

Honolulu, Hawaii

March 23, 2012

RE: S.B. No. 2765  
S.D. 2  
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 S.B. No. 2765, S.D. 2, 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 state's 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 supported this bill with amendments. Strategic Risk Solutions supported the intent of this measure.

After careful consideration, your Committee has amended this bill by:

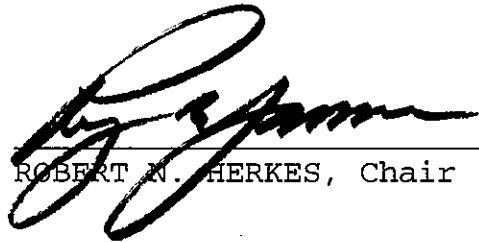
- (1) Clarifying the definition of "class 1 company" to mean a pure captive insurance company that is designated and licensed in Hawaii to write business only as a reinsurer;



- (2) Clarifying that a domestic captive insurance company may transfer its domicile to any type of jurisdiction, not only a state or country; 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 S.B. No. 2765, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2765, S.D. 2, 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,



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ROBERT N. HERKES, Chair



