§ 7004. Required capital and surplus as regards policyholders. (a) No pure captive insurance company or group captive insurance company shall be issued a license unless it shall possess and thereafter maintain unimpaired paid-in capital and surplus as regards policyholders of:

(1) in the case of a pure captive insurance company incorporated as a stock insurer, not less than two hundred fifty thousand dollars of total surplus as regards policyholders, of which one hundred thousand dollars shall represent paid-in capital;

(2) in the case of a pure captive insurance company incorporated as a mutual insurer, not less than two hundred fifty thousand dollars of total surplus as regards to policyholders;

(3) in the case of a group captive insurance company incorporated as a stock insurer, not less than five hundred thousand dollars of total surplus as regards policyholders, of which two hundred thousand dollars shall represent paid-in capital; and

(4) in the case of a group captive insurance company incorporated as a mutual insurer, not less than five hundred thousand dollars of total surplus as regards policyholders.

(b) The minimum capital and surplus to policyholders required in subsection (a) of this section shall be in the form of:

(1) cash;

(2) minimum capital or surplus to policyholders investments of the type specified in paragraphs one and two of subsection (b) of section one thousand four hundred two of this chapter; or

(3) an irrevocable letter of credit, in a form approved by the superintendent, naming the superintendent as beneficiary for the security of the captive insurance company's policyholders and issued by a bank acceptable to the superintendent.

(c) The superintendent may prescribe additional capital and surplus to policyholders based upon the type, volume and nature of insurance business transacted. Any additional capital and surplus to policyholders so required shall be in the form as set forth in subsection (b) of this section.