

521J.22 Dormant captive companies.

1. As used in [this section](#), “*dormant captive company*” means a captive company, other than a captive risk retention group, that meets all of the following:

a. The captive company has ceased transacting the business of insurance, including the issuance of insurance policies.

b. The captive company does not have any remaining liabilities associated with its insurance business transactions or insurance policies issued prior to the captive company’s filing of an application for a certificate of dormancy under [subsection 2](#).

2. Any captive company that is domiciled in this state and that complies with [this section](#) may apply to the commissioner for a certificate of dormancy. A certificate of dormancy shall be subject to expiration five calendar years from the date that the certificate is issued, and the commissioner shall not renew a certificate of dormancy.

3. a. A captive company that has been issued a certificate of dormancy shall comply with all of the following:

(1) The dormant captive company shall possess and maintain unimpaired, paid-in capital and surplus of not less than twenty-five thousand dollars.

(2) Within ninety calendar days of the dormant captive company’s fiscal year end, the company shall annually submit to the commissioner a report on the company’s financial condition, verified by oath of two of the company’s executive officers, in the form and manner as established by the commissioner by rule.

(3) The dormant captive company shall pay an annual one thousand dollar dormancy tax, due on or before March 1, if for any portion of the immediately preceding calendar year the captive company held a certificate of dormancy. Each series of members and each protected cell shall be considered separate for purposes of paying the annual dormancy tax under a certificate of dormancy. A dormant captive company is not otherwise liable for any annual renewal as provided in [section 521J.2, subsection 4](#), paragraph “b”.

b. A dormant captive insurance company that has been issued a certificate of dormancy shall not be subject to or liable for the payment of tax under [section 432.1A](#) from the date the certificate of dormancy is issued through the date the certificate of dormancy expires.

4. A dormant captive company shall be subject to examination under [section 521J.8](#) for any year in which the company does not qualify as a dormant captive company. In the commissioner’s discretion, a dormant captive company shall be subject to examination under [section 521J.8](#) for any year in which the dormant captive company qualifies as a dormant captive company.

5. Prior to a dormant captive company issuing an insurance policy, the dormant captive company shall apply to the commissioner for approval to surrender the company’s certificate of dormancy and to resume conducting the business of insurance.

6. A dormant captive company’s certificate of dormancy shall be revoked if the company violates [this section](#).

[2023 Acts, ch 107, §25](#)