

Honolulu, Hawaii

March 19, 2008

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

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

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary, to which was referred S.B. No. 3023, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

beg leave to report as follows:

The purpose of this bill is to keep Hawaii competitive as a
leading captive insurance jurisdiction by authorizing the creation
of special purpose financial captive insurance companies to
provide securitization of insurance risks.

The Department of Commerce and Consumer Affairs, Hawaii
Captive Insurance Council, Beecher Carlson Insurance Services,
LLC, Alliance Captive Insurance Services, LLC, and Artex Risk
Solutions, Inc., testified in support of this bill. The
Reinsurance Association of America submitted comments.

There are concerns that this bill gives the Insurance
Commissioner too much discretion in authorizing special purpose
financial captives to provide reinsurance to insurers, even though
these captives have smaller capital requirements and weaker
solvency standards than regular licensed insurers.

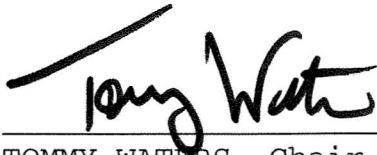
Accordingly, your Committees have amended this bill by
changing its effective date to July 1, 2050, to encourage further
discussion. Technical, nonsubstantive amendments were also made
for consistency and clarity.

SB3023 HD1 HSCR CPC-JUD HMS 2008-3129



As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3023, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3023, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Consumer
Protection & Commerce and
Judiciary,



TOMMY WATERS, Chair



ROBERT N. HERKES, Chair



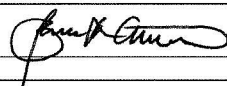
Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB3023, SD2 (SSCR2604)	Committee Referral: CPC/JUD, FIN	Date: 03-13-08		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)	X			
2. McKELVEY, Angus L.K. (VC)	X			
3. EVANS, Cindy	X			
4. GREEN, Josh, M.D.	X			
5. ITO, Ken	X			
6. LUKE, Sylvia	X			
7. MORITA, Hermina M.				X
8. SONSON, Alex M.				X
9. SOUKI, Joseph M.				X
10. TSUJI, Clift	X			
11. YAMANE, Ryan I.	X			
12. YAMASHITA, Kyle T.	X			
13. MARUMOTO, Barbara C.	X			
14. THIELEN, Cynthia				X
TOTAL (14)	10	0	0	4
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				

State of Hawaii
House of Representatives
The Twenty-fourth Legislature

1196-08

Record of Votes of the Committee on Judiciary

Bill/Resolution No.:	Committee Referral:	Date:		
SB3023, SD2 (SSCR2604)	CPC/JUD, FIN	3-13-08		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
JUD Members	Ayes	Ayes (WR)	Nays	Excused
1. WATERS, Tommy (C)	✓			
2. OSHIRO, Blake K. (VC)	✓			
3. EVANS, Cindy	✓			
4. GREEN, Josh, M.D.	✓			
5. ITO, Ken	✓			
6. LUKE, Sylvia	✓			
7. McKELVEY, Angus L.K.	✓			
8. MORITA, Hermina M.				✓
9. SONSON, Alex M.				✓
10. SOUKI, Joseph M.				✓
11. TSUJI, Clift	✓			
12. YAMANE, Ryan I.	✓			
13. YAMASHITA, Kyle T.	✓			
14. MARUMOTO, Barbara C.	✓			
15. PINE, Kymberly Marcos	✓			
16. THIELEN, Cynthia				✓
TOTAL (16)	12			4
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				