

HB 238 -- Regulation of Captive Insurance Companies

Sponsor: Yates

This bill regulates captive insurance companies. In its main provisions, captive insurance companies:

- (1) Are allowed, when permitted, to apply for a license to provide insurance and annuity contracts under Section 376.010, RSMo, to parent, affiliated, or controlled unaffiliated companies;
- (2) Cannot adopt a name that is likely to be confused or mistaken with an existing company;
- (3) Must maintain adequate paid-in capital and surplus as required in order to be issued a license. No dividend can be paid without prior approval from the Director of the Department of Insurance, Financial Institutions, and Professional Registration;
- (4) Are allowed to be incorporated under Section 379.1310;
- (5) Must annually report their financial condition to the department director as required;
- (6) Will be examined at least once every three years by the department director or his or her agent;
- (7) Can have their license suspended or revoked by the department director for cause;
- (8) Must comply with investment requirements contained in Chapter 375 and Sections 379.080 and 379.082 as applicable;
- (9) May reinsure risks or portions of risks with prior approval of the department director;
- (10) Cannot be required to join a rating organization or be allowed to join or contribute financially to a plan, pool, association, guaranty, or insolvency fund for claims arising out of the operation of the company; and
- (11) Must pay the taxes required under Section 379.1326 to the Director of the Department of Revenue on or before May 1 of each year. Fees and assessments received by the Department of Insurance, Financial Institutions, and Professional Registration will be paid into the Insurance Dedicated Fund.