

STAND. COM. REP. NO. 1801

Honolulu, Hawaii

Aug 5, 2007

RE: S.B. No. 170  
S.D. 1  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 170, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to enhance Hawaii's ability to attract and retain captive insurance companies by, among other things:

- (1) Clarifying the minimum capital and surplus requirements for captive insurance companies;
- (2) Allowing captive insurance companies to form as limited liability companies; and
- (3) Increasing the flexibility of investments by pure captive insurance companies.

The Department of Commerce and Consumer Affairs testified in support of the intent of this bill. A concerned individual supported this measure with amendments.

Your Committee finds that this bill seeks to ensure that Hawaii remains competitive in attracting and maintaining captive insurance companies.

SB170 HD1 HSCR CPC HMS 2007-3051



Your Committee has amended this measure by:

- (1) Authorizing, rather than requiring, the Insurance Commissioner to designate the Captive Insurance Administrator (Administrator) as a deputy commissioner;
- (2) Specifying that the Administrator must be appointed from the pool of existing employees of the Insurance Commissioner;
- (3) Clarifying that the Administrator's designation as a deputy commissioner does not affect the Administrator's exemption from the civil service law; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 170, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 170, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



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ROBERT N. HERKES, Chair



