STAND. COM. REP. NO. 709

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.

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,

ROY M. TAKUMI, Chair

State of Hawaii House of Representatives The THIRTIETH Legislature

HSCR 309

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.:	Committee Referral:	Date	: 0 1	. 0
HB 71	CPC, FIN		2/6/	
☐ 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	Ayos	Avec (WD)	Neve	Evened
	Ayes	Ayes (WR)	Nays	Excused
1. TAKUMI, Roy M. (C)	V			
2. ICHIYAMA, Linda (VC)	√			
	<u> </u>			
3. AQUINO, Henry J.C.	✓			
4. BELATTI, Della Au	✓			
5. CABANILLA ARAKAWA, Rid	a			~
				3.
6. CACHOLA, Romy M.	V			
7. HAR, Sharon E.				
			Series Re	
8. KONG, Sam Satoru	V			
9. MIZUNO, John M.				/
				83.46
10. ONISHI, Richard H.K.	V			A According to the second of
11. MATSUMOTO, Lauren			<u></u>	
			-	
TOTAL (11)	9	0	0	2
The recommendation is: Adopted				
If joint referral, did not support recommendation.				
committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				