

Effective 5/14/2019

Part 7 Dormancy

31A-37-701 Certificate of dormancy.

- (1) In accordance with the provisions of this section, a captive insurance company, other than a risk retention group, may apply, without fee, to the commissioner for a certificate of dormancy.
- (2)
 - (a) A captive insurance company, other than an industrial insured captive insurance company or a cell of a sponsored captive insurance company, is eligible for a certificate of dormancy if the company:
 - (i) has ceased transacting the business of insurance, including the issuance of insurance policies; and
 - (ii) has no remaining insurance liabilities or obligations associated with insurance business transactions or insurance policies.
 - (b) For purposes of Subsection (2)(a)(ii), the commissioner may disregard liabilities or obligations for which the captive insurance company has withheld sufficient funds or that are otherwise sufficiently secured.
- (3) Except as provided in Subsection (4), a captive insurance company that holds a certificate of dormancy is subject to all requirements of this chapter.
- (4) A captive insurance company that holds a certificate of dormancy:
 - (a) shall possess and maintain unimpaired paid-in capital and unimpaired paid-in surplus of:
 - (i) in the case of a pure captive insurance company or a special purpose captive insurance company, not less than \$25,000;
 - (ii) in the case of an association captive insurance company, not less than \$75,000; or
 - (iii) in the case of a sponsored captive insurance company, not less than \$50,000, of which the sponsor provides at least \$20,000; and
 - (b) is not required to:
 - (i) subject to Subsection (5), submit an annual audit or statement of actuarial opinion;
 - (ii) maintain an active agreement with an independent auditor or actuary; or
 - (iii) hold an annual meeting of the captive insurance company in the state.
- (5) The commissioner may require a captive insurance company that holds a certificate of dormancy to submit an annual audit if the commissioner determines that there are concerns regarding the captive insurance company's solvency or liquidity.
- (6) To maintain a certificate of dormancy and in lieu of a certificate of authority renewal fee, no later than July 1 of each year, a captive insurance company shall pay an annual dormancy renewal fee that is equal to 50% of the captive insurance's company's certificate of authority renewal fee.

Amended by Chapter 175, 2025 General Session

31A-37-702 Cancelling a certificate of dormancy.

A captive insurance company may apply to cancel its certificate of dormancy by complying with the procedures established in rule made by the commissioner in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

Enacted by Chapter 193, 2019 General Session

