

Honolulu, Hawaii

April 23, 2008

RE: S.B. No. 3023
S.D. 2
H.D. 2
C.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 3023, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to enhance Hawaii's position as one of the world's leading captive insurance jurisdictions by authorizing the creation of both special purpose financial captive insurance companies and sponsored captive insurance companies, and to require their regulation by the Insurance Commissioner.

Your Committee on Conference finds that this measure will promote the diversification and evolution of the captive insurance industry in the State by providing additional sources of capital.

Your Committee on Conference has amended this measure by:



- (1) Adding clarifying language that narrows the scope of the Insurance Commissioner's authority to exempt a special purpose financial captive insurance company from any provision of the new part relating to special purpose financial captive insurance companies added to article 19, chapter 431, Hawaii Revised Statutes, and requires the Insurance Commissioner to take into consideration whether the public interest is being served or protected, and ensure that reasonable expectations of the policyholders and consumers will be maintained prior to ordering an exemption;
- (2) Changing the effective date from July 1, 2050, to July 1, 2008; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3023, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3023, S.D. 2, H.D. 2, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

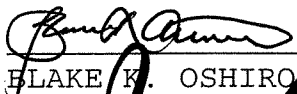
ON THE PART OF THE SENATE



ROBERT N. HERKES, Co-Chair



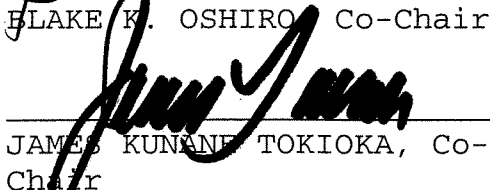
RUSSELL S. KOKUBUN, Chair



BLAKE K. OSHIRO, Co-Chair



ROSALYN H. BAKER, Co-Chair



JAMES KUNANI TOKIOKA, Co-Chair



Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 3023, SD 2, HD 2	Date/Time: 4/21/08 1:45 P
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
KOKUBUN, Russell S., Chr.	/				HERKES, Robert N., Co-Chr.	/			
BAKER, Rosalyn H., Co-Chr.	/				OSHIRO, Blake K., Co-Chr.	/			
TANIGUCHI, Brian T.	/				TOKIOKA, James Kunane, Co-Chr.	/			
TRIMBLE, Gordon	/				MCKELVEY, Angus L.K.	/			
					MARUMOTO, Barbara C.	/			
TOTAL	4				TOTAL	5			

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
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