

Honolulu, Hawaii

FEB 14 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 Commerce, Consumer Protection, and Affordable Housing, 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 establish a cap of \$200,000 on the annual premium tax paid by captive insurance companies licensed by the Department of Commerce and Consumer Affairs.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and one individual. The Tax Foundation of Hawaii provided comments.

Your Committee finds, based upon the testimony provided, that the current tax structure provides for a descending rate that is applied to the amount of annual premiums written by a captive licensee. This measure, which establishes a \$200,000 cap on the premium tax, will encourage the creation of more captive insurance companies in Hawaii and will make Hawaii's captive tax structure comparable to several other jurisdictions.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing 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 Second Reading and be referred to the Committee on Ways and Means.



Respectfully submitted on  
behalf of the members of the  
Committee on Commerce, Consumer  
Protection, and Affordable  
Housing,




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BRIAN T. TANIGUCHI, Chair



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Commerce, Consumer Protection and Affordable Housing**  
**CPH**

Bill / Resolution No.:* <b>SB 1409</b>	Committee Referral: <b>CPH, WAM</b>	Date: <b>2-8-07</b>		
<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 type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)	✓			
IGE, David Y. (VC)				✓
ESPERO, Will	✓			
IHARA, Jr., Les	✓			
SAKAMOTO, Norman	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
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