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 Act, which I have signed into Public Law No. 21-49:  

Congressional Act No. 21-51, entitled: “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.”  

I take the opportunity to thank the 21st Congress for the passage of this act relating to the Major Corporation program.  

Sincerely,  

David W. Panuelo  
President  

Xc: Chief Justice, FSM Supreme Court
September 30, 2019

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. 21-51, "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.", which was passed by the Twenty-First Congress of the Federated States of Micronesia, Second Regular Session, 2019, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

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

Enclosures
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.

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

DATE: SEPTEMBER 18, 2019

REFERRED TO: COMMITTEE ON WAYS AND MEANS
WITHDRAWN – SEPTEMBER 24, 2019
FIRST READING: – SEPTEMBER 24, 2019
SECOND READING: – SEPTEMBER 26, 2019

Liwiana Ramon Ioaniś
Chief Clerk, FSM Congress
ACT NO. 21-51

(CONGRESSIONAL BILL NO. 21-69)

We hereby certify that on September 26 the foregoing act passed Second and Final Reading of the Twenty-First Congress of the Federated States of Micronesia, Second Regular Session, 2019, 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.

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

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

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

"Section 1007: Minimum Capital and Surplus Requirements:

(1) No captive insurance company shall be issued a license unless it maintains a minimum capital and surplus of $100,000;

(2) Provided however with respect to multiple corporate captive insurance companies the core member shall maintain minimum capital and surplus of $1,000,000 and each non-core member shall maintain minimum capital and surplus of $100,000.

(3) With respect to Class 4 captive insurance company, the minimum required capital and surplus is $5,000,000.

(4) Notwithstanding subsections (1) through (3) of this section, the Commissioner may increase the minimum
required capital and surplus after taking into account the type, volume, and nature of insurance business transacted, and potential risk retained by the captive insurance company.

(5) Minimum required capital and surplus may be in the form of any combination of the following:

(a) cash

(b) letter of credit,

(c) investments pursuant to section 1013 of this chapter, or

(d) any other security deemed appropriate by the Commissioner.”

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

Oct 19, 2019

David W. Panuelo
President
Federated States of Micronesia