



Crowe LLP

Independent Member Crowe Global

175 Powder Forest Drive, Suite 301

Simsbury, Connecticut 06089-7902

Tel +1 860 678 9200

Fax +1 860 678 9202

www.crowe.com

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 Glenn Saslow and I am an audit partner and Director of the National Insurance Practice at Crowe LLP, which is the 9th largest public accounting, consulting, and technology firm in the United States. I also serve on the Board of Directors of the Connecticut Captive Insurance Association where we work to help foster and grow the captive insurance industry in Connecticut.

I am submitting this testimony in strong support of Senate Bill 1133 “AN ACT CONCERNING FOREIGN BRANCH CAPTIVE INSURANCE COMPANIES.”

This is an important change of the captive insurance statutes which will update the regulatory framework to better reflect insurance, tax and accounting changes that have occurred since Connecticut adopted its captive insurance statute in 2011.

We strongly urge the Committee’s support of this important legislation which will make the Connecticut statutes competitive with other US captive jurisdictions. This legislation will also result in additional premium tax dollars for Connecticut.

This legislation is very important for Connecticut to adopt because it enable the collection of premium tax dollars for Connecticut based companies on the risks they insure. Currently the premium taxes on these risk are paid to other jurisdictions. Captive insurance

companies whose Parent company is based in Connecticut are currently insuring their risks directly with captives in other domiciles. As a result, they are liable for both premium tax in the captive domicile (not Connecticut based) and a tax in Connecticut on premiums placed directly with unauthorized insurers. Recent tax decisions in other states have highlighted this issue. This new law will provide an opportunity to easily open a Connecticut branch of an existing captive located in another domicile and make it more tax efficient as captives would only be required to pay premium taxes on its Connecticut risks to the State of Connecticut.

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.

Please reach out to me if you have any questions regarding this important legislation.

A handwritten signature in black ink, appearing to read "Glenn Saslow", with a stylized flourish at the end.

Glenn Saslow