

STAND. COM. REP. NO.

740

Honolulu, Hawaii

MAR 02 2007

RE: S.B. No. 1409

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1409 entitled:

"A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to set an annual maximum aggregate tax of \$200,000 on gross premiums to be paid by a captive insurance company.

Your Committee received comments from the Department of Commerce and Consumer Affairs, State Insurance Commissioner, in support of this measure. Your Committee also received comments on this measure from the Tax Foundation of Hawaii.

Your Committee notes that presently the annual premium tax paid by Hawaii captive insurance companies is based on a percentage of the total amount of premiums that are written. Putting a maximum cap on the annual premium taxes paid to the State will encourage more insurance companies to conduct more business in the State through Hawaii captive insurance companies.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1409 and recommends that it pass Third Reading.



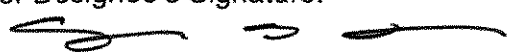
Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
ROSALYN H. BAKER, Chair



The Senate  
Twenty-Fourth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1409	CPH, WAM	2-22-07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input checked="" type="checkbox"/> Pass, unamended 2312	<sup>ST</sup> <input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
HOOSER, Gary L.	/			
KIM, Donna Mercado				/
MENOR, Ron	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred				/
WHALEN, Paul	/			
<b>TOTAL</b>	9			2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <span style="margin-left: 200px;"><input type="checkbox"/> Not Adopted</span>				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Clerk's Office	Drafting Agency		

\*Only one measure per Record of Votes