

Honolulu, Hawaii

February 7, 2014

RE: H.B. No. 2107
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2107 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to require the Auditor to conduct a study on the feasibility of having the State of Hawaii establish a captive insurance company to manage the State's property and casualty insurance risks.

The Department of Accounting and General Services testified in support of this measure. The Department of Commerce and Consumer Affairs testified in support of the intent of this measure.

Your Committee has amended this measure by requiring that the Auditor consult with individuals possessing knowledge and experience in forming and developing captive insurance programs. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

Your Committee notes that there is an appropriation of an unspecified amount in this measure for the Auditor to conduct the study. Your Committee further notes that the Auditor estimated that the study will cost \$300,000. Therefore, your Committee



respectfully requests that your Committee on Finance further examine the appropriation amount.

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. 2107, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2107, 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,



ANGUS L.K. MCKELVEY, Chair



