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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 Dawne Ware and I am the CEO of Ware Consulting LLC, which is an insurance and business consulting firm that delivers strategic, financial and operational solutions to insurance, reinsurance and captive insurance companies. I also serve on the Board of Directors of the Connecticut Captive Insurance Association where we work to help grow the captive insurance industry in Connecticut.

I'm here today to testify in support of Senate Bill 1133 "AN ACT CONCERNING FOREIGN BRANCH CAPTIVE INSURANCE COMPANIES."

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

We strongly urge the Committee's support of this important legislation that will result in Connecticut having one of the most innovative captive statutes in the country and will help to generate new premium tax dollars for the state.

Thanks to the work of the State Legislature and the Insurance Department, the captive insurance industry in Connecticut is growing and expanding, helping to provide innovative risk management solutions to many companies and industries operating here in the state. In addition,

the support of the State Legislature and the Insurance Department has spurred growth in new insurance companies and helped create new jobs and economic development. We thank you greatly for that work.

This legislation is critically important for Connecticut to adopt because it will help to bring back revenue to Connecticut from other states that collect premium taxes on these Connecticut-based companies' risks. Captive insurance companies whose home state is Connecticut that insure their risks directly with captives in other domiciles leave the owners liable for both premium tax in the captive domicile 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 branch of an existing captive located in another domicile and begin paying premium taxes to the State of Connecticut.

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.

I'm happy to answer any questions you may have.