

HB 1942 -- Sponsored Captive Insurance Companies

Sponsor: Molendorp

This bill allows the Director of the Department of Insurance, Financial Institutions and Professional Registration to issue a certificate of general good to permit the formation of a sponsored captive insurance company for the sole purpose of consolidating or merging with or assuming existing insurance or reinsurance business from an existing Missouri licensed captive insurance company. The assets for one or more participants in a sponsored captive insurance company must be kept in a separate account to be known as a "protected cell."

One or more sponsors may form a sponsored captive insurance company to insure the risks of only its participants with separate contracts for each participant. A sponsored captive insurance company:

- (1) Must have unimpaired paid-in capital and surplus of \$500,000 and pay an annual minimum aggregate tax of \$750,000. Each protected cell under a sponsoring captive insurance company is required to pay a portion of the tax as specified in the bill based on the amount of premiums collected;
- (2) Must be subject to the reporting and operational requirements of the department;
- (3) Can be sponsored by any person approved by the department director;
- (4) Can have an association, corporation, limited liability company, partnership, trust, and other business entity as a participant;
- (5) Must comply with the investment requirements; and
- (6) Must have capital and surplus available at all times to pay any expenses of or claims against the sponsored captive insurance company. The assets of a protected cell cannot be used to pay any expense or claim other than those attributable to the protected cell.