

STAND. COM. REP. NO.

309

Honolulu, Hawaii

February 12, 2019

RE: H.B. No. 71  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 71 entitled:

"A BILL FOR AN ACT RELATING TO SURPLUS LINES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Amend the calculation of surplus lines insurance premium tax to tax the entirety of the premium using the rate established by state law, regardless of location of risk; and
- (2) Repeal the authority for the Insurance Commissioner to enter into interstate compacts to collect surplus lines premium taxes.

Wholesale & Specialty Insurance Association and American Property Casualty Insurance Association testified in support of this measure. The Department of Commerce and Consumer Affairs provided comments.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to promote further discussion.

HB71 HD1 HSCR CPC HMS 2019-1846



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. 71, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 71, H.D. 1, and be referred to your Committee on Finance.

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



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ROY M. TAKUMI, Chair



