

STAND. COM. REP. NO.

2109

Honolulu, Hawaii

FEB - 9 2010

RE: S.B. No. 2812
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2812 entitled:

"A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE COMPANIES,"

begs leave to report as follows:

The purpose of this measure is to update the existing statutes regulating captive insurance companies in order that Hawaii may maintain its position as a leading domicile for captive insurance companies.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Captive Insurance Council, Beecher Carlson, and Willis Management (Hawaii). Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii is a leading domicile, both nationally and worldwide, for captive insurance. Your Committee further finds that the captive insurance market is an important factor in Hawaii's economy since the industry holds combined assets of approximately \$7,000,000,000, including approximately \$1,100,000,000 invested in Hawaii financial institutions, and spends approximately \$16,200,000 within the State for professional services and Board of Directors meetings. Your Committee notes that the amendments made by this measure preserve the authority of the Insurance Commissioner to regulate the captive insurance industry while increasing efficiency in the oversight system.



Your Committee has amended this measure by making technical, Nonsubstantive changes to its language for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2812, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2812, S.D. 1, and be placed on the calendar for Third Reading.

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



ROSALYN H. BAKER, Chair



