



**STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII**

**OFFICE OF THE DIRECTOR**

**DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

**KA 'OIHANA PILI KĀLEPA**

335 MERCHANT STREET, ROOM 310

P.O. BOX 541

HONOLULU, HAWAII 96809

Phone Number: 1-844-808-DCCA (3222)

Fax Number: (808) 586-2856

cca.hawaii.gov

**JOSH GREEN, M.D.**  
GOVERNOR | KE KIA'ĀINA

**SYLVIA LUKE**  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

**NADINE Y. ANDO**  
DIRECTOR | KA LUNA HO'OKELE

**DEAN I. HAZAMA**  
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
Senate Committee on Commerce and Consumer Protection  
Thursday, January 29, 2026  
9:31 a.m.**

**State Capitol, Conference Room 229 and via videoconference**

**On the following measure:  
S.B. 2044, RELATING TO INSURANCE**

Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee:

My name is Scott K. Saiki, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' Insurance Division. The Department supports this bill.

The purpose of this bill is to exempt a dormant captive insurance company that has been issued a certificate of dormancy from certain taxes and the requirement that its governing body hold at least one meeting each year in the State.

The Department supports the proposed amendments to Hawaii Revised Statutes § 431:19-117. Dormant captive insurance companies are not actively writing insurance and therefore pose minimal regulatory or financial risk. This bill reduces unnecessary administrative work for the Department while maintaining the Commissioner's flexibility to require oversight when necessary.

Thank you for the opportunity to testify on this bill.



**TESTIMONY ON PROPOSED AMENDMENTS TO  
CHAPTER 431, HAWAII REVISED STATUTES  
RELATING TO INSURANCE (S.B. NO. 2044)**

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Jarrett Keohokalole, Chair  
Senator Carol Fukunaga, Vice Chair

Thursday, January 29, 2026, 09:31 a.m.  
Conference Room 229 & Videoconference  
State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

**TESTIMONY IN STRONG SUPPORT OF S.B. 2044**

To Senator Jarrett Keohokalole – Chair; Senator Carol Fukunaga – Vice Chair; and members of the Committee on Commerce and Consumer Protection:

My name is Matthew Takamine, and I submit this testimony as the leader of Brown & Brown's global captive practice and the head of our Hawaii office. Brown & Brown is one of the world's leading captive insurance managers and consultants, managing companies with over \$22 billion in assets and writing \$10 billion in insurance premiums. Brown & Brown has maintained an office in Hawaii since 1991. We manage captives and advise companies on captive jurisdictions throughout North America, Europe, and Asia.

I also submit this testimony as a director of the Hawaii Captive Insurance Council ("HCIC"). The HCIC is a nonprofit corporation whose mission is to promote, develop, and maintain a strong, stable and reputable captive insurance industry in the State of Hawaii. We do this in partnership with the State of Hawaii Insurance Division ("Division") on a local, national, and international level.

In my role as leader of our global captive practice, we regularly advise companies with respect to where they should domicile their captives. These recommendations are based on thorough domicile analyses which include a number of factors such as quality and consistency of regulation, quality of service providers, travel considerations, and the costs of doing business. Today, we actively manage captives in approximately 25 jurisdictions across North America, including the State of Hawaii.

**Background & Overview of the Captive Industry's Competitive Landscape**

Today, Hawaii is home to 269 actively operating and licensed captive insurance companies. Their parent companies are headquartered all over the US, in Japan and Europe. A large portion of them are traded on major stock exchanges globally and are regularly included in Forbes' Global 100 and 500 lists. Hawaii is also currently the domicile of choice for 45 Japanese-owned captive insurance companies, making it the world's leader.

As of the end of 2024, Hawaii was ranked the fifth largest captive domicile (in terms of number of active licenses) in the US, and the eighth largest domicile worldwide. **Unfortunately, Hawaii has seen declines in the number of active captives over the last year amid a period of significant growth in the industry.**

For example, Vermont, arguably Hawaii's leading competitor, licensed 51 new captives in 2025. Captive industry data has not yet been published for 2025, but I believe Hawaii has fallen in the rankings amid otherwise rapid growth throughout the captive industry. While size is just one measure of a captive domicile and is not necessarily indicative of quality, I believe Hawaii has also fallen behind in our stature as a world-leading jurisdiction.

The captive industry that represents and supports the State of Hawaii as a captive domicile has been, and continues to be, a shining example of real, economic diversification. This industry provides local, professional job opportunities in the legal, accounting, banking and finance, and insurance management sectors to name a few, and it contributes approximately \$140 million to Hawaii's economy annually.

Hawaii's prominence within the global captive insurance industry is, however, not without competition. In the US, there are approximately 40 other states that are active captive insurance domiciles. This means that prospective captive owners – as well as current captive owners – have choices as to where they domicile and operate their captive insurance companies. Although Hawaii is an established and well-respected captive domicile, it nevertheless has some inherent challenges given its location and certain perceptions of “doing business” in Hawaii. Thus, it is critically important that our legal and regulatory framework is structured and operates in a manner that incentivizes prospective captive owners to choose Hawaii in the first place and continually reaffirms the value proposition for existing captive owners already domiciled here.

#### **Importance of S.B. 2044**

S.B. 2044 provides important statutory clarification regarding the treatment of dormant captive insurance companies that have been issued a certificate of dormancy. The bill appropriately confirms that dormant captives—by definition not writing insurance or collecting premiums—are not subject to certain operational requirements that apply to active insurers.

At the same time, S.B. 2044 preserves the Insurance Commissioner's authority to monitor compliance with dormancy requirements and to conduct examinations where non-compliance is suspected.

This clarification reduces unnecessary administrative burden, promotes orderly runoff and restructuring, and encourages captives to remain domiciled in Hawai'i during periods of inactivity.

#### **For the foregoing reasons, we strongly support S.B. 2044.**

Thank you for the opportunity to submit this testimony.

Very Truly Yours,



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Matthew D. R. Takamine, CPA  
Executive Managing Director, Captive Practice Leader  
Brown & Brown

Director  
Hawaii Captive Insurance Council



COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Jarrett Keohokalole, Chair

Senator Carol Fukunaga, Vice Chair

Thursday, January 29, 2026, 09:31 a.m.  
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**TESTIMONY OF PAUL SHIMOMOTO  
PRESIDENT, HAWAII CAPTIVE INSURANCE COUNCIL  
IN STRONG SUPPORT OF S.B. 2044**

**RELATING TO INSURANCE –  
DORMANT CAPTIVE INSURANCE COMPANIES;  
CLARIFICATIONS AND EXEMPTIONS**

Aloha, Chair, Vice Chair, and Members of the Committee:

My name is Paul Shimomoto, and I submit this testimony in *strong support of Senate Bill 2044*, on behalf of the Hawaii Captive Insurance Council (“HCIC”), the nonprofit trade association representing Hawaii’s captive insurance industry.

HCIC appreciates the Legislature’s continued efforts to ensure that Hawaii’s captive insurance statute remains clear, internally consistent, and aligned with practical regulatory realities, while preserving the Insurance Commissioner’s oversight authority.

**Purpose and Effect of S.B. 2043**

In short, S.B. 2044 is a housekeeping measure. It provides important statutory clarification regarding the treatment of dormant captive insurance companies that have been issued a certificate of dormancy. Specifically, the bill confirms that a dormant captive:

- May not conduct the business of insurance;
- Is not subject to gross premiums tax or any other state taxes under section 431:19-116;
- Is not required to file audited annual financial statements and related reports;
- Is not required to hold annual in-state governing body meetings; and
- Is not subject to routine examination, except for non-compliance with dormancy requirements

These clarifications align statutory obligations with the non-operational status of a dormant captive.

## Why This Clarification Is Necessary and Appropriate

### 1. Consistency with Dormant Status

By definition, a dormant captive does not write insurance, collect premiums, or engage in active operations. Requiring such entities to comply with obligations designed for operating insurers—such as premium-based taxes, audited financial statements, or annual in-state board meetings—creates unnecessary cost and confusion without advancing regulatory or consumer-protection objectives.

### 2. Preservation of Regulatory Authority

Importantly, S.B. 2044 does not eliminate regulatory oversight. The Insurance Commissioner retains full authority to:

- Monitor compliance with dormancy conditions, and
- Examine a dormant captive where non-compliance is suspected.

The bill simply clarifies that routine operational requirements are not applicable while dormancy is properly maintained.

### 3. Encouraging Orderly Runoff and Responsible Wind-Downs

Clear dormancy rules encourage captives to pursue orderly runoff, restructuring, or future reactivation within Hawaii, rather than seeking dissolution or redomestication due to unnecessary administrative burden. This supports regulatory transparency and long-term domicile stability.

## Conclusion

S.B. 2044 provides common-sense statutory clarity that benefits regulators and industry participants alike. It preserves oversight, reduces ambiguity, and ensures that dormant captive insurance companies are treated in a manner consistent with their inactive status.

For these reasons, the Hawaii Captive Insurance Council respectfully urges your support of S.B. 2044.

Thank you for the opportunity to submit testimony.

HAWAII CAPTIVE INSURANCE COUNCIL

By: Paul Shimomoto  
Paul Shimomoto, President

TESTIMONY IN SUPPORT OF S.B. 2044

RELATING TO INSURANCE – DORMANT CAPTIVE INSURANCE COMPANIES

Chair, Vice Chair, and Members of the Committee:

My name is Sotaro Misawa, and I submit this testimony in support of S.B. 2044.

I am President at Alakai Global Inc., and I participate in the captive insurance industry as a Captive Insurance Manager.

S.B. 2044 provides important statutory clarification regarding the treatment of dormant captive insurance companies that have been issued a certificate of dormancy. The bill appropriately confirms that dormant captives—by definition not writing insurance or collecting premiums—are not subject to certain operational requirements that apply to active insurers.

At the same time, S.B. 2044 preserves the Insurance Commissioner's authority to monitor compliance with dormancy requirements and to conduct examinations where non-compliance is suspected.

This clarification reduces unnecessary administrative burden, promotes orderly runoff and restructuring, and encourages captives to remain domiciled in Hawai'i during periods of inactivity.

For these reasons, I respectfully urge the Committee to pass S.B. 2044.

Respectfully submitted,



Sotaro Misawa

President

Alakai Global Inc.

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COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Jarrett Keohokalole, Chair

Senator Carol Fukunaga, Vice Chair

Thursday, January 29, 2026, 09:31 a.m.

Conference Room 229 & Videoconference

State Capitol

415 South Beretania Street

Honolulu, Hawaii 96813

**TESTIMONY IN SUPPORT OF SENATE BILL 2044**

**RELATING TO INSURANCE –DORMANT CAPTIVE INSURANCE COMPANIES;  
CLARIFICATIONS AND EXEMPTIONS**

Chair, Vice Chair, and Members of the Committee:

My name is Christina Kamaka, Secretary of the Hawaii Captive Insurance Council (“HCIC”). The HCIC is a nonprofit corporation whose mission is to promote, develop, and maintain a strong, stable and reputable captive insurance industry in the State of Hawaii. As a member of the Hawaii Captive Insurance Council (“HCIC”) and Vice President of Aon Insurance Managers (USA) Inc., we thank you for the opportunity to provide this written testimony. Aon provides consulting and captive management services for 47 of Hawaii captive insurance companies.

Today, Hawaii is home to 269 actively operating and licensed captive insurance companies. Their parent companies are headquartered all over the US, in Japan and Europe. A large portion of them are traded on major stock exchanges globally and are regularly included in Forbes’ Global 100 and 500 lists. As of the end of 2024, Hawaii was ranked the eighth largest captive domicile (in terms of number of active licenses) in the US, and the eighth largest domicile worldwide. Hawaii is also currently the domicile of choice for 44 Japanese-owned captive insurance companies, making it the world’s leader. On a combined basis as of December 31, 2024, these 260+ captive insurance companies wrote approximately \$18.4 billion of gross written premium and had invested assets in Hawaii financial institutions that totaled nearly \$2.5 billion.

The captive industry that represents and supports the State of Hawaii as a captive domicile has been, and continues to be, a shining example of real, economic diversification. This industry provides local, professional job opportunities in the legal, accounting, banking and finance, and insurance management sectors to name a few, and directly contributes nearly \$46 million to Hawaii’s economy annually.

This year, the Hawaii Insurance Division will celebrate its 40<sup>th</sup> year anniversary since legislation was enacted allowing companies to form and license their captive in our state. Hawaii’s prominence within the global captive insurance industry is, however, not without competition. In the US, there are approximately 40 other states that are active captive insurance domiciles. This means that prospective captive owners – as well as current captive owners – have choices as to

where they domicile and operate their captive insurance companies. Although Hawaii is an established and well-respected captive domicile, it nevertheless has some inherent challenges given its location and certain perceptions of “doing business” in Hawaii. Thus, it is critically important that our legal and regulatory framework is structured and operates in a manner that incentivizes prospective captive owners to choose Hawaii in the first place and continually reaffirms the value proposition for existing captive owners already domiciled here.

S.B. 2044 provides important statutory clarification regarding the treatment of dormant captive insurance companies that have been issued a certificate of dormancy. The bill appropriately confirms that dormant captives—by definition not writing insurance or collecting premiums—are not subject to certain operational requirements that apply to active insurers.

At the same time, S.B. 2044 preserves the Insurance Commissioner’s authority to monitor compliance with dormancy requirements and to conduct examinations where non-compliance is suspected.

This clarification reduces unnecessary administrative burden, promotes orderly runoff and restructuring, and encourages captives to remain domiciled in Hawai‘i during periods of inactivity.

For these reasons, I respectfully urge the Committee to pass S.B. 2044.

Respectfully submitted,

Christina Kamaka  
Vice President  
Aon Insurance Managers (USA) Inc.