STAND. COM. REP. NO. 1801

Honolulu, Hawaii

RE: S.B. No. 170

S.D. 1 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

## Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 170, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE COMPANIES," begs leave to report as follows:

The purpose of this bill is to enhance Hawaii's ability to attract and retain captive insurance companies by, among other things:

- (1) Clarifying the minimum capital and surplus requirements for captive insurance companies;
- (2) Allowing captive insurance companies to form as limited liability companies; and
- (3) Increasing the flexibility of investments by pure captive insurance companies.

The Department of Commerce and Consumer Affairs testified in support of the intent of this bill. A concerned individual supported this measure with amendments.

Your Committee finds that this bill seeks to ensure that Hawaii remains competitive in attracting and maintaining captive insurance companies.

SB170 HD1 HSCR CPC HMS 2007-3051

Your Committee has amended this measure by:

- (1) Authorizing, rather than requiring, the Insurance Commissioner to designate the Captive Insurance Administrator (Administrator) as a deputy commissioner;
- (2) Specifying that the Administrator must be appointed from the pool of existing employees of the Insurance Commissioner;
- (3) Clarifying that the Administrator's designation as a deputy commissioner does not affect the Administrator's exemption from the civil service law; and
- (4) Making technical, nonsubstantive amendments for clarity 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. 170, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 170, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

ROBERT N. HERKES, Chair



## State of Hawaii House of Representatives The Twenty-fourth Legislature

## **Record of Votes of the Committee on Consumer Protection & Commerce**

Bill/Resolution No.:	Date:			
SB 170 SD 1	3/12/07			
Committee Referral: C P C	☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to:  Pass, unamended	Pass, with amendments			
☐ Hold	<ul> <li>Pass, with amendments, for recommittal for further consideration</li> </ul>			
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)	Х			
2. McKELVEY, Angus L.K. (VC)	ķ			
3. CALDWELL, Kirk				X
4. EVANS, Cindy	$\lambda$			
5. GREEN, Josh, M.D.				<b>X</b>
6. ITO, Ken	γ			
7. LUKE, Sylvia				<b>\</b>
8. MORITA, Hermina M.	<u>አ</u>		· · · · · · · · · · · · · · · · · · ·	Minari I a
9. SONSON, Alex M.	X			
10. SOUKI, Joseph M.	*			
11. TSUJI, Clift	X			
12. YAMANE, Ryan I.	Y			
13. YAMASHITA, Kyle T.	χ,			
14. MARUMOTO, Barbara C.	X			
15. THIELEN, Cynthia				χ
			www.h	
TOTAL	II.			4
The recommendation is: Adopted				
•				
☐ Not Adopted				
If joint referral, did not support recommendation.  committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – HMSO Duplicate (Pink) – Clerk's Office				