§6701. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 1997, c. 435, §1 (NEW).]

1. Affiliated company. "Affiliated company" means any company in the same corporate system as a parent or a member organization by virtue of common ownership, control, operation or management.
[PL 1997, c. 435, §1 (NEW).]

2. Association. "Association" means any legal association of individuals, corporations, limited liability companies, partnerships or associations that have been in continuous existence for at least one year, the member organizations of which:

A. Own, control or hold with power to vote all of the outstanding voting securities of an association captive insurance company incorporated as a stock insurer; [PL 2009, c. 335, §1 (AMD).]

B. Have complete voting control over an association captive insurance company incorporated as a mutual or reciprocal insurer; or [PL 2009, c. 335, §1 (AMD).]

C. Constitute all of the subscribers of an association captive insurance company formed as a reciprocal insurer. [PL 2009, c. 335, §1 (NEW).]
[PL 2009, c. 335, §1 (AMD).]

3. Association captive insurance company. "Association captive insurance company" means any company that insures risks of the member organizations of the association and their affiliated companies.
[PL 1997, c. 435, §1 (NEW).]

4. Captive insurance company. "Captive insurance company" means any pure captive insurance company, sponsored captive insurance company, association captive insurance company or industrial insured captive insurance company formed or licensed under this chapter.
[PL 2009, c. 335, §2 (AMD).]

5. Controlled unaffiliated business. "Controlled unaffiliated business" means a business entity that has a contractual relationship, such as a subcontractor or franchisee relationship, with the parent of a pure captive insurance company or with one or more of its affiliates, satisfying the following criteria:

A. The business entity is not in the corporate system of the pure captive insurance company's parent; [PL 2017, c. 169, Pt. G, §1 (AMD).]

B. The contractual relationship provides that all or a material part of the business entity's operations are dedicated to business activities undertaken or managed by the pure captive insurance company's parent or by one or more of its affiliates; and [PL 2017, c. 169, Pt. G, §1 (AMD).]

C. [PL 2009, c. 335, §3 (RP).]

D. Substantially all of the captive insurance company's coverage of the business entity is for risks arising out of the activities described in paragraph B, and those risks are managed by the captive insurance company in accordance with this chapter. [PL 2017, c. 169, Pt. G, §1 (AMD).]
[PL 2017, c. 169, Pt. G, §1 (AMD).]

6. Industrial insured. "Industrial insured" means an insured:

A. Who procures the insurance of any risk or risks by use of the services of a full-time employee acting as an insurance manager or buyer; [PL 1997, c. 435, §1 (NEW).]

B. Whose aggregate annual premium for insurance on all risks totals at least $25,000; and [PL 1997, c. 435, §1 (NEW).]

C. Who has at least 25 full-time employees. [PL 1997, c. 435, §1 (NEW).]

[PL 1997, c. 435, §1 (NEW).]

7. Industrial insured captive insurance company. "Industrial insured captive insurance company" means any company that insures risks of the industrial insureds that comprise the industrial insured group and their affiliated companies.
[PL 1997, c. 435, §1 (NEW).]

8. Industrial insured group. "Industrial insured group" means any group that meets either of the following criteria:

A. A group of industrial insureds that collectively:

(1) Owns, controls or holds with power to vote all of the outstanding voting securities of an industrial insured captive insurance company incorporated as a stock insurer;

(2) Has complete voting control over an industrial insured captive insurance company incorporated as a mutual insurer; or

(3) Constitutes all of the subscribers of an industrial insured captive insurance company formed as a reciprocal insurer; or [PL 2009, c. 335, §5 (AMD).]

B. Any group created under the Product Liability Risk Retention Act of 1981, 15 United States Code, Section 3901 et seq., as amended, as a corporation or other limited liability association taxable as a stock insurance company or a mutual insurer under the laws of the State. [PL 1997, c. 435, §1 (NEW).]
[PL 2009, c. 335, §5 (AMD).]

9. Member organization. "Member organization" means any individual, corporation, limited liability company, partnership or association that belongs to an association.
[PL 2009, c. 335, §6 (AMD).]

10. Parent. "Parent" means a corporation, limited liability company, partnership or individual that directly or indirectly owns, controls or holds with power to vote more than 50% of the outstanding voting securities of a pure captive insurance company organized as a stock corporation or 50% of the membership interests of a pure captive insurance company organized as a nonprofit corporation.
[PL 2009, c. 335, §7 (AMD).]

11. Pure captive insurance company. "Pure captive insurance company" means any company that insures risks of its parent and affiliated companies or controlled unaffiliated businesses but does not include those insurers that otherwise qualify for and elect to hold a certificate of authority as an insurer under section 414. "Pure captive insurance company" includes, with respect to operations in this State unless otherwise restricted by the superintendent, a branch captive insurance company.
[PL 2009, c. 335, §8 (AMD).]

12. Pure nonprofit captive insurance company. "Pure nonprofit captive insurance company" means a pure captive insurance company formed without capital stock as a nonprofit corporation, whose voting or membership interest is held by a parent organization formed under a nonprofit law.
[PL 2017, c. 169, Pt. G, §2 (AMD).]

SECTION HISTORY

PL 1997, c. 435, §1 (NEW). PL 2009, c. 335, §§1-8 (AMD). PL 2017, c. 169, Pt. G, §§1, 2 (AMD).

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