

2026 Regular Session

HOUSE BILL NO. 936

BY REPRESENTATIVE JORDAN

INSURANCE: Provides relative to captive insurers

1 AN ACT

2 To enact Subpart T of Part I of Chapter 2 of Title 22 of the Louisiana Revised Statutes of
3 1950, to be comprised of R.S. 22:550.41 through 550.68, relative to captive insurers;
4 to create the Louisiana Captive Insurance Act; to authorize the formation and
5 regulation of captive insurance companies including pure captive insurers,
6 association captives, group captives and protected cell companies; to establish
7 licensing, capitalization, solvency, and reporting requirements; to provide for
8 economic development through captive domicile; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. Subpart T of Part I of Chapter 2 of Title 22 of the Louisiana Revised
11 Statutes of 1950, comprised of R.S. 22:550.41 through 550.68 is hereby amended and
12 reenacted to read as follows:

13 SUBPART T. CAPTIVE INSURANCE ACT

14 §550.41. Short title

15 This Act shall be known and may be cited as the "Louisiana Captive
16 Insurance Act."

17 §550.42. Definitions

18 As used in this Chapter, the following terms have the meanings ascribed to
19 them:

1 (1) "Association captive insurer" means a captive insurer that insures risks
2 of the members of one or more associations and their affiliated companies and
3 employees, formed and sponsored by those associations.

4 (2) "Branch captive insurer" means an alien captive insurer licensed to write
5 insurance in this state, maintaining assets and liabilities related to this state's
6 operations in a segregated branch account.

7 (3) "Business plan" means the document submitted with a captive
8 application describing the proposed insurer's underwriting strategy, risk profile,
9 capitalization plan, governance structure, and projected financial performance.

10 (4) "Captive insurer" means any pure captive insurer, association captive
11 insurer, group captive insurer, sponsored captive insurer, or protected cell company
12 formed or licensed pursuant to this Chapter.

13 (5) "Cell" means a separate and distinct account within a protected cell
14 company established pursuant to this Chapter, with its own separately maintained
15 assets and liabilities, owned by one or more participants and maintained separate
16 from all other cells and from the protected cell company's general account.

17 (6) "Cell owner" means a participant who owns or has an equity interest in
18 a cell of a protected cell company.

19 (7) "Core account" means the assets and liabilities of a protected cell
20 company that are not attributable to any cell.

21 (8) "Fronting insurer" means a licensed insurer that issues policies on behalf
22 of a captive insurer through a contractual arrangement, retaining no or minimal risk.

23 (9) "Group captive insurer" means a captive insurer owned by two or more
24 unaffiliated companies or persons that insures only the risks of its owners, their
25 affiliated companies, or the risks of members of an industry group.

26 (10) "Inactive captive" means a captive insurer that has ceased writing new
27 insurance and is in the process of winding down its affairs.

28 (11) "Minimum capital" means the minimum paid-in capital required for
29 formation and ongoing operation of a captive insurer as specified in this Chapter.

1 (12) "Minimum surplus" means the minimum surplus required for formation
2 and ongoing operation of a captive insurer as specified in this Chapter.

3 (13) "Participant" means a person who is insured by a sponsored captive
4 insurer under a participant contract, or who holds an ownership interest in a cell of
5 a protected cell company.

6 (14) "Participant contract" means the agreement between a sponsored captive
7 insurer and a participant that defines the terms of the participant's access to the
8 sponsored captive's facilities.

9 (15) "Protected cell" has the same meaning as "cell."

10 (16) "Protected cell company" or "PCC" means a captive insurer that
11 maintains two or more separate cells, each with distinct assets and liabilities
12 attributed to individual participants, segregated from all other cells and from the
13 general assets of the protected cell company.

14 (17) "Pure captive insurer" means a captive insurer that insures only the risks
15 of its parent, affiliated companies, or controlled unaffiliated entities.

16 (18) "Sponsor" means the entity that owns and operates a sponsored captive
17 insurer and provides the required capital for the sponsored captive's general account.

18 (19) "Sponsored captive insurer" means a captive insurer that insures the
19 risks of participants through separate participant accounts, with the sponsor
20 providing the general account capital.

21 §550.43. Authority to form; types of captive insurers authorized

22 A. The following types of captive insurers may be formed and licensed in
23 this state pursuant to this Subpart:

24 (1) Pure captive insurers.

25 (2) Association captive insurers.

26 (3) Group captive insurers.

27 (4) Sponsored captive insurers.

28 (5) Protected cell companies.

29 (6) Branch captive insurers.

1 B. A captive insurer may be incorporated as a stock insurer, a mutual insurer,
2 a limited liability company, or such other entity as may be approved by the
3 commissioner.

4 C. A captive insurer may be formed under the laws of this state or may be
5 a foreign or alien captive seeking licensure as a branch captive insurer in this state.

6 §550.44. Application for license

7 A. A captive insurer seeking a license to do business in this state shall file
8 with the commissioner a written application for a license, accompanied by the
9 applicable fee. The application shall include:

10 (1) A copy of the proposed organizational documents, including articles of
11 incorporation or organization and bylaws or operating agreement.

12 (2) A business plan meeting the requirements of this Chapter.

13 (3) Evidence of the required minimum capital and surplus.

14 (4) A pro forma balance sheet and income statement for the first three years
15 of operation.

16 (5) The name and qualifications of the proposed captive manager, if any.

17 (6) The name and qualifications of the proposed actuary.

18 (7) A description of the risks to be insured.

19 (8) Information regarding proposed reinsurance arrangements, if any.

20 (9) Such other information as the commissioner may require by rule.

21 B. All applications shall be reviewed by the commissioner, who may, as part
22 of the review process, conduct an examination of the proposed captive, require
23 additional information, or hold a hearing.

24 C. The commissioner shall approve or deny an application within ninety
25 days of receipt of a complete application. If the commissioner fails to act within
26 ninety days, the application shall be deemed approved.

27 D. The commissioner shall approve a license if the commissioner determines
28 that:

29 (1) The applicant meets all requirements of this Chapter and applicable rules.

1 (2) The proposed business plan is sound and the proposed captive is likely
2 to meet its obligations to insureds.

3 (3) The proposed captive will not be used for purposes contrary to the
4 interests of the public or the integrity of the insurance market.

5 §550.45. Minimum capital and surplus requirements

6 A. The minimum capital and surplus requirements for captive insurers
7 licensed pursuant to this Chapter are as follows:

8 (1) Pure captive insurer: minimum capital of two hundred fifty thousand
9 dollars and minimum surplus of two hundred fifty thousand dollars for a combined
10 minimum of five hundred thousand dollars.

11 (2) Association captive insurer: minimum capital of five hundred thousand
12 dollars and minimum surplus of five hundred thousand dollars for a combined
13 minimum of one million dollars.

14 (3) Group captive insurer: minimum capital of five hundred thousand dollars
15 and minimum surplus of five hundred thousand dollars for a combined minimum of
16 one million dollars.

17 (4) Sponsored captive insurer: minimum capital of five hundred thousand
18 dollars and minimum surplus of five hundred thousand dollars for the general
19 account.

20 (5) Protected cell company: minimum capital and surplus for the core
21 account of two hundred fifty thousand dollars with a minimum of one hundred
22 thousand dollars of capital and surplus attributable to each cell.

23 B. The commissioner may, by rule or order, establish higher capital and
24 surplus requirements for a particular captive insurer based on the type, volume, or
25 nature of insurance business transacted, or other relevant risk factors.

26 C. Capital and surplus may be contributed in the form of cash, letters of
27 credit from financial institutions approved by the commissioner, trust arrangements,
28 or such other forms of security as the commissioner may approve.

1 D. The commissioner shall annually review the adequacy of minimum
2 capital and surplus requirements and shall adjust them as necessary to reflect
3 changes in economic conditions, actuarial standards, or market practices.

4 §550.46. Licensing fees

5 A. Captive insurers shall pay to the Department the following fees:

6 (1) Initial application fee of two thousand five hundred dollars for a pure
7 captive insurer; five thousand dollars for an association, group, or sponsored captive
8 insurer; and seven thousand five hundred dollars for a protected cell company.

9 (2) Annual renewal fee: the same as the initial application fee.

10 (3) Cell addition fee for protected cell companies: five hundred dollars per
11 cell added after initial licensing.

12 B. Fees collected pursuant to this section shall be deposited in a special fund
13 established for use by the Department in administering this Chapter and developing
14 this state's captive industry.

15 §550.47. Formation of protected cell companies

16 A. A protected cell company shall be formed under the laws of this state as
17 a single legal entity with the authority to establish and maintain two or more cells for
18 the purpose of insuring the risks of cell owners.

19 B. The organizational documents of a protected cell company shall:

20 (1) Identify the company as a protected cell company.

21 (2) Authorize the establishment and maintenance of cells.

22 (3) Require that the assets of each cell be segregated from the assets of all
23 other cells and from the general assets of the protected cell company.

24 (4) Prohibit the assets attributable to a cell from being charged with the
25 liabilities of any other cell or the general liabilities of the protected cell company.

26 (5) Specify the rights and obligations of cell owners with respect to their
27 cells.

28 §550.48. Cell establishment and governance

1 A. A protected cell company may establish one or more cells with the prior
2 written approval of the commissioner. Each cell shall be established pursuant to a
3 written cell agreement that specifies:

4 (1) The identity and ownership interest of the cell owner.

5 (2) The risks to be insured through the cell.

6 (3) The minimum capital and surplus to be maintained in the cell.

7 (4) The rights of the cell owner regarding management and control of the
8 cell.

9 (5) The circumstances under which the cell may be terminated.

10 (6) The allocation of investment income, underwriting profits and losses, and
11 expenses between the cell and the core account.

12 B. Each cell shall maintain separate books of account and financial records.
13 The protected cell company shall maintain a clear accounting separation between the
14 assets and liabilities of each cell and the core account.

15 C. The name of each cell shall include the name of the protected cell
16 company and a designation that identifies the particular cell.

17 §550.49. Segregation of cell assets; core account

18 A. The assets of each cell of a protected cell company shall be:

19 (1) Held separately from the assets of all other cells and the core account.

20 (2) Used only to pay losses and expenses attributable to risks insured by that
21 cell.

22 (3) Not subject to the claims of creditors of any other cell or of the protected
23 cell company in its general capacity, except as provided in Subsection C of this
24 Section.

25 B. The assets of the core account may be used to meet obligations of the
26 protected cell company that are not attributable to any individual cell, including
27 administrative expenses, formation costs, and regulatory compliance obligations.

28 C. Notwithstanding the general rule of segregation, the assets of the core
29 account may be used to satisfy the obligations of a cell if:

1 (1) The cell assets are insufficient to satisfy those obligations.

2 (2) The cell agreement expressly permits such use.

3 (3) The commissioner has approved such use in writing.

4 D. No judgment against a protected cell company with respect to obligations
5 attributable to a particular cell shall be enforceable against the assets of any other
6 cell or the core account, except as provided in this Section.

7 §550.50. Small carrier group captive provisions

8 A. In recognition of the market access challenges faced by small commercial
9 transportation carriers, the commissioner shall:

10 (1) Develop expedited application procedures for protected cell companies
11 sponsored by trade associations whose members consist primarily of small
12 commercial carriers, defined as carriers operating five or fewer vehicles.

13 (2) Allow reduced minimum cell capitalization requirements of fifty
14 thousand dollars per cell for cells owned by carriers meeting the definition of a small
15 carrier.

16 (3) Provide technical assistance to trade associations seeking to establish
17 group captive or protected cell structures for their members.

18 B. Trade associations sponsoring captive structures under this section shall
19 be required to demonstrate adequate financial strength, governance capacity, and
20 actuarial support to manage the captive responsibly.

21 C. The commissioner shall prepare and publish annually a report on small
22 carrier captive activity in this state, including the number of small carriers accessing
23 captive coverage, the premium savings achieved, and recommendations for program
24 improvements.

25 §550.51. Governance requirements

26 A. Each captive insurer shall maintain a board of directors or equivalent
27 governing body with a minimum of three members, at least one of whom shall be a
28 resident of this state.

29 B. The governing body shall:

1 (1) Meet at least annually, with a quorum present.

2 (2) Adopt and maintain a written governance policy.

3 (3) Oversee the captive's financial condition and compliance with this
4 Chapter.

5 (4) Review and approve the annual actuarial report.

6 (5) Maintain minutes of all meetings, available for inspection by the
7 commissioner.

8 C. A captive insurer may employ a captive manager licensed by the
9 commissioner to perform day-to-day management functions. The use of a captive
10 manager does not relieve the governing body of its oversight responsibilities.

11 §550.52. Captive managers; licensing

12 A. No person shall act as a captive manager in this state without first
13 obtaining a captive manager license from the commissioner.

14 B. A captive manager license applicant shall demonstrate:

15 (1) Relevant experience in insurance, risk management, or captive
16 management.

17 (2) Financial responsibility and sound business practices.

18 (3) Compliance with applicable education requirements established by the
19 commissioner.

20 (4) Payment of the required license fee.

21 C. A captive manager license shall be renewed annually. The commissioner
22 may revoke or suspend a license for cause following notice and an opportunity for
23 a hearing.

24 D. The commissioner shall, through rule, establish standards of conduct for
25 captive managers, including fiduciary duties to captive insurers and their
26 policyholders.

27 §550.53. Actuarial requirements

1 A. Each captive insurer shall retain a qualified actuary, who shall be a
2 Fellow of the Casualty Actuarial Society, a Fellow of the Society of Actuaries, or a
3 member in good standing of the American Academy of Actuaries.

4 B. The actuary shall annually prepare and certify a statement of actuarial
5 opinion addressing:

6 (1) The adequacy of the captive's loss reserves.

7 (2) The appropriateness of the captive's premium pricing relative to the risks
8 insured.

9 (3) The captive's projected solvency for the upcoming year.

10 (4) Any significant actuarial risks or concerns identified by the actuary.

11 C. The actuarial opinion shall be submitted to the commissioner as part of
12 the annual report required under this Chapter.

13 §550.54. Investment requirements

14 A. A captive insurer shall invest its assets in accordance with a written
15 investment policy approved by its governing body and the commissioner.

16 B. The investment policy shall provide for:

17 (1) Preservation of capital as the primary investment objective.

18 (2) Diversification appropriate to the nature and duration of the captive's
19 liabilities.

20 (3) Liquidity sufficient to meet expected claims obligations.

21 (4) Compliance with applicable investment standards established by the
22 commissioner.

23 C. A captive insurer shall not invest more than ten percent of its admitted
24 assets in the securities of any single issuer, other than obligations of the United
25 States government.

26 §550.55. Reinsurance

27 A. A captive insurer may obtain reinsurance from any insurer authorized to
28 transact reinsurance in this state or from a reinsurer approved by the commissioner.

1 B. A captive insurer may cede one hundred percent of its risks to a reinsurer
2 if the reinsurance arrangement is approved by the commissioner and the captive
3 retains sufficient financial substance to meet its direct obligations to insureds.

4 C. Reinsurance recoverables shall be admitted as assets only to the extent
5 that the reinsurer meets credit for reinsurance standards established by the
6 commissioner.

7 §550.56. Annual report

8 A. Each captive insurer shall file an annual report with the commissioner no
9 later than April thirtieth of each year. The annual report shall include:

10 (1) Annual financial statements audited by an independent certified public
11 accountant licensed in this state or another state acceptable to the commissioner.

12 (2) The actuarial opinion required under Section 1314.

13 (3) A statement of any material changes in the captive's business plan,
14 ownership, or governance.

15 (4) A description of any claims or losses that individually exceeded ten
16 percent of the captive's surplus.

17 (5) Such other information as the commissioner may require by rule.

18 B. Protected cell companies shall include in their annual report separate
19 financial statements for each cell and for the core account.

20 C. The commissioner may, for good cause shown, grant an extension of the
21 filing deadline not to exceed sixty days.

22 §550.57. Examination authority

23 A. The commissioner may examine the affairs of any captive insurer at any
24 time the commissioner deems it necessary for the protection of policyholders or the
25 public.

26 B. The commissioner shall conduct a routine examination of each captive
27 insurer at least once every five years.

1 C. The costs of any examination shall be borne by the captive insurer being
2 examined, except that the commissioner may waive examination costs for small
3 captives upon a finding that such waiver is in the public interest.

4 D. Examination reports shall be confidential and not subject to public
5 disclosure, except that the commissioner may share examination reports with other
6 insurance regulatory authorities.

7 §550.58. Confidentiality of captive information

8 A. All financial information, reports, and business plans submitted to the
9 commissioner pursuant to this Chapter shall be confidential and not subject to public
10 records disclosure under this state's law.

11 B. The commissioner may share confidential captive information with the
12 National Association of Insurance Commissioners or with the insurance regulatory
13 authorities of another state or jurisdiction under a written agreement of
14 confidentiality.

15 C. The confidentiality provisions of this section shall not be construed to
16 prevent the commissioner from disclosing to the public aggregate data regarding the
17 this state's captive market that does not identify individual captives.

18 §550.59. Premium tax

19 A. Each captive insurer licensed in this state shall pay to the Department of
20 Revenue an annual premium tax on direct premiums written on this state's risks,
21 computed as follows:

22 (1) Four-tenths of one percent on the first twenty million dollars of direct
23 premiums.

24 (2) Three-tenths of one percent on the next twenty million dollars of direct
25 premiums.

26 (3) Two-tenths of one percent on the next twenty million dollars of direct
27 premiums.

28 (4) One-tenth of one percent on direct premiums in excess of sixty million
29 dollars.

1 B. The minimum annual premium tax payable by any captive insurer under
2 this section shall be five thousand dollars.

3 C. Captive insurers are exempt from any other premium tax, surplus lines
4 tax, or fire marshal tax that would otherwise apply to insurance transactions.

5 D. Premium taxes paid pursuant to this section shall not be subject to
6 retaliatory tax provisions applicable to other insurers.

7 §550.60. Grounds for regulatory action

8 A. The commissioner may suspend, revoke, or place in conservatorship a
9 captive insurer upon a finding that:

10 (1) The captive insurer has failed to maintain the required minimum capital
11 or surplus.

12 (2) The captive insurer has materially misrepresented information in its
13 application, annual report, or other regulatory filing.

14 (3) The captive insurer is in a financially hazardous condition.

15 (4) The captive insurer's management has engaged in conduct that is
16 hazardous to policyholders or the public.

17 (5) The captive insurer has failed to comply with any requirement of this
18 Chapter or applicable rules.

19 (6) The captive insurer has failed to pay claims in a timely manner.

20 B. Prior to taking action under this Section, the commissioner shall provide
21 the captive insurer with written notice of the proposed action and an opportunity for
22 a hearing within thirty days, unless the commissioner determines that an emergency
23 exists requiring immediate action.

24 §550.61. Civil penalties

25 A. A captive insurer that violates any provision of this Chapter or any rule
26 promulgated hereunder shall be subject to a civil penalty not to exceed twenty-five
27 thousand dollars per violation.

28 B. A person who acts as a captive manager without a license shall be subject
29 to a civil penalty not to exceed fifty thousand dollars per violation.

1 C. All penalties collected under this Section shall be deposited in the
2 Department's captive insurance development fund.

3 §550.62. Receivership and liquidation

4 A. A captive insurer that is determined to be insolvent or in hazardous
5 financial condition shall be subject to the receivership and liquidation provisions of
6 this state's insurance law to the extent consistent with this Chapter.

7 B. In the event of a protected cell company's insolvency, the assets of each
8 cell shall be applied first to the obligations of that cell. Only after the cell's
9 obligations are satisfied may remaining cell assets be applied to the obligations of
10 the core account or other cells, and only to the extent authorized by the cell
11 agreement and approved by the commissioner.

12 C. Captive insurers are not required to participate in the Louisiana Insurance
13 Guaranty Association (LIGA). Policyholders of captive insurers are not entitled to
14 LIGA guaranty fund protection.

15 §550.63. Louisiana Captive Insurance Development Fund

16 A. There is hereby created in the state treasury a special fund to be known
17 as the Louisiana Captive Insurance Development Fund.

18 B. The fund shall receive:

19 (1) All application and renewal fees collected under this Chapter.

20 (2) Civil penalties collected under Section 1322.

21 (3) Such other appropriations or transfers as the Legislature may provide.

22 C. Monies in the fund shall be used by the commissioner to:

23 (1) Hire and retain specialized staff for captive regulation, including
24 actuaries, financial analysts, and legal counsel.

25 (2) Market this state as a captive domicile at national and international
26 insurance industry events.

27 (3) Develop technical assistance programs for small businesses, minority-
28 owned enterprises, and trade associations seeking to form captives.

29 (4) Fund research and education on captive insurance and risk management.

1 §550.64. Captive Insurance Advisory Committee

2 A. The commissioner shall establish a Captive Insurance Advisory
3 Committee to advise the commissioner on the development and administration of
4 this state's captive insurance market.

5 B. The advisory committee shall consist of twelve members appointed by
6 the commissioner, including:

7 (1) Two captive insurance managers licensed in this state.

8 (2) Two representatives of this state's trade associations with captive or self-
9 insurance programs.

10 (3) One licensed actuary with captive insurance experience.

11 (4) One attorney specializing in insurance law.

12 (5) One certified public accountant with insurance industry experience.

13 (6) One representative of small or minority-owned businesses.

14 (7) One representative from the commercial transportation industry.

15 (8) One representative from the financial services industry.

16 (9) One member of the general public.

17 (10) One representative from this state's institution of higher education with
18 an insurance or risk management program.

19 C. The advisory committee shall meet at least twice annually and shall
20 provide the commissioner with written recommendations on captive regulatory
21 policy, fee structures, and economic development strategies.

22 §550.65. Rulemaking authority

23 The commissioner shall have authority to promulgate rules and regulations
24 necessary to implement the provisions of this Chapter, including rules governing
25 application procedures, capital and surplus requirements, investment standards,
26 captive manager licensing, governance requirements, and examination procedures.

27 §550.66. Exemption from other insurance laws

1 A. Captive insurers licensed pursuant to this Chapter are exempt from all
2 provisions of the Louisiana Insurance Code applicable to admitted insurers, except
3 as specifically provided in this Chapter or by rule of the commissioner.

4 B. Captive insurers shall not be subject to this state's surplus lines laws with
5 respect to business written by the captive on risks of its owner, members, or
6 participants.

7 C. Nothing in this Chapter shall be construed to exempt captive insurers
8 from laws of general applicability, including laws governing fraud, deceptive trade
9 practices, and contractual obligations.

10 §550.67. Applicability of other provisions

11 To the extent not inconsistent with this Chapter, the provisions of this state's
12 insurance law relating to insurer formation, corporate governance, and financial
13 regulation shall apply to captive insurers. In the event of a conflict between this
14 Chapter and other provisions of this state's insurance law, this Chapter shall control.

15 Section 2. This Act shall take effect upon signature by the Governor, or, if not
16 signed by the Governor, upon expiration of the time for bills to become law without
17 the Governor's signature, as provided by Article III, Section 18 of the Constitution
18 of Louisiana.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 936 Original

2026 Regular Session

Jordan

Abstract: Creates the Louisiana Captive Insurance Act. Establishes the formation, regulation, licensing, capitalization, solvency, and reporting requirements for the Louisiana Captive Insurance Act. Provides definitions necessary for the Louisiana Captive Insurance Act. Provides for economic development through captive domicile.

Proposed law provides for definitions.

Proposed law establishes the types of captive insurers who are authorized to form and be licensed in this state.

Proposed law provides the requirements for a captive insurer seeking licensure.

Proposed law establishes minimum capital and surplus requirements for licensed captive insurers.

Proposed law authorizes the commissioner to establish higher capital and surplus requirements for a particular captive insurer.

Proposed law authorizes the commissioner to annually review the minimum capital and surplus requirements and adjust them as necessary.

Proposed law requires licensing fees and licensing requirements based on types of captive insurers, association, group, or protected cell company.

Proposed law establishes the formation, requirements, and governance of protected cell companies and captive insurers.

Proposed law permits the commissioner authority to expedite application procedures, reduce minimum cell capitalization requirements, and provide technical assistance to trade associations for small carrier group captives.

Proposed law authorizes the commissioner to establish standards of conduct for captive managers.

Proposed law requires captive insurers to retain a qualified actuarial.

Proposed law provides requirements for a qualified actuarial.

Proposed law permits captive insurers to invest assets with a written investment policy approved by its governing body and the commissioner.

Proposed law allows captive insurers to obtain reinsurance from any insurer authorized to transact reinsurance in this state or from a reinsurer approved by the commissioner.

Proposed law requires captive insurers and protected cell companies to file an annual report with the commissioner no later than April 30 of each year.

Proposed law includes requirements for the annual report that shall be submitted by captive insurers an protected cell companies.

Proposed law permits the commissioner to examine the affairs of any captive insurer, at any time, for the protection of policyholders or the public.

Proposed law protects all financial information, reports, and business plans submitted by the captive insurer to the commissioner as confidential and is not subject to public records disclosure.

Proposed law requires captive insurers to pay an annual tax premium to the department of revenue.

Proposed law establishes the grounds for regulatory action, in which, the commissioner may suspend, revoke, or place in conservatorship a captive insurer.

Proposed law imposes civil penalties for captive insurers that commit violations.

Proposed law provides the receivership and liquidation process for captive insurers that are insolvent or in hazardous financial condition.

Proposed law establishes a captive insurance development fund for this state.

Proposed law establishes a captive insurance advisory committee, which shall consist of 12 members appointed by the commissioner.

Proposed law provides exemptions for captive insurers.

Proposed law provides the applicability of governing provisions when provisions conflict.

Proposed law provides the effective date of act shall take effect upon signature by the governor.

(Adds 22:550.41- 550.68)