

**Description:**

Reduces the unimpaired minimum capital and surplus that class 4  
sponsored captive insurance companies are required to maintain.  
Effective 1/1/3000. (SD1)

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not legislation or evidence of legislative intent.*

