

H.B. NO. 2317

A BILL FOR AN ACT

RELATING TO HEALTH INSURANCE.

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

1 SECTION 1. The purpose of this Act is to make permanent Act
2 118, Session Laws of Hawaii 2004, that requires health insurers
3 to treat a bona fide trade association and its members as a
4 single group at the option of the trade association for the
5 purpose of issuing a health insurance policy.

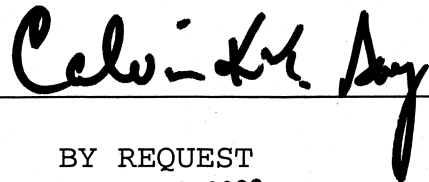
6 SECTION 2. Act 118, Session Laws of Hawaii 2004, is amended
7 by amending section 5 to read as follows:

8 "SECTION 5. This Act shall take effect upon its approval
9 [~~and shall be repealed on December 31, 2006~~]."

10 SECTION 3. Statutory material to be repealed is bracketed
11 and stricken.

12 SECTION 4. This Act shall take effect upon its approval.

13
14 INTRODUCED BY:



BY REQUEST
JAN 23 2006

JUSTIFICATION SHEET

DEPARTMENT: Commerce and Consumer Affairs

TITLE: A BILL FOR AN ACT RELATING TO HEALTH INSURANCE.

PURPOSE: This bill makes permanent the authorization for bona fide trade associations to be treated as a group for purposes of health insurance.

MEANS: Amend section 5 of Act 118, Session Laws of Hawaii 2004.

JUSTIFICATION: Since Act 118, Session Laws of Hawaii 2004 (Act 118), was enacted, numerous trade associations have received group health insurance. This affords the trade association members the benefits of group rating that may make premiums more affordable. The trade association in effect acts as a purchasing pool that can combine smaller businesses with larger businesses for possible premium savings or stability. Since Act 118 will sunset on December 31, 2006, it is necessary to delete the repeal and make this provision permanent.

Impact on the public: There should be a positive impact on the public as they are afforded another option in buying health insurance.

Impact on the department and other agencies:
None.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: CCA-106.

OTHER AFFECTED

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AGENCIES: None.

EFFECTIVE DATE: Upon approval.