
A BILL FOR AN ACT

RELATING TO CAPTIVE INSURANCE COMPANIES.

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

1 SECTION 1. Section 431:19-101, Hawaii Revised Statutes, is
2 amended by amending the definitions of "affiliated entity" and
3 "parent" to read as follows:

4 ""Affiliated entity" means any company, person, or other
5 entity in the same corporate system as a parent or a member
6 organization by virtue of common ownership, control, operation,
7 or management, or, in the case of a pure captive insurance
8 company, that maintains a working relationship with, and whose
9 risks insured by the pure captive insurance company are
10 ~~[directly or indirectly controlled by the parent or an affiliate~~
11 ~~of the parent of a pure captive insurance company.] similar or~~
12 related to the other risks of, the parent insured by the pure
13 captive insurance company.

14 "Parent" means a corporation, limited liability company,
15 partnership, other entity, or individual, that ~~[directly or~~
16 ~~indirectly owns, controls, or holds with power to vote more than~~
17 ~~fifty per cent of the outstanding voting interests of a pure~~
18 ~~captive insurance company organized as a stock corporation,~~



1 ~~nonprofit corporation, or limited liability company.] directly~~
2 ~~or indirectly controls, and has the power to direct or cause the~~
3 ~~direction of the management and policies of, the pure captive~~
4 ~~insurance company through the ownership of voting interest or~~
5 ~~securities."~~

6 SECTION 2. Section 431:19-115, Hawaii Revised Statutes, is
7 amended by amending subsection (a) to read as follows:

8 "(a) No insurance laws of this State other than those
9 contained in this article, or contained in specific references
10 contained in this section or article, shall apply to captive
11 insurance companies formed under this article. In addition to
12 this article, article 1, article 2, sections 431:3-302 to 431:3-
13 304, section 431:3-307, article 4A, parts I and II of article 5,
14 article 6, [~~article 11,~~] and article 15 of this chapter, and
15 chapter 431K, shall apply to [~~captive insurance companies other~~
16 ~~than pure captive insurance companies and branch captive~~
17 ~~insurance companies,~~] risk retention captive insurance
18 companies, unless these other laws are inconsistent with this
19 article or the commissioner by rule, regulation, or order
20 determines, on a case by case basis that these other laws should
21 or should not apply thereto.



1 ~~[In addition to this article, and except as otherwise~~
 2 ~~provided in this article, article 1, article 2, article 6,~~
 3 ~~article 11, and article 15 of this chapter shall apply to class~~
 4 ~~5 companies, unless these other laws are inconsistent with this~~
 5 ~~article or the commissioner by rule, regulation, or order~~
 6 ~~determines, on a case by case basis that these other laws should~~
 7 ~~not apply thereto.~~

8 ~~In addition to this article and the articles or portions~~
 9 ~~thereof referenced in this section, chapter 431K shall apply to~~
 10 ~~risk retention captive insurance companies authorized under this~~
 11 ~~article.]"~~

12 SECTION 3. Section 431:19-308, Hawaii Revised Statutes, is
 13 amended to read as follows:

14 "~~[+]~~**\$431:19-308**~~[+]~~ **Applicable laws.** A sponsored captive
 15 insurance company shall be subject to this part and to part
 16 ~~[II.]~~ I. If there is any conflict between this part and part
 17 ~~[II,]~~ I, this part shall control."

18 SECTION 4. Statutory material to be repealed is bracketed
 19 and stricken. New statutory material is underscored.

20 SECTION 5. This Act shall take effect upon its approval.

21

INTRODUCED BY: _____ 



Report Title:

Captive Insurance Companies

Description:

Provides greater flexibility in determining the types of related entities that may be affiliated with and insured by a pure captive insurance company. Streamlines and simplifies exceptions applicable to various classes of captive insurance companies. Makes other housekeeping amendments.

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