



The President
Palikir, Pohnpei
Federated States of Micronesia

October 21, 2019

PRESIDENTIAL COMM. NO. 21-129
FSM CONGRESS

The Honorable Wesley W. Simina
Speaker
Twenty-First Congress
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear Speaker Simina:

I am pleased to transmit the following Act, which I have signed into Public Law No. 21-49:

Congressional Act No. 21-51, entitled: "AN ACT TO FURTHER AMEND SECTION 1007 OF TITLE 37 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED BY PUBLIC LAW NO. 18-20, TO ELIMINATE DISCREPANCY BETWEEN INITIAL AND ONGOING CAPITAL AND SURPLUS REQUIREMENTS FOR CAPTIVE INSURANCE COMPANIES, AND FOR OTHER PURPOSES."

I take the opportunity to thank the 21st Congress for the passage of this act relating to the Major Corporation program.

Sincerely,

David W. Panuelo
President

Xc: Chief Justice, FSM Supreme Court





Office of the Chief Clerk

CONGRESS OF THE FEDERATED STATES OF MICRONESIA

P.O. Box PS 3
Palikir, Sokehs Pohnpei State, FM 96941
Tel: (691) 320-2324 / 2338 Fax: (691) 320-5122

PRESIDENTIAL COMM. NO. 21-129
FSM CONGRESS

September 30, 2019

His Excellency David W. Panuelo
President
Federated States of Micronesia
Palikir, Pohnpei FM 96941



Dear President Panuelo:

I have the honor to transmit herewith Congressional Act No. 21-51, "AN ACT TO FURTHER AMEND SECTION 1007 OF TITLE 37 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED BY PUBLIC LAW NO. 18-20, TO ELIMINATE DISCREPANCY BETWEEN INITIAL AND ONGOING CAPITAL AND SURPLUS REQUIREMENTS FOR CAPTIVE INSURANCE COMPANIES, AND FOR OTHER PURPOSES.", which was passed by the Twenty-First Congress of the Federated States of Micronesia, Second Regular Session, 2019, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

Liwiana Ramon Ioanis
Chief Clerk, Congress of the
Federated States of Micronesia

Enclosures



PRESIDENTIAL COMM. NO. 21-129
FSM CONGRESS

TWENTY-FIRST CONGRESS OF THE
FEDERATED STATES OF MICRONESIA
SECOND REGULAR SESSION
SEPTEMBER 9 - 28, 2019

An Act

TO FURTHER AMEND SECTION 1007 OF TITLE 37 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED BY PUBLIC LAW NO. 18-20, TO ELIMINATE DISCREPANCY BETWEEN INITIAL AND ONGOING CAPITAL AND SURPLUS REQUIREMENTS FOR CAPTIVE INSURANCE COMPANIES, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: FLORENCIO S. HARPER (BY REQUEST)

DATE: SEPTEMBER 18, 2019

REFERRED TO: COMMITTEE ON WAYS AND MEANS

WITHDRAWN – SEPTEMBER 24, 2019

FIRST READING: – SEPTEMBER 24, 2019

SECOND READING: – SEPTEMBER 26, 2019

A handwritten signature in black ink, appearing to read "Liwiana Ramon Ioanis".

Liwiana Ramon Ioanis
Chief Clerk, FSM Congress



Office of the Speaker

CONGRESS OF THE FEDERATED STATES OF MICRONESIA

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PRESIDENTIAL COMM. NO. 21-129
FSM CONGRESS

ACT NO. 21-51

(CONGRESSIONAL BILL NO. 21-69)

We hereby certify that on September 26 the foregoing act passed Second and Final Reading of the Twenty-First Congress of the Federated States of Micronesia, Second Regular Session, 2019, by a two-thirds vote of all the State delegations as required under article IX, section 20, of the Constitution of the Federated States of Micronesia.

A handwritten signature in black ink, appearing to be "W. Simina", written over a horizontal line.

Wesley W. Simina
Speaker
Congress of the
Federated States of Micronesia

A handwritten signature in black ink, appearing to be "Liwiana Ramon Ioanis", written over a horizontal line.

Liwiana Ramon Ioanis
Chief Clerk
Congress of the
Federated States of Micronesia

AN ACT

To further amend section 1007 of title 37 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Law No. 18-20, to eliminate discrepancy between initial and ongoing capital and surplus requirements for captive insurance companies, and for other purposes.

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

1 Section 1. Section 1007 of title 37 of the Code of the
2 Federated States of Micronesia (Annotated), as amended by Public
3 Law No. 18-20, is hereby further amended to read as follows:

4 "Section 1007. Minimum Capital and Surplus
5 Requirements:

6 (1) No captive insurance company shall be issued a
7 license unless it maintains a minimum capital and
8 surplus of \$100,000;

9 (2) Provided however with respect to multiple
10 corporate captive insurance companies the core member
11 shall maintain minimum capital and surplus of \$1,000,000
12 and each non-core member shall maintain minimum capital
13 and surplus of \$100,000.

14 (3) With respect to Class 4 captive insurance
15 company, the minimum required capital and surplus is
16 \$5,000,000.

17 (4) Notwithstanding subsections (1) through (3) of
18 this section, the Commissioner may increase the minimum

1 required capital and surplus after taking into account
2 the type, volume, and nature of insurance business
3 transacted, and potential risk retained by the captive
4 insurance company.

5 (5) Minimum required capital and surplus may be in
6 the form of any combination of the following:

7 (a) cash

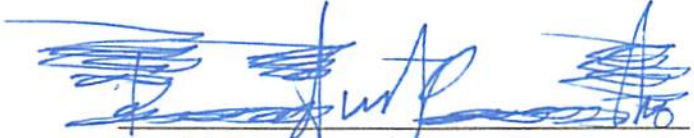
8 (b) letter of credit,

9 (c) investments pursuant to section 1013 of this
10 chapter, or

11 (d) any other security deemed appropriate by the
12 Commissioner."

13 Section 2. This act shall become law upon approval by the
14 President of the Federated States of Micronesia or upon its
15 becoming law without such approval.

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19 Setiq, 2019

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23 David W. Panuelo
24 President
25 Federated States of Micronesia