

# 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:** 188 active at 6/30/2014; 279 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

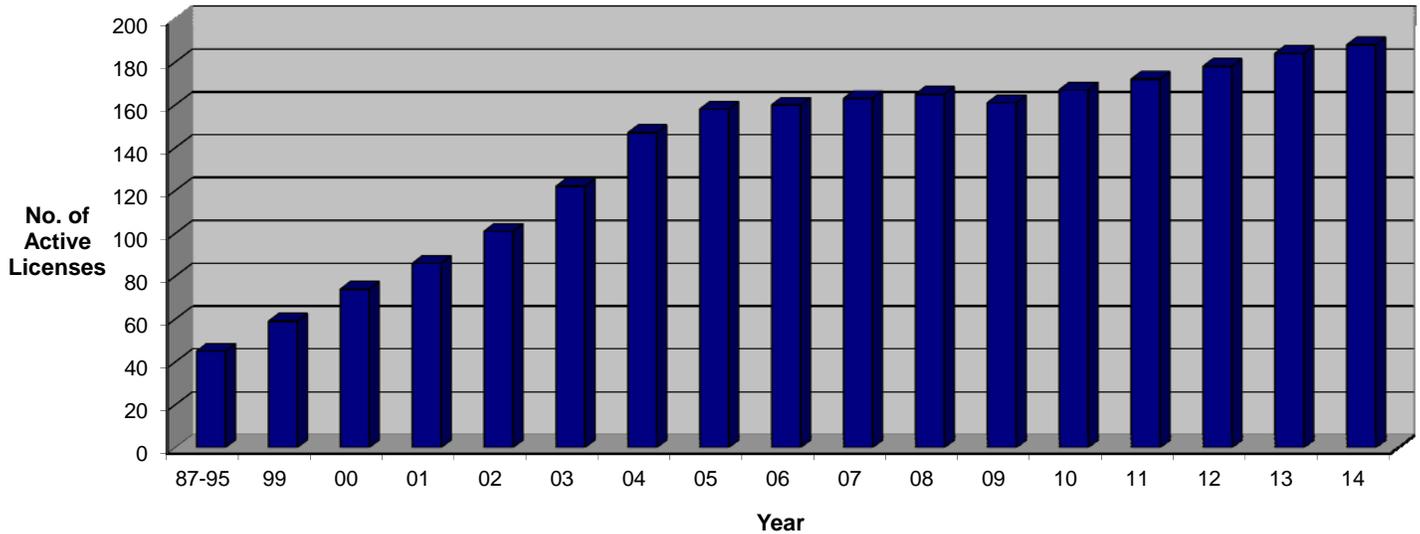
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Insurance Division • Captive Insurance Branch  
 335 Merchant Street, Room 213 • Honolulu, Hawai`i, USA 96813  
 Tel.: (808) 586-0981 Email: captiveins@dcca.hawaii.gov

## 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	4
Deletions	(4)	(6)	(2)	(3)	(1)	(2)	(5)	(7)	(6)	(7)	(6)	(8)	(6)	(5)	(6)	(11)	0
Ending Balance	45	59	74	86	101	122	147	158	160	163	165	161	167	172	178	184	188

### Captive Owners by Location

U.S.	Western	139
	Eastern	29
	Central	11
	Total U.S.	179
Non-U.S.	Asia / Pacific	9
	Total Non-U.S.	9
Total at 6/30/2014		188

### Captive Owners by Industry Groups

Construction / Real Estate	55	
Health Care	33	
Telecommunications & Manufacturing	33	
Retail & Other Services	27	
Financial Services	17	
Transportation / Energy	23	
Total at 6/30/2014		188

### Links to Related Sites:

Captive Insurance Branch	<a href="http://www.captiveinsurance.hawaii.gov">www.captiveinsurance.hawaii.gov</a>
Hawai`i State Government	<a href="http://www.hawaii.gov">www.hawaii.gov</a>
Hawai`i Captive Insurance Council	<a href="http://www.hawaiicaptives.com">www.hawaiicaptives.com</a>