

TWENTY-SECOND CONGRESS OF THE FEDERATED STATES OF MICRONESIA

FIRST REGULAR SESSION, 2021

CONGRESSIONAL BILL NO. 22-16

P.C. NO. 22-19

PUBLIC LAW NO. 22-02

AN ACT

To amend Public Law No. 21-199 to correct a technical error in the numbering of the new section created by Public Law No. 21-199, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1 Section 1. Purpose. The purpose of this Act is to correct a
2 technical error in the numbering of the new section created by
3 Public Law No. 21-199.

4 Section 2. Section 1 of Public Law No. 21-199 is hereby
5 amended to read as follows:

6 "Section 1. Chapter 10 of title 37 of the Code of the
7 Federated States of Micronesia (Annotated), as amended,
8 is hereby further amended by adding a new section 1021
9 to read as follows:

10 'Section 1021. Dormancy.

11 (1) A Captive Insurance Company that elects to
12 temporarily cease conducting insurance business pursuant
13 to this chapter may apply to the Commissioner to place
14 its insurance license in a dormant status.

15 (2) While in a dormant status, the Captive Insurance
16 Company may not transact insurance business, including
17 the issuance of new contracts of insurance or maintain
18 any active contracts of insurance or maintain any active
19 contracts of insurance or reinsurance in force.

1 (3) The Captive Insurance Company may continue to pay
2 claims on any contracts of insurance or reinsurance that
3 have expired or terminated.

4 (4) While in dormant status:

5 (a) the requirements of sections 1003(2)(a) and
6 1003(3) shall not apply to the Captive Insurance Company
7 except that any records of the Captive Insurance Company
8 must be provided to the Commissioner upon request;

9 (b) the requirements of section 1010 shall only
10 apply to the first reports due following the Captive
11 Insurance Company's placement in dormant status and not
12 apply thereafter while the Captive Insurance Company
13 continuously remains in dormant status; and

14 (c) the Commissioner may elect to defer the
15 requirements of section 1011 until such time as the
16 Captive Insurance Company is no longer in a dormant
17 status.

18 (5) The Commissioner may grant a waiver to the
19 requirements of sections 1007, 1008, and 1013 of the
20 title to a Captive Insurance Company in dormant status
21 if it can certify to the satisfaction of the
22 Commissioner that it is not subject to any outstanding
23 insurance liabilities on any expired or terminated
24 policies.

9 Section 3. This act shall become law upon approval by the
10 President of the Federated States of Micronesia or upon its
11 becoming law without such approval.

May 27th, 2021

/s/ David W. Panuelo
David W. Panuelo
President
Federated States of Micronesia