



C O N N E C T I C U T
Captive Insurance Association

Public Hearing Testimony
In support of

Raised S.B. No. 908

***AN ACT AUTHORIZING FOREIGN BRANCH CAPTIVE INSURANCE
COMPANIES***

Insurance and Real Estate Committee
Wednesday, February 27, 2019 - Room 2D

Chairmen Lesser, Scanlon, Ranking Members Kelly and Pavalock-D'Amato and members of the Insurance Committee. My name is Stephen DiCenso and I am a Principal & Consulting Actuary with the firm Milliman, Inc. I also serve as the President of the Connecticut Captive Insurance Association ("CCIA").

I'm here today to testify in support of **Senate Bill 908 "AN ACT AUTHORIZING FOREIGN BRANCH CAPTIVE INSURANCE COMPANIES"**

On behalf of the many members of the CT Captive Insurance Association and the many individuals who work in the captive insurance field in Connecticut, we urge your support of this important legislation.

Thanks to the work of the Committee and the Department of Insurance, the captive insurance industry in Connecticut is growing and expanding, helping to provide innovative risk management solutions to many companies and industries here in the state. In addition, the support of the State Legislature and the Department of Insurance has spurred growth in new insurance companies and helped create new jobs and economic development, and CCIA is actively involved in that ecosystem.

This legislation is critically important for Connecticut to adopt because it will help bring back revenue to Connecticut from other states which collect premium taxes on these Connecticut-based companies' risks. Captive insurance companies that insure Connecticut risks in other domiciles leave the owners liable for both premium tax in the captive domicile and self-procurement tax in Connecticut. Recent tax decisions have highlighted this issue, and this new law will provide a unique opportunity to insure risks efficiently in Connecticut through a Foreign Branch Captive, and therefore eliminate the company's potential self-procurement tax liability.

Connecticut is the only state in the nation with well-documented, top-notch strength in all three major areas of insurance: 1) traditional insurance, 2) captive insurance, and 3) InsurTech. As President of CCIA, I have been focusing CCIA's strategy on active collaboration between these sectors. I believe strongly that the State of Connecticut should do all it can to promote Connecticut's unique position of strength in the insurance space, as it will continue to provide significant economic benefits to the state if well-coordinated efforts are supported.

Thank you again for the opportunity to submit this testimony. We appreciate your support of the captive insurance industry in Connecticut and urge your support of this important legislation.