

STAND. COM. REP. NO. 215 -12

Honolulu, Hawaii

Feb 9, 2012

RE: H.B. No. 2503
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2503 entitled:

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

begs leave to report as follows:

The purpose of this measure is to maintain Hawaii's position as a major captive insurance domicile by updating and streamlining the captive insurance company law and ensuring that risk retention captive insurance companies comply with the accreditation standards of the National Association of Insurance Commissioners.

The Department of Commerce and Consumer Affairs and Hawaii Captive Insurance Council supported this measure.

Your Committee has amended this bill by:

- (1) Clarifying that captive insurance companies that write direct workers' compensation insurance policies that are subject to Chapter 386 (Workers' Compensation Law), Hawaii Revised Statutes (HRS), are subject to Article 15 (Insurers Supervision, Rehabilitation and Liquidation) of Chapter 431, HRS;
- (2) Clarifying that the Insurance Commissioner may impose a fine on a captive insurance company for violating certain laws pertaining to captive insurance companies,

HB2503 HD1 HSCR CPC HMS 2012-1589




without the requirement for notice to remedy a violation; and

- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

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 H.B. No. 2503, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2503, H.D. 1, and be referred to the Committee on Finance.

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



ROBERT N. HERKES, Chair



