

STAND. COM. REP. NO.

737

Honolulu, Hawaii

February 28, 2013

RE: H.B. No. 999  
H.D. 2

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 999, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to allow the State to remain a leader in the captive insurance industry by adopting the National Association of Insurance Commissioners Reinsurance Guidelines for Risk Retention Groups Licensed as Captive Insurers.

Specifically, this measure prohibits risk retention groups from receiving statement credit for policies ceded through reinsurance arrangements and specifies requirements that reinsurers must meet to qualify to take credit for reinsurance.

Artex Risk Solutions, Inc. and a concerned individual supported this measure. The Department of Commerce and Consumer Affairs supported the intent of this measure with amendments. The Hawaii Captive Insurance Council commented on this measure.

Your Committee has amended this measure by:

- (1) Allowing the Insurance Commissioner to adopt the National Association of Insurance Commissioners Reinsurance Guidelines for Risk Retention Groups Licensed as Captive Insurers as rules pursuant to Chapter 91, Hawaii Revised Statutes;

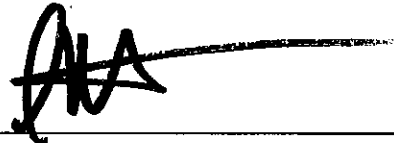
HB999 HD2 HSCR CPC HMS 2013-2434



- (2) Removing the requirement specifying the assessment and reporting of risk retention groups to determine compliance with this measure; and
- (3) Making technical, nonsubstantive amendments for 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. 999, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 999, H.D. 2, 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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ANGUS L.K. MCKELVEY, Chair



