Bill No.: SB-908
Title: AN ACT AUTHORIZING FOREIGN BRANCH CAPTIVE INSURANCE COMPANIES.
Vote Date: 3/14/2019
Vote Action: Joint Favorable
PH Date: 2/27/2019

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SPONSORS OF BILL:
Insurance and Real Estate Committee.

REASONS FOR BILL:
This bill authorizes foreign branch captive insurance companies. According to testimony, this would aid in the continued growth of the captive insurance industry in Connecticut as well as the overall strength of the insurance industry in the state. It is important to bring revenue back to Connecticut from other states which collect premium taxes on Connecticut-based companies’ risks.

RESPONSE FROM ADMINISTRATION/AGENCY:
None Submitted for Raised Bill No. 908.

NATURE AND SOURCES OF SUPPORT:
Several speakers representing the Connecticut Captive Insurance Association (CCIA) testified in support of Raised Bill No. 908. They cited the growth of the captive insurance industry in Connecticut, as well as the need to bring back revenues from other states which collect premium taxes on Connecticut-based companies’ risks. They state that this law would provide the opportunity to insure risks efficiently in Connecticut through a Foreign Branch Captive, which would therefore eliminate a company’s potential self-procurement tax liability. Right now, 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:
Stephen DiCenso – President, CCIA
David Raikowski – Member of the Board of Directors, CCIA
Dawn Ware – Member of the Board of Directors, CCIA

NATURE AND SOURCES OF OPPOSITION:

None Expressed for Raised Bill No. 908.

Reported by:  Caroline Costa                  Date: April 1, 2019