

State of Hawai`i

Applicable Law: Hawai`i Revised Statutes, Title 24, Chapter 431, Article 19 (Enacted May 1986)

Supervisory Jurisdiction: Insurance Division, Department of Commerce and Consumer Affairs

Permitted Coverages: All Property/Casualty and Workers Compensation; Securitization of Insurance Risks, Other lines as may be allowed by Insurance Commissioner

Organizational Structures: Stock, Nonprofit, Mutual, Reciprocal or Limited Liability Company

Classes of Captives: Class 1 – Single Owner; Reinsurance only
Class 2 – Single Owner; Direct and Reinsurance
Class 3 – Multi Owner; Association or Risk Retention Captive
Class 4 – Sponsored Captive; Protected cells may be established to segregate risks of participants
Class 5 – Reinsurance or Excess Insurance only

Fees: Initial Incorporation Fee: \$ 50
Annual Business Registration Fee: \$ 15
Captive Application Fee: \$ 1,000
Captive Annual License Fees:
Class 1 and 2 \$ 300
Class 3 \$ 500
Class 4 and 5 \$ 1,000

State Taxes: Tax on captive's *premiums* only. Rates as follows:

0.25% on premiums from \$0 up to \$25 million
0.15% on premiums from \$25 million up to \$50 million
0.05% on premiums from \$50 million up to \$250 million
0.00% on premiums more than \$250 million

No minimum premium tax. Maximum premium tax of \$200,000.

No taxation of captive premiums if premiums were previously subjected to tax in jurisdiction where underlying risk is located, or on reinsurance premiums assumed by captive.

Captive License Activity: 172 active at 12/31/2011; 246 licensed since inception.

Capital and Surplus Provisions: Minimum *required* capital and surplus determined by Insurance Commissioner based on each captive program.

Minimum *statutory* requirements:

Class 1: \$ 100,000
Class 2: \$ 250,000
Class 3: \$ 500,000 (RRG & Association)
Class 4: \$ 500,000
Class 5: As determined by Insurance Commissioner

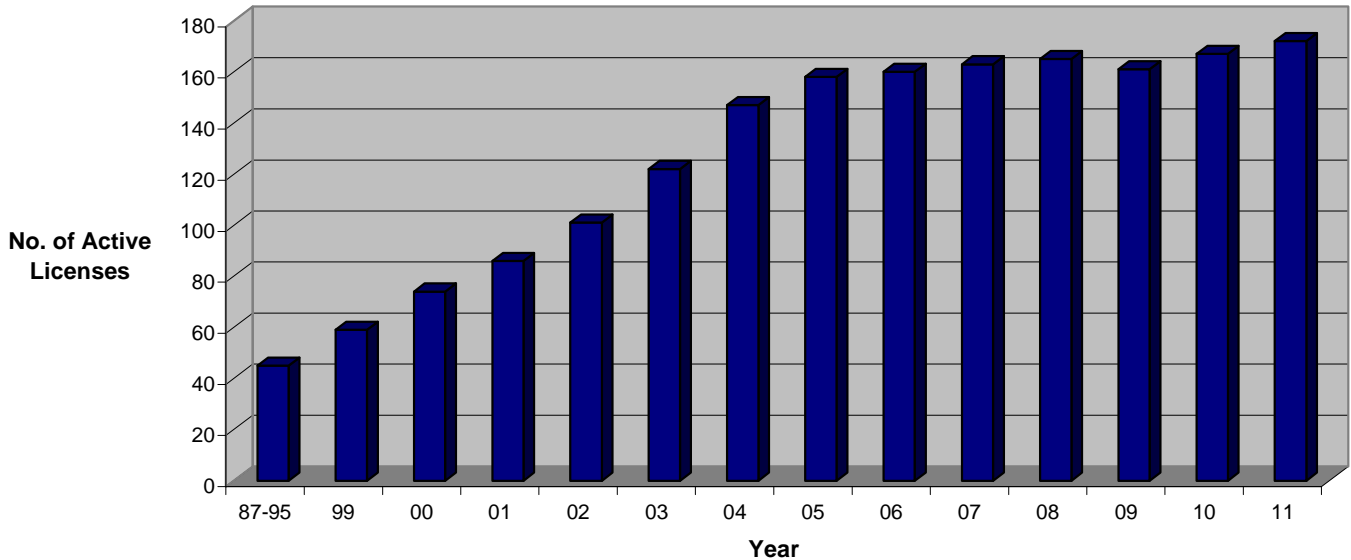
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Captive Insurance Activity



Recap By Year	87-99	00	01	02	03	04	05	06	07	08	09	10	11
Beginning Balance	0	59	74	86	101	122	147	158	160	163	165	161	167
Additions	75	17	15	16	23	30	18	8	10	8	4	12	10
Deletions	(16)	(2)	(3)	(1)	(2)	(5)	(7)	(6)	(7)	(6)	(8)	(6)	(5)
Ending Balance	59	74	86	101	122	147	158	160	163	165	161	167	172

Captive Owners by Location

U.S.	Western	127
	Eastern	25
	Central	10
Total U.S.		162
Non-U.S.	Asia / Pacific	9
	Atlantic	1
Total Non-U.S.		10
Total at 12/31/2011		172

Captive Owners by Industry Groups

Construction / Real Estate	55	
Health Care	28	
Telecommunications & Manufacturing	30	
Retail & Other Services	23	
Financial Services	18	
Transportation / Energy	18	
Total at 12/31/2011		172

Links to Related Sites:

Captive Insurance Branch	www.captiveinsurance.hawaii.gov
Hawai`i State Government	www.hawaii.gov
Hawai`i Captive Insurance Council	www.hawaiicaptives.com