

LINDA LINGLE
GOVERNOR



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STATE OF HAWAII
INSURANCE DIVISION
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS
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335 Merchant Street, 2ND FLOOR
HONOLULU, HAWAII 96813

December 16, 2003

Memorandum 2003 – 12C

TO: CAPTIVE INSURERS AUTHORIZED IN HAWAII
SUBJECT: Annual Filing Requirements in 2004

I. GENERAL INFORMATION

- A. File all documents directly with the Insurance Division.
- B. Required filings for Risk Retention Group (RRG) captives are administered directly by the Financial Surveillance and Examination Branch of the Hawaii Insurance Division. Please refer to Memorandum 2003 – 9E for detailed filing requirements, or contact Susan Hansen at (808)586-7381.
- C. For due dates that fall on a weekend or State holiday, filing on the first working day following that weekend or State holiday will be accepted.
- D. Postmark dates will be recognized in determining filing deadlines.
- E. Fine for late filing of the audited financial statement, statutory annual statement, quarterly statements, and other required filings. All captives are subject to a fine for filing after the due date of not more than \$500 per day (HRS 431:19-107).
- F. Make all checks payable to the “DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS”. A service charge of \$15 will be due for each dishonored check, and replacement checks must be certified.
- G. Reproductions of Insurance Division forms are acceptable, as long as, same size of paper is used.
- H. Contact Craig Watanabe at (808)586-0981 or fax at (808)586-0987.

II. DOCUMENTS AND FILING DEADLINES

Document / Description	# of Copies	2004 Filing Deadline
<p>STATEMENT OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Includes at a minimum: audit of Balance Sheet, Income Statement and Statement of Cash Flows)</p> <p>Prepared according to GAAP or other comprehensive basis of accounting for Class 1, 2, 4 and 5 captives, and SAP for Class 3 captives, all audited by an approved independent certified public accountant, is due as follows:</p> <p>Class 1, 2, 4 and 5 Captives due on or before the last day of the sixth month following the end of the company's fiscal year end.</p> <p>Class 3 Captives.</p> <p>Branch Captives</p>	<p>2</p> <p>2</p> <p>2</p>	<p>As Due</p> <p>June 1</p> <p>Due 30 days after filed in Parent's Home Domicile</p>
<p>ANNUAL STATEMENT</p> <p>Prepared for Class 3 captives only, (unless otherwise specified by the Insurance Commissioner for Class 1, 2, 4 and 5 captives), on 8.5"x14" form as required by the NAIC for the year 2003. Verified by oaths of at least two principal officers and properly notarized signatures.</p>	<p>2 Hardcopies 1 Diskette</p>	<p>March 1</p>
<p>TAX STATEMENT <Annual Statement of Premiums Received for Taxation Purposes; CAP-001></p> <p>Prepared for the 2003 year attested by notarized signature of captive's duly authorized representative, and accompanied by appropriate payment.</p>	<p>1</p>	<p>March 1</p>
<p>ACTUARIAL OPINION / CERTIFICATION OF RESERVE FOR LOSSES</p> <p>Prepared by a member of the American Academy of Actuaries or other</p>		

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<p>qualified loss reserve specialist as defined in the annual statement adopted by the NAIC, alternatively, each Class 1, 2, 4, and 5 captive may utilize an actuarial opinion prepared by a loss reserve specialist deemed appropriate by the Commissioner.</p> <p>Class 1, 2, 4 and 5 Captives</p> <p>Class 3 Captives</p> <p>Branch Captives</p>	<p>2</p> <p>2</p> <p>2</p>	<p>Last day of sixth month following fiscal year end</p> <p>March 1</p> <p>Due 30 days after filed in Parent's Home Domicile</p>
<p>AMENDMENTS TO CHARTER, BY-LAWS, ETC.</p> <p>Any changes made in 2003 (if not previously filed) must be submitted bearing an original certification by the proper officer of the state or country or domicile.</p>	<p>1</p>	<p>March 1</p>
<p>CASH AND INVESTED ASSETS HELD IN HAWAII <CAP-004></p> <p>Reported for the calendar year 2003 at market value.</p>	<p>1</p>	<p>March 1</p>
<p>CAPTIVE QUESTIONNAIRE <CAP-002></p> <p>Reported for the fiscal year ending in 2003.</p> <p>Class 1, 2, 4 and 5 Captives</p> <p>Class 3 Captives</p> <p>Branch Captives</p>	<p>1</p> <p>1</p> <p>1</p>	<p>Last day of sixth month following fiscal year end</p> <p>March 1</p> <p>Due 30 days after filed in Parent's Home Domicile</p>

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<p>CERTIFICATE OF COMPLIANCE</p> <p>Each Branch Captive shall file a Certificate of Compliance issued by the insurance regulatory authority of the Parent's Home Domicile along with a certified copy of the Parent's most recent examination report conducted by its Home Domicile.</p>	1	March 1
<p>ECONOMIC IMPACT REPORT <CAP-003></p> <p>Expenses reported on an accrual basis for calendar year 2003</p>	1	March 1
<p>INACTIVE STATUS REPORT <CAP-005></p> <p>Reporting of captives that are not actively writing business</p>	1	March 1
<p>INSURED VEHICLE CENSUS REPORT <Form MVID14-2(1) 9/74></p> <p>Required by captives authorized to write direct motor vehicle insurance. Captive with no underwriting risk in Hawaii should submit "nil" report. Only Columns 3 and 4 of Census Report should be completed. Report as of December 31, 2003.</p>	1	February 15
<p>DRIVERS' EDUCATION FUND UNDERWRITERS' FEE</p> <p>Applicable to only to captives writing direct motor vehicle insurance in Hawaii. See Memorandum No. 2002-9-R for payment instructions. For Quarter/Year ending December 31, 2003.</p>	1	February 15
<p>ANNUAL LICENSE RENEWAL FEE</p> <p>Required for renewal of Certificate of Authority. (ref. HAR §16-17-6(a))</p>	1	April 1

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<p>ANNUAL ASSESSMENT FOR WORKERS' COMPENSATION INSURANCE ADMINISTRATION SPECIAL COMPENSATION FUND (ref. HRS §386:151 & HRS §386:152)</p> <p>Required for captives writing workers compensation risks on a direct basis in Hawaii only.</p>	1	Within 30 Days of Demand