



GOV. MSG. NO. **995**

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

June 28, 2007

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fourth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on June 28, 2007, the following bill was signed into law:

HB1323 SD1

A BILL FOR AN ACT RELATING TO CAPTIVE
INSURANCE.
(ACT 224)

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

A BILL FOR AN ACT

RELATING TO CAPTIVE INSURANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 431:19-116, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) Each captive insurance company licensed to do business
4 in this State shall pay to the director of finance through the
5 commissioner a tax on gross premiums on or before March 1 of each
6 year, as follows:

7 (1) .25 per cent on \$0 to \$25,000,000 of gross premiums for
8 insurance written on all risks or property resident,
9 situated, or located within this State, and on risks
10 and property situated elsewhere upon which no premium
11 tax is otherwise paid during the year ending on the
12 preceding December 31, less return premiums and less
13 any reinsurance accepted;

14 (2) .15 per cent on more than \$25,000,000, to \$50,000,000
15 of gross premiums for insurance written on all risks or
16 property resident, situated, or located within this
17 State, and on risks and property situated elsewhere
18 upon which no premium tax is otherwise paid during the



1 year ending on the preceding December 31, less return
 2 premiums and less any reinsurance accepted; [~~and~~]
 3 (3) .05 per cent on more than \$50,000,000, to \$250,000,000
 4 of gross premiums for insurance written on all risks or
 5 property resident, situated, or located within this
 6 State, and on risks and property situated elsewhere
 7 upon which no premium tax is otherwise paid during the
 8 year ending on the preceding December 31, less return
 9 premiums and less any reinsurance accepted[~~+~~]; and
 10 (4) 0.00 per cent on more than \$250,000,000 of gross
 11 premiums for insurance written on all risks or property
 12 resident, situated, or located within this State, and
 13 on risks and property situated elsewhere upon which no
 14 premium tax is otherwise paid during the year ending on
 15 the preceding December 31, less return premiums and
 16 less any reinsurance accepted;
 17 provided that the annual maximum aggregate tax on gross premiums
 18 to be paid by a captive insurance company shall not exceed
 19 \$200,000."

20 SECTION 2. New statutory material is underscored.

21 SECTION 3. This Act shall take effect on July 1, 2007.



H.B. NO. 1323
S.D. 1

APPROVED this 28 day of JUN, 2007



GOVERNOR OF THE STATE OF HAWAII