

JUSTIFICATION SHEET **SB. NO. 2280**

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

SB. NO 2200

AGENCIES:

None.

EFFECTIVE DATE:

Upon approval.