

STAND. COM. REP. NO. 677-10

Honolulu, Hawaii

March 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,



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ROBERT N. HERKES, Chair



