STAND. COM. REP. NO. 677-10

Honolulu, Hawaii

Morch 3 , 2010

RE: S.B. No. 2812

S.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2010 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2812, 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 enable Hawaii to remain a leading captive insurance domicile by:

- (1) Reducing the frequency of captive insurer examinations, unless otherwise required by the Insurance Commissioner, and except that Class 3 risk retention captive insurers must be examined within three years of formation; and
- (2) Clarifying the type of businesses that may form a protected cell for a sponsored captive insurance company.

The Department of Commerce and Consumer Affairs, Hawaii Captive Insurance Council, and a concerned individual testified in support of this bill.

Large companies insure their own risk by establishing captive insurers. Your Committee finds that this measure will increase efficiency in the oversight of captive insurers while preserving the Insurance Commissioner's authority to regulate this important industry.

SB2812 SD1 HSCR CPC HMS 2010-2284

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. 2812, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

ROBERT N. HERKES, Chair

State of Hawaii House of Representatives The Twenty-fifth Legislature



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: Committee Referral:			Date:	2/24	1200	
SB 2812, SD1	2812, SD1 CPC				1-1	1000
☐ The committee is reconsidering its previous decision on the measure.						
The recommendation is to: ☐ Pass, unamended (as is) ☐ Pass, with amendments (HD) ☐ Hold						
 Pass short form bill with HD to recommit for future public hearing (recommit) 						
CPC Members		Ayes	Ayes (W	R)	Nays	Excused
1. HERKES, Robert N. (C)		V				
2. WAKAI, Glenn (VC)		V				
3. BELATTI, Della Au		~				
4. CABANILLA, Rida						
5. CARROLL, Mele		/				V
6. ITO, Ken		1				
7. KARAMATSU, Jon Riki						1
8. LUKE, Sylvia						1
9. McKELVEY, Angus L.K.		V				
10. MIZUNO, John M.		1				
11. MORITA, Hermina M.						
12. SOUKI, Joseph M.		1				
13. TSUJI, Clift		V				
14. MARUMOTO, Barbara C.		V				
15. THIELEN, Cynthia		V				
					/	
TOTAL (15)		0	9	0	6	5
The recommendation is: Adopted If joint referral, committee acronym(s) Adopted did not support recommendation.						
Vice Chair's or designee's signature:						
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO						