STAND. COM. REP. NO. 215 -12

Honolulu, Hawaii

Feb 9 , 2012

RE: H.B. No. 2503 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 H.B. No. 2503 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 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 and Hawaii Captive Insurance Council supported this measure.

Your Committee has amended this bill by:

- (1) Clarifying that captive insurance companies that write direct workers' compensation insurance policies that are subject to Chapter 386 (Workers' Compensation Law), Hawaii Revised Statutes (HRS), are subject to Article 15 (Insurers Supervision, Rehabilitation and Liquidation) of Chapter 431, HRS;
- (2) Clarifying that the Insurance Commissioner may impose a fine on a captive insurance company for violating certain laws pertaining to captive insurance companies,

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without the requirement for notice to remedy a violation; 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 H.B. No. 2503, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2503, 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,

ROBERT N. HERKES, Chair

State of Hawaii House of Representatives The Twenty-sixth Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 2503	Committee Referral:	FIN Date:	1/30/18	3
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)				
2. YAMANE, Ryan I. (VC)				
3. BROWER, Tom				
4. CABANILLA, Rida T.R.			. "	
5. CARROLL, Mele				
6. COFFMAN, Denny				
7. ITO, Ken				
8. KEITH-AGARAN, Gilbert S.C.				
9. LUKE, Sylvia			., .,	
10. McKELVEY, Angus L.K.				<u> </u>
11. SOUKI, Joseph M.			W. I. W. W. I.	
12. TSUJI, Clift				
13. CHING, Corinne W.L.				_
14. MARUMOTO, Barbara C.15. THIELEN, Cynthia		<u> </u>		
15. THIELEN, Cynuna				
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TOTAL (15)	10	2		3
The recommendation is: Adopted If joint referral, did not support recommendation. Committee cronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				