

1 to the transaction is to renew or maintain the business with the captive insurance company.

2 (d) The amount of the reinsurance tax must be calculated as follows:

3 (i) 0.225% on the first \$20 million of assumed reinsurance premiums;

4 (ii) 0.150% on the next \$20 million of assumed reinsurance premiums; and

5 (iii) 0.050% on each subsequent dollar of assumed reinsurance premiums.

6 (3) (a) (i) Except as provided in subsections (3)(a)(ii) and (3)(a)(iii), if the aggregate taxes to be
7 paid by a captive insurance company calculated under subsections (1) and (2) amount to less than \$5,000 in
8 any year, the captive insurance company shall pay a tax of \$5,000 for that year.

9 (ii) In the calendar year in which a captive insurance company that is subject to the minimum tax is
10 first authorized, the tax must be prorated on a quarterly basis as follows:

11 (A) \$5,000 if authorized in the first quarter;

12 (B) \$3,750 if authorized in the second quarter;

13 (C) \$2,500 if authorized in the third quarter; and

14 (D) \$1,250 if authorized in the fourth quarter.

15 (iii) In the calendar year in which a captive insurance company that is subject to the minimum tax
16 surrenders its certificate of authority, the tax must be prorated on a quarterly basis as follows:

17 (A) \$1,250 if surrendered in the first quarter;

18 (B) \$2,500 if surrendered in the second quarter;

19 (C) \$3,750 if surrendered in the third quarter; and

20 (D) \$5,000 if surrendered in the fourth quarter.

21 (b) Each protected cell in a protected cell captive insurance company must be considered
22 separately in determining the aggregate tax to be paid by the protected cell captive insurance company. If the
23 protected cell captive insurance company insures any risks in addition to the protected cells, the determination
24 of the aggregate tax to be paid by the protected cell captive insurance company must also include the premium
25 on those risks.

26 (c) Each series of members as defined in 35-8-102 of a limited liability company formed as a
27 special purpose captive insurance company must be considered separately pursuant to this section, except that
28 the minimum tax as described in subsection (3)(a) must be considered in the aggregate.

