



The President
Palikir, Pohnpei
Federated States of Micronesia

PRESIDENTIAL COMM. NO. 21-445
FSM CONGRESS

November 5th 2020

The Honorable Wesley W. Simina
Speaker
Twenty-First Congress
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear Speaker Simina:

I am pleased to transmit the following Congressional Act, which I have signed to become Public Law No. 21-199:

Congressional Act No. 21-204, entitled: "AN ACT TO AMEND CHAPTER 10 OF TITLE 37 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED, BY ADDING A NEW SECTION 1017 TO ALLOW FOR LICENSED CAPTIVE INSURANCE COMPANIES TO BECOME DORMANT, AND FOR OTHER PURPOSES."

Thank you.

Sincerely,

David W. Panuelo
President

xc: Chief Justice, FSM Supreme Court





Office of the Chief Clerk

CONGRESS OF THE FEDERATED STATES OF MICRONESIA

P.O. Box PS 3

Palikir, Sokehs Pohnpei State, FM 96941

Tel: (691) 320-2324 / 2338 Fax: (691) 320-5122

PRESIDENTIAL COMM. NO. 21-445
FSM CONGRESS

October 07, 2020

RECEIVED
OCT 7 2020
Office of the
President FSM

His Excellency David W. Panuelo
President
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear President Panuelo:

I have the honor to transmit herewith Congressional Act No. 21-204, "AN ACT TO AMEND CHAPTER 10 OF TITLE 37 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED, BY ADDING A NEW SECTION 1017 TO ALLOW FOR LICENSED CAPTIVE INSURANCE COMPANIES TO BECOME DORMANT, AND FOR OTHER PURPOSES", which was passed by the Twenty-First Congress of the Federated States of Micronesia, Fifth Regular Session, 2020, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

A handwritten signature in black ink, consisting of a stylized 'L' followed by a series of loops and a long horizontal stroke.

Liwiana Ramon Ioanis
Chief Clerk, Congress of the
Federated States of Micronesia

Enclosures



PRESIDENTIAL COMM. NO. 21-445
FSM CONGRESS

TWENTY-FIRST CONGRESS OF THE
FEDERATED STATES OF MICRONESIA
FIFTH REGULAR SESSION
SEPTEMBER 14 – OCTOBER 3, 2020

An Act

TO AMEND CHAPTER 10 OF TITLE 37 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED, BY ADDING A NEW SECTION 1017 TO ALLOW FOR LICENSED CAPTIVE INSURANCE COMPANIES TO BECOME DORMANT, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: FLORENCIO S. HARPER (BY REQUEST)

DATE: SEPTEMBER 18, 2020

REFERRED TO: COMMITTEE ON RESOURCES AND DEVELOPMENT

S.C.R. NO. 21-69 – SEPTEMBER 30, 2020

FIRST READING: – OCTOBER 01, 2020

SECOND READING: – OCTOBER 02, 2020

A handwritten signature in black ink, appearing to read "Liwiana Ramon Ioanis", is written over a horizontal line.

Liwiana Ramon Ioanis
Chief Clerk, FSM Congress



Office of the Speaker

CONGRESS OF THE FEDERATED STATES OF MICRONESIA

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PRESIDENTIAL COMM. NO. 21-445
FSM CONGRESS

ACT NO. 21-204

(CONGRESSIONAL BILL NO. 21-299)

We hereby certify that on October 2 the foregoing act passed Second and Final Reading of the Twenty-First Congress of the Federated States of Micronesia, Fifth Regular Session, 2020, by a two-thirds vote of all the State delegations as required under article IX, section 20, of the Constitution of the Federated States of Micronesia.

A handwritten signature in black ink, appearing to be "Wesley W. Simina".

Wesley W. Simina
Speaker
Congress of the
Federated States of Micronesia

A handwritten signature in black ink, appearing to be "Liwiana Ramon Ioanis".

Liwiana Ramon Ioanis
Chief Clerk
Congress of the
Federated States of Micronesia

AN ACT

To amend chapter 10 of title 37 of the Code of the Federated States of Micronesia (Annotated), as amended, by adding a new section 1017 to allow for licensed captive insurance companies to become dormant, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1 Section 1. Chapter 10 of title 37 of the Code of the
2 Federated States of Micronesia (Annotated), as amended, is hereby
3 further amended by adding a new section 1017 to read as follows:

4 "Section 1017. Dormancy.

5 (1) A Captive Insurance Company that elects to
6 temporarily cease conducting insurance business pursuant
7 to this chapter may apply to the Commissioner to place
8 its insurance license in a dormant status.

9 (2) While in a dormant status, the Captive Insurance
10 Company may not transact insurance business, including
11 the issuance of new contracts of insurance or maintain
12 any active contracts of insurance or reinsurance in
13 force.

14 (3) The Captive Insurance Company may continue to pay
15 claims on any contracts of insurance or reinsurance that
16 have expired or terminated.

17 (4) While in dormant status:

18 (a) the requirements of sections 1003(2)(a) and
19 1003(3) shall not apply to the Captive Insurance Company

except that any records of the Captive Insurance Company must be provided to the Commissioner upon request,

(b) the requirements of section 1010 shall only apply to the first reports due following the Captive Insurance Company's placement in dormant status and not apply thereafter while the Captive Insurance Company continuously remains n dormant status, and

(c) the Commissioner may elect to defer the requirements of section 1011 until such time as the Captive Insurance Company is no longer in a dormant status.

(5) The Commissioner may grant a waiver to the requirements of sections 1007, 1008, and 1013 of this title to a Captive Insurance Company in dormant status if it can certify to the satisfaction of the Commissioner that it is not subject to any outstanding insurance liabilities on any expired or terminated policies.

(6) A Captive Insurance Company under dormant status may apply to the Commissioner for reinstatement upon demonstrating to the Commissioner that it is in full compliance with all applicable laws and regulations. The reinstated Captive Insurance Company's first filed report of its financial conditions and audited financial statements must include all period of time back to the

1 coverage period of the last filed reports."

2 Section 2. This act shall become law upon approval by the
3 President of the Federated States of Micronesia or upon its
4 becoming law without such approval.

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Nov 5th, 2020

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David W. Panuelo
President
Federated States of Micronesia

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