
OLR Bill Analysis

sHB 5107

AN ACT CONCERNING CAPTIVE INSURANCE COMPANIES.

SUMMARY:

PA 11-1, October Special Session, revised and expanded the laws governing captive insurance companies (i.e., captives), which are wholly owned subsidiaries of other companies that formed the captives to insure all or part of the other companies' risks. It created a separate, nonlapsing captive insurance regulatory and supervisory account for depositing Insurance Department fees and assessments related to captives and 11% of captive premium taxes.

This bill eliminates the account, requires the revenue to be deposited in the Insurance Fund instead, and makes conforming technical changes. It also limits the statutory limits on captives' risks to risk retention groups, a type of captive insurer formed under the federal Products Liability Risk Retention Act, instead of all captives.

EFFECTIVE DATE: July 1, 2012, with the provisions eliminating the captive insurance regulatory and supervision account applying to calendar years beginning on or after January 1, 2012.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Change of Reference
Yea 16 Nay 0 (03/01/2012)

Insurance and Real Estate Committee

Joint Favorable Substitute
Yea 19 Nay 0 (03/13/2012)