



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

Public Hearing Testimony
In support of
Raised S.B. No. 1133
AN ACT CONCERNING FOREIGN BRANCH CAPTIVE INSURANCE COMPANIES
Finance, Revenue and Bonding Committee
Monday, April 29, 2019 - Room 2D

Chairmen Fonfara, Rojas, Ranking Members Witkos and Davis and members of the Finance, Revenue and Bonding 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 am submitting this testimony in strong support of Senate Bill 1133 “AN ACT CONCERNING 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 Insurance & Real Estate Committee, the Department of Insurance and DECD, 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 these same state entities 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 for the opportunity to submit this testimony to you today in support of SB 1133. I urge your support of the captive insurance industry in Connecticut through passage of this important legislation.