

# Hawaii

273

CAPTIVES  
LICENSED  
IN DOMICILE

\$17.5B

GROSS  
WRITTEN  
PREMIUM

## Regulation

**Regulator:** Hawaii Department of Commerce & Consumer Affairs (DCCA), Insurance Division

### Minimum Capital Requirements:

**Single Owner Captive - Reinsurance Only:** \$100,000

**Single Owner - Direct & Reinsurance:** \$250,000

**Risk Retention Group (RRG):** \$500,000 Association Captive: \$500,000

**Sponsored Captive:** \$500,000

**Reinsurance or Excess Insurance Only:** Determined by insurance commissioner

**Intercompany Loans:** Yes, with certain restrictions & considerations as determined by DCCA

## Governance

**Meeting Requirements:** Captive insurance companies to hold at least 1 board of directors or governing body meeting each year in Hawaii

### Unique Requirements:

- **Place of Business:** Captive must maintain its principal place of business in Hawaii
- **Resident Agent:** A resident agent must be appointed to act on the captive's behalf for service of process

- **Incorporators / Organizers:** A captive insurance company formed other than as a reciprocal insurer must have at least 3 incorporators or 3 organizers; of those, at least 2 must be Hawaii residents

## Tax & Costs\*

### Fees:

**Initial Incorporation Fee:** \$50 Captive

**Application Fee:** \$1,000

**Annual Business Registration Fee:** \$15

**Annual Captive License Fee:** Class 1 & 2 - \$300, Class 3 - \$500, Class 4 & 5 - \$1,000

### Premium Tax:

**\$0 to \$25M:** 0.25%

**\$25M to \$50M:** 0.15%

**\$50M to \$250M:** 0.05%

**\$250M+:** 0.00%

(No minimum premium tax.; maximum premium tax of \$200,000)

*\*Depending upon the type of captive, other fees may apply. Costs are indicative only, for a captive carrying out typical activities.*

## Filing Requirements

**Return:** Annual

**Actuarial Opinion:** An actuarial opinion on loss reserves, prepared by a qualified actuary, is required for most captive classes

**Annual Audit:** Audited financial statements (balance sheet, income statement, & statement of cash flows) prepared in accordance with GAAP or SAP (for RRGs) required

**Updated Projections:** Financial projections (actual & budget) required, including a description of the underwriting policy, pricing methodology, & assumptions

## Captive Types

Single Owner Captive - Reinsurance Only

Single Owner - Direct & Reinsurance

Risk Retention Groups (RRGs)

Association Captive

Sponsored Captive

Reinsurance or Excess Insurance Only



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## Self-Procurement Tax

**4.68%**

### Examinations

Frequency: Captives subject to examination by DCCA as deemed appropriate by the insurance commissioner, at least once every 5 years

*All information acquired from the DCCA website. For more information, please contact the state insurance department directly.*

### ABOUT SRS

*SRS is the world's largest independent insurance company manager. With over 25 years' experience, SRS provides management and consulting services to a wide range of insurance company structures, from single-parent captives to complex commercial insurers and reinsurers. SRS has operations in North America, South America, Europe, Barbados, Bermuda, Canada, Cayman Islands, and South Africa.*