
A BILL FOR AN ACT

To further amend section 1007 of title 37 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Law No. 18-20, to eliminate discrepancy between initial and ongoing capital and surplus requirements for captive insurance companies, and for other purposes.

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

1 Section 1. Section 1007 of title 37 of the Code of the
2 Federated States of Micronesia (Annotated), as amended by Public
3 Law No. 18-20, is hereby further amended to read as follows:

4 "Section 1007. Minimum Capital and Surplus
5 Requirements:

6 (1) No captive insurance company shall be [~~registered~~
7 ~~and~~] issued a license unless it [~~has initial paid in~~
8 ~~capital of \$1,000,000 and thereafter~~] maintains a
9 minimum capital and surplus of \$100,000;

10 (2) Provided however with respect to multiple
11 corporate captive insurance companies the core member
12 [~~captive insurance company~~] shall maintain [~~a~~] minimum
13 [~~paid in~~] capital and surplus of \$1,000,000 and each
14 non-core member [~~corporate captive insurance company~~]
15 shall maintain [~~paid in~~] minimum capital and surplus of
16 \$100,000.

17 (3) With respect to Class 4 captive insurance
18 company, the minimum required capital and surplus [~~will~~

1