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GORDON I. ITO
INSURANCE COMMISSIONER

December 18, 2015

Memorandum 2015 – 4C

TO: CAPTIVE INSURERS AUTHORIZED IN HAWAII

SUBJECT: Captive Insurance Company
2015 Annual Filing Requirements (Due in 2016)

I. GENERAL INFORMATION

- A. File documents directly with the Insurance Division, Captive Insurance Branch unless otherwise noted.
- B. Risk Retention Captive Insurance Companies Annual Filing Requirements (Checklist) may be found at <http://cca.hawaii.gov/captive/annual-filing-instructions-and-forms/>
- C. For due dates that fall on a weekend or State holiday, the due date is extended to the next business day.
- D. Postmark dates will be recognized in determining filing deadlines.
- E. Fine for late filing of the audited financial statement, statutory annual statement, quarterly statements, and other required filings ***of not more than \$500 per day up to \$10,000 per violation (HRS §§ 431:19-107 and 431:19-109)***. Please inform your captive clients that a daily fine will be levied for late filings.
- F. Make checks payable to the “**DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, STATE OF HAWAII**” unless otherwise noted. A service charge of \$25 will be due for each dishonored check, and replacement checks must be certified.
- G. Contact Alan Watanabe at phone number (808) 586-7413, fax number (808) 586-0987, or e-mail awatanabe@dcca.hawaii.gov if any questions.

II. DOCUMENTS AND FILING DEADLINES

Document / Description	# of Copies	2016 Filing Deadline
<p>TAX STATEMENT <CAP-001 Revised 12/15 Annual Statement of Premiums Written for Taxation Purposes></p> <p>Prepared for the 2015 year attested by notarized signature of captive's duly authorized representative, and accompanied by appropriate payment.</p>	1	3/01/16
<p>ECONOMIC IMPACT REPORT <CAP-003 Revised 12/15></p> <p>Expenses reported on an accrual basis and report cash and invested assets at market value for calendar year 2015.</p>	1	3/01/16
<p>INACTIVE STATUS REPORT <CAP-005 Revised 12/15></p> <p>Reporting of captives that are not actively writing business.</p>	1	3/01/16
<p>CERTIFICATE OF COMPLIANCE</p> <p>Required for Branch Captives to file a Certificate of Compliance issued by the insurance regulatory authority of the Parent's domicile along with a certified copy of the Parent's most recent insurance regulatory examination report.</p>	1	3/01/16
<p>ANNUAL STATEMENT</p> <p>Required for Class 3 Risk Retention Captive Insurance Companies only (unless otherwise specified by the Insurance Commissioner for Class 1, 2, 3 Association, 4 and 5 captives) on 8.5" x 14" form as required by the NAIC for the year 2015. Jurat page signed by at least two principal officers and manual signatures properly notarized.</p> <p><i>NAIC Property/Casualty Annual and Quarterly Statement Instructions</i> and updates are available on the NAIC website for purchase at http://www.naic.org/prod_serv_publications.htm</p>	1	3/01/16
<p>CAPTIVE QUESTIONNAIRE <CAP-002 Revised 12/15></p> <p>Class 1, 2, 3 Association, 4 and 5 Captives</p> <p>Class 3 Risk Retention Captives</p> <p>Branch Captives</p>	2 2 2	Last day of 6th month following fiscal year end 3/01/16 30 days after filed in Parent's Domicile
<p>STATUTORY COMPLIANCE <CAP-006(a) Revised 12/15, CAP-006(b) Revised 12/15></p> <p>Required to complete applicable form attested by signature of duly authorized representative:</p> <ol style="list-style-type: none"> CAP-006(a) form required for captives that DO NOT have a Strategic Investment Policy approved by the Insurance Commissioner. CAP-006(b) form required for captives that have a Strategic Investment Policy approved by the Insurance Commissioner. <p>Class 1, 2, 3 Association, 4 and 5 Captives</p> <p>Class 3 Risk Retention Captives</p> <p>Branch Captives</p>	2 2 2	Last day of 6th month following fiscal year end 3/01/16 30 days after filed in Parent's Domicile

Document / Description	# of Copies	2016 Filing Deadline						
<p>ACTUARIAL OPINION / CERTIFICATION OF RESERVE FOR LOSSES</p> <p>Prepared by a member of the American Academy of Actuaries or other qualified loss reserve specialist as defined in the <i>NAIC Annual Statement Instructions</i> and approved by the Insurance Commissioner, alternatively, Class 1, 2, 3 Association, 4, and 5 captives may utilize an actuarial opinion prepared by a loss reserve specialist approved by the Insurance Commissioner.</p> <p>Class 1, 2, 3 Association, 4 and 5 Captives</p> <p>Class 3 Risk Retention Captives</p> <p>Branch Captives</p>	<p>2</p> <p>2</p> <p>2</p>	<p>Last day of 6th month following fiscal year end</p> <p>3/01/16</p> <p>30 days after filed in Parent's Domicile</p>						
<p>ANNUAL LICENSE RENEWAL FEE</p> <p>Fee required for renewal of Certificate of Authority:</p> <table border="0" data-bbox="711 737 1024 821"> <tr> <td>Class 1 and 2</td> <td>\$ 300</td> </tr> <tr> <td>Class 3</td> <td>\$ 500</td> </tr> <tr> <td>Class 4 and 5</td> <td>\$1,000</td> </tr> </table>	Class 1 and 2	\$ 300	Class 3	\$ 500	Class 4 and 5	\$1,000	<p>1</p>	<p>4/01/16</p>
Class 1 and 2	\$ 300							
Class 3	\$ 500							
Class 4 and 5	\$1,000							
<p>STATEMENT OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</p> <p>Audited Balance Sheet, Income Statement and Statement of Cash Flows, at a minimum, prepared in accordance with GAAP or other comprehensive basis of accounting for Class 1, 2, 3 Association, 4 and 5 captives, and SAP for Class 3 Risk Retention Captive Insurance Companies, all audited by an independent certified public accountant approved by the Insurance Commissioner.</p> <p>Class 1, 2, 3 Association, 4 and 5 Captives</p> <p>Class 3 Risk Retention Captives</p> <p>Branch Captives</p>	<p>2</p> <p>2</p> <p>2</p>	<p>Last day of 6th month following fiscal year end</p> <p>6/01/16</p> <p>30 days after filed in Parent's Domicile</p>						
<p>FINANCIAL PROJECTIONS</p> <p>Required for Class 3 Risk Retention Captive Insurance Companies. In addition to hard copies, provide electronic copy (preferably Excel) to awatanabe@dcca.hawaii.gov:</p> <p>Financial Projections (Actual 2015 and Budget 2015-2018)</p> <ul style="list-style-type: none"> • Briefly describe the underwriting policy and pricing methodology. • Briefly explain variances equal or greater than 20%. • Include underlying assumptions used for the financial projections. 	<p>2 hard copies and electronic copy</p>	<p>6/01/16</p>						
<p>REQUIRED FOR CAPTIVES AUTHORIZED TO WRITE DIRECT MOTOR VEHICLE INSURANCE IN HAWAII:</p> <p>A. INSURED VEHICLE CENSUS REPORT FOR THE QUARTER ENDED 12/31/15</p> <p>B. DRIVERS' EDUCATION FUND UNDERWRITERS' FEE</p> <p>Please refer to the Property & Casualty Annual Filing Instructions at: http://cca.hawaii.gov/ins/insurers/annual-filing-instructions-and-tax-forms/</p>	<p>3</p> <p>3</p>	<p>2/15/16</p> <p>2/15/16</p>						
<p>REQUIRED FOR CAPTIVES AUTHORIZED TO WRITE DIRECT WORKERS' COMPENSATION INSURANCE IN HAWAII:</p> <p>ANNUAL ASSESSMENT FOR WORKERS' COMPENSATION INSURANCE SPECIAL COMPENSATION FUND (ref. HRS § 386:151 & HRS § 386:152)</p>	<p>1</p>	<p>Within 30 Days of Demand of DLIR</p>						