

# STATE OF HAWAII

**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

<b>Fees:</b> 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:** 186 active at 9/30/2014; 284 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

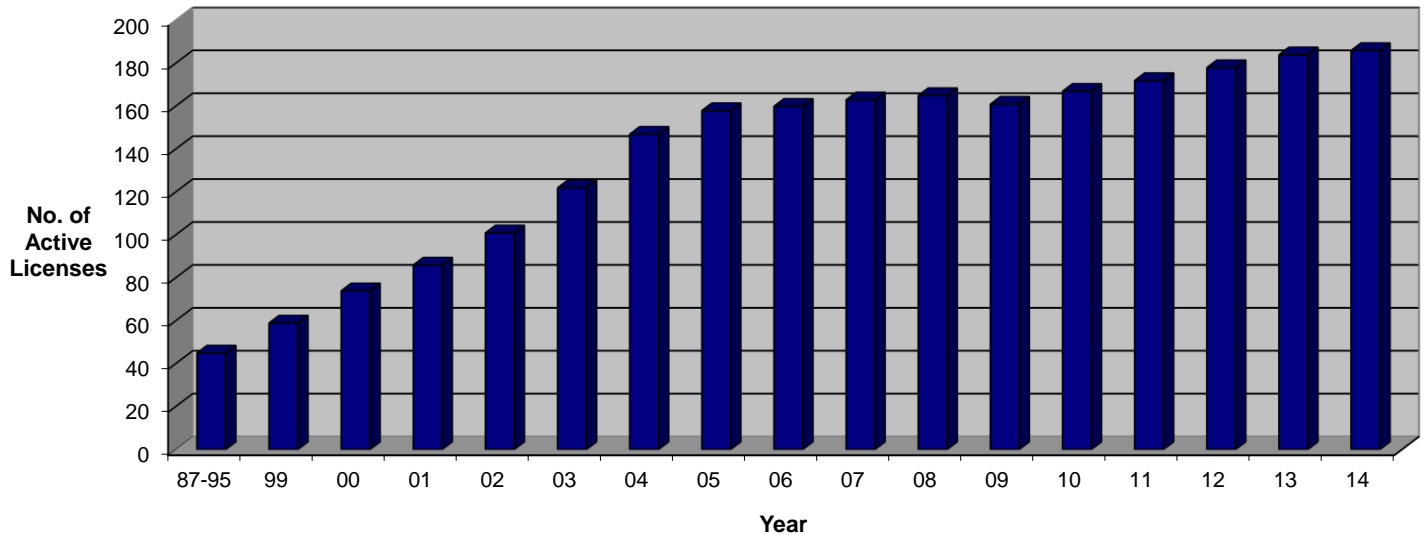
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Insurance Division • Captive Insurance Branch  
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## Captive Insurance Activity



Recap By Year	87-95	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14
Beginning Balance	0	54	59	74	86	101	122	147	158	160	163	165	161	167	172	178	184
Additions	49	11	17	15	16	23	30	18	8	10	8	4	12	10	12	17	7
Deletions	(4)	(6)	(2)	(3)	(1)	(2)	(5)	(7)	(6)	(7)	(6)	(8)	(6)	(5)	(6)	(11)	(5)
Ending Balance	45	59	74	86	101	122	147	158	160	163	165	161	167	172	178	184	186

### Captive Owners by Location

U.S.	Western	137
	Eastern	27
	Central	11
	Total U.S.	175
Non-U.S.	Asia / Pacific	11
	Total Non-U.S.	11
Total at 9/30/2014		186

### Captive Owners by Industry Groups

Construction / Real Estate	54
Health Care	33
Telecommunications & Manufacturing	34
Retail & Other Services	26
Financial Services	17
Transportation / Energy	22
Total at 9/30/2014	186

### Links to Related Sites:

Captive Insurance Branch  
 Hawai`i State Government  
 Hawai`i Captive Insurance Council

[cca.hawaii.gov/captive/](http://cca.hawaii.gov/captive/)  
[portal.ehawaii.gov](http://portal.ehawaii.gov)  
[www.hawaiicaptives.com](http://www.hawaiicaptives.com)