Bill No.: SB-1133
Title: AN ACT CONCERNING FOREIGN BRANCH CAPTIVE INSURANCE COMPANIES.
Vote Date: 5/1/2019
Vote Action: Joint Favorable
PH Date: 4/29/2019

Disclaimer: The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.

SPONSORS OF BILL:
Finance, Revenue & Bonding Committee

REASONS FOR BILL:
To allow a foreign captive insurer to open a branch in Connecticut, subjects such branches to licensing and other requirements, and offers a premium tax amnesty program to certain insureds that establish a branch captive in, or redomicile (i.e. transfer) a foreign or alien captive to, Connecticut by July 1, 2020.

RESPONSE FROM ADMINISTRATION/AGENCY:
None expressed

NATURE AND SOURCES OF SUPPORT:

Stephen DiCenso, Principal & Consulting Actuary with Milliman, Inc. and President of the Connecticut Captive Insurance Association (CCIA)

Glenn Saslow, Director of the National Insurance Practice at Crowe LLP &

Dawne Ware, CEO – Ware Consulting LLC

With the captive insurance industry growing and expanding the above three individuals all submitted testimony strongly supporting this 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 Connecticut based companies on the risks they insure. Currently these premium taxes on these risks 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. 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 premiums taxes on its Connecticut risks to
the State of Connecticut. All of the testimony stressed the importance of changing 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.

NATURE AND SOURCES OF OPPOSITION:

None expressed

Reported by:  Dawn Silveira  Date: 5/7/19