

HB 577 -- Captive Insurance Companies

Sponsor: Yates

This bill changes the laws regarding captive insurance companies and allows an association captive insurance company or an industrial insured captive insurance company to be organized as a reciprocal insurer. In its main provisions, the bill:

- (1) Requires the captive insurance company's subscribers' advisory committee to meet at least once a year;
- (2) Removes the requirement that a captive insurance company hold at least 35% of its assets in Missouri;
- (3) Requires organizers of a reciprocal insurer to petition the Director of the Department of Insurance, Financial Institutions and Professional Registration to issue a certificate finding that the proposed association will promote the general good of the state;
- (4) Specifies that the captive insurance company statutes will control in cases where there is a conflict between them and the reciprocal insurance statutes;
- (5) Requires the State Treasurer to deposit 90% of the premium taxes collected from captive insurance companies and special purpose life reinsurance captive (SPLRC) companies into the General Revenue Fund and 10% into the Insurance Dedicated Fund;
- (6) Allows an association captive insurance company or an industrial insured captive insurance company to be converted to or merged with and into a reciprocal insurer and specifies the requirements and procedures for the conversion or merger plan;
- (7) Reduces from two to one the number of Missouri residents required to incorporate or organize a SPLRC; and
- (8) Changes the way in which the assets of a SPLRC are valued.