
A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1 SECTION 1. Section 431:19-111, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§431:19-111 Reinsurance.** (a) Any captive insurance
4 company may provide reinsurance on risks ceded by any other
5 insurer only upon approval of the reinsurance agreement by the
6 commissioner.

7 (b) Any captive insurance company may take credit for
8 reserves on risks ceded to a reinsurer; provided that no captive
9 insurance company shall cede risks without the approval of the
10 commissioner.

11 (c) In the case of a risk retention captive insurance
12 company, a risk retention captive insurance company:

13 (1) Shall qualify for credit reinsurance on risks ceded to
14 a reinsurer if the reinsurer is in compliance with
15 article 4A; or

16 (2) May qualify for credit for reinsurance on risks ceded
17 to a reinsurer, if the reinsurer meets the reinsurance
18 guidelines for risk retention captive insurance



1 companies as adopted by the commissioner pursuant to
2 chapter 91."

3 SECTION 2. New statutory material is underscored.

4 SECTION 3. This Act shall take effect on July 1, 2013.



Report Title:

Captive Insurance; Reinsurance; Credits

Description:

Clarifies when a risk retention group is allowed to qualify for credit for reinsurance. Effective July 1, 2013. (HB999 HD2)

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