



General Assembly

Amendment

January Session, 2023

LCO No. 7348



Offered by:
SEN. CABRERA, 17th Dist.

To: Senate Bill No. 1038

File No. 384

Cal. No. 220

"AN ACT CONCERNING CAPTIVE INSURANCE COMPANIES."

1 Strike subdivision (11) of subsection (a) of section 2 in its entirety and
2 substitute the following in lieu thereof:

3 "(11) A protected cell of a sponsored captive insurance company may,
4 with the commissioner's prior written approval, establish one or more
5 separate accounts and may allocate assets to such accounts to provide
6 for the insurance risks of one or more participants, or controlled
7 unaffiliated business of such participants, subject to the following:

8 (A) The income, gains and losses, realized or unrealized, from assets
9 allocated to a separate account shall be credited to or charged against
10 the account, without regard to other income, gains or losses of the
11 protected cell;

12 (B) Amounts allocated to a separate account pursuant to this
13 subdivision are owned by the protected cell and such protected cell shall
14 not be, nor hold itself out to be, a trustee with respect to such amounts;

15 (C) Unless otherwise approved by the commissioner, assets allocated

16 to a separate account shall be valued in accordance with the laws and
17 regulations of this state otherwise applicable to the protected cell's
18 assets;

19 (D) To the extent provided under the applicable contracts, such
20 portion of the assets of any such protected cell equal to the reserves and
21 other contract liabilities with respect to such account shall not be
22 chargeable with liabilities arising out of any other business the protected
23 cell may conduct;

24 (E) No sale, exchange or other transfer of assets may be made by any
25 protected cell between any of such protected cell's separate accounts or
26 between any other investment account and one or more of such
27 protected cell's separate accounts unless, in the case of a transfer into a
28 separate account, such transfer is made solely to establish the account
29 or to support the operation of the contracts with respect to the separate
30 account to which the transfer is made, and unless such transfer, whether
31 into or from a separate account, is made (i) by a transfer of cash, or (ii)
32 by a transfer of securities that has a readily determinable market value,
33 provided such transfer of securities is approved by the commissioner.
34 The commissioner may approve other transfers among such accounts if
35 the commissioner determines such transfers would be equitable; and

36 (F) To the extent any protected cell deems it necessary for compliance
37 with any applicable federal or state laws, such protected cell, with
38 respect to any separate account, including, but not limited to, any
39 separate account that is a management investment company or a unit
40 investment trust, may provide for persons having an interest therein
41 appropriate voting and other rights and special procedures for the
42 conduct of the business of such account, including, but not limited to,
43 special rights and procedures relating to investment policy, investment
44 advisory services, selection of independent public accountants and the
45 selection of a committee to manage the business of such account. Such
46 committee members are not required to be affiliated with such protected
47 cell."