STATE OF KANSAS

SENATE CHAMBER

MR. PRESIDENT:

I move to amend **HB 2334**, As Amended by Senate Committee, on page 9, following line 28, by inserting:

"New Sec. 11. (a) A foreign or alien insurer may become a domestic captive insurance company by complying with all of the requirements of this chapter relating to the organization and licensing of a domestic captive insurance company of the same type with the approval of the commissioner. A company redomesticating to this state pursuant to this section may be organized under any lawful corporate form permitted by this chapter.

(b) A redomestication pursuant to this section shall be authorized for insurance companies domiciled in foreign or alien jurisdictions that authorize the redomestication of insurance companies where, as a result of the actions taken by the company pursuant to this section to redomesticate to this state, shall no longer be a domestic legal entity of foreign or alien jurisdiction. A company wishing to redomesticate pursuant this section shall provide evidence that the applicable regulatory authority of its domicile consents to the redomestication.

(c) An insurance company wishing to redomesticate under this section shall file organizational documents with the secretary of state that comply with article 43 of chapter 40 and chapters 17 and 56A of the Kansas Statutes Annotated, and amendments thereto, as applicable, or any other applicable provision governing formation of that type of entity.

(d) The company shall file a copy of the secretary of state's acknowledgement letter with the commissioner, who shall then issue a certificate of authority, pursuant to K.S.A. 40-4302, and amendments thereto.

(e) Upon the completion of a redomestication under this section, the captive insurance company shall be subject to the laws of this state and shall be considered domiciled in this state. The captive insurance company shall be deemed to have a formation date corresponding to its original formation date in the foreign or alien domicile.

(f) For the purposes of the financial examination required pursuant to K.S.A. 40-4308, and amendments thereto, any examination conducted by the foreign or alien domicile that is substantially similar to an examination that would have been done in this state had the company been domiciled in this state shall be recognized for the purposes of establishing the period of time when the next examination is due.";

On page 18, in line 16, after "(d)" by inserting "(1) A company redomesticating under section 11, and amendments thereto, shall only be liable for taxes due pursuant to subsections (b) and (c) on premiums paid to the company after redomestication.

(2) A company redomesticating under this section after July 1 of any year shall only be subject to one-half (1/2) of the minimum premium tax specified in subsection (b) and (c).

(3) An foreign or alien company redomesticating pursuant to section 11, and amendments thereto, shall report all premium taxes due pursuant to subsection (b) and (c), but may, in either its first or its second year of operations, but not both, after redomesticating into this state, elect to forego the payment of premium taxes. A company making such an election that surrenders its certificate of authority or redomesticates to another jurisdiction within five years of redomestication into this state shall immediately pay a tax in an amount equal to the foregone premium tax plus 10% per annum from the date the foregone premium.";

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

On page 1, in the title, in line 4, after the semicolon by inserting "providing for the redomestication of a foreign or alien captive insurance company;"; in line 8, after the semicolon

by inserting "exempting a redomesticated foreign or alien captive insurance company from paying premium tax for one year;"

Senator _____