

State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
Division of Insurance
1511 Pontiac Avenue
Cranston, RI 02920

INSURANCE REGULATION 95

CAPTIVE INSURANCE FINANCIAL REGULATION

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Section 1 **Authority**

This Regulation is promulgated pursuant to R.I. Gen. Laws §§ 27-43-10 and 42-14-17.

Section 2 **Purpose**

The purpose of this Regulation is to set forth the financial and reporting requirements which the director deems necessary for the Regulation of captive insurance companies, as authorized by the Captive Insurance Company Act, R.I. Gen. Laws §§ 27-43-1 *et seq.* Reference herein to "company" shall mean captive insurance company or companies, unless otherwise specified.

Section 3 **Definitions**

- A. The terms Captive Insurance Company, Industrial Insured Captive Insurance Company, Subsidiary Captive Insurance Company and Parent shall have the meanings ascribed to them in R.I. Gen. Laws § 27-43-1.
- B. Director means the Director of the Department of Business Regulation.
- C. Pure Captive Insurance Company means a Subsidiary Captive Insurance Company.

Section 4 **Annual and Quarterly Reporting Requirements**

- A. Captive insurance companies shall annually file a statement of condition as provided in R.I. Gen. Laws § 27-12-1; provided, however, that the commissioner may, upon written request of the captive insurance company, allow a pure or subsidiary captive insurance company or industrial insured captive insurance company to file a modified statement.
1. The modified statement shall be prepared using generally accepted accounting principles, unless the Director approves the use of statutory accounting principles, with any useful or necessary modifications or adaptations thereof required or approved or accepted by the Director for the type of insurance and kinds of insurers to be reported upon, and as supplemented by additional information required by the commissioner. The form of report shall be that prescribed by the Director as "Captive Annual Statement -- Subsidiary (Pure) or Industrial Insured."
 2. Any subsidiary or pure captive insurance company may make written application for filing the required report on a fiscal year-end provided, however, that its parent organization is on the same fiscal year end. If an alternative reporting date is granted:
 - (a) The annual report is due sixty (60) days after the fiscal year-end; and
 - (b) In order to provide sufficient detail to support the premium tax return, the subsidiary or pure captive insurance company shall file prior to March 1 of each year for each calendar year-end, pages 1, 2, 3, and 5 of the "Captive Annual Statement -- Subsidiary (Pure) or Industrial Insured," verified by oath of two of its executive officers.

Section 5 **Severability**

If any section, term, or provision of this Regulation shall be adjudged invalid for any reason, that judgement shall not effect, impair, or invalidate any remaining section, term, or provision, which shall remain in full force and effect.

Section 6 **Effective Date**

This Regulation shall become effective on December 31, 1999 and shall apply to all financial statements filed subsequent to that date.

EFFECTIVE DATE:	December 31, 1999
AMENDED:	None
REFILED:	December 19, 2001