



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 David Raikowski and I am a Consulting Actuary employed by Actuarial & Technical Solutions, Inc. and I also serve as member of the Board of Directors of the Connecticut Captive Insurance Association ("CCIA").

I'm submitting this testimony today in support of **Senate Bill 908 "AN ACT AUTHORIZING FOREIGN BRANCH CAPTIVE INSURANCE COMPANIES"**

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

The effort put forth by the Insurance Committee and the Department of Insurance has led to growth and expansion of the captive insurance industry in Connecticut. In keeping with Connecticut's longstanding history in the insurance industry, it is important to promote innovative risk management solutions for many companies and industries

within the state. 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; CCIA continues to be actively involved in this role and will continue to support those goals. In my role at my company, I have worked with companies within Connecticut because we understand the value of its insurance community and everything it has to offer. I routinely advise clients of the benefits of working with companies in Connecticut because I have the utmost admiration for all it has to offer to companies looking to meet their insurance needs.

This legislation is critically important for Connecticut to adopt because it will help improve the captive insurance market in Connecticut and help to bring in much needed revenue in the form of new premium taxes on these Connecticut-based companies' risks which might otherwise be collected by other states. 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 has demonstrated that it is a nationwide leader in both traditional and captive insurance as well as in the InsurTech space. As member of the Board of Directors of CCIA, I have been working with CCIA's members to unite these sectors in a way that will provide a vast array of insurance solutions to those in need. I believe it is incumbent upon the State of Connecticut to promote its unique position of strength in the insurance industry and continue to pave the way for future innovation as it only serves to increase the economic strength of the state.

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