

JAN 21 2026

## 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:




# S.B. NO. 2042

- 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; provided  
5 that the sponsored captive insurance company does  
6 not retain insurance risk; and  
7 (E) Class 5 company: An amount as determined by the  
8 commissioner on a case by case basis."

9 SECTION 2. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

11 SECTION 3. This Act shall take effect upon its approval.  
12

INTRODUCED BY: 



# S.B. NO. 2042

**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  
under certain circumstances.

*The summary description of legislation appearing on this page is for informational purposes only and is  
not legislation or evidence of legislative intent.*

