

Honolulu, Hawaii

March 23, 2006

RE: S.B. No. 2283  
S.D. 1  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2283, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this bill is to improve the insurance laws by updating and conforming insurer examination and commercial general liability extended reporting requirements to the most current National Association of Insurance Commissioners Model Acts and Model Regulations.

The Insurance Commissioner (Commissioner) of the Department of Commerce and Consumer Affairs supported this bill.

Your Committee has amended this bill by:

- (1) Replacing its substance with that of H.B. No. 2320, H.D. 1; and
- (2) Changing its effective date to July 1, 2050.



As amended, this bill's effective date differs from the S.D. 1.  
The bill also differs in that it:

- (1) Contains a new part requiring insurers to annually file financial audits with the Commissioner and establishing standards for the audit (section 1);
- (2) Deletes the requirement that in accident and health or sickness insurance policies, any disclaimer of liability for losses caused because the insured is under the influence of liquor or drugs must be phrased in a certain manner (section 9);
- (3) Makes technical amendments to a section in the Insurance Code rate regulation article, which provides that after the establishment of Hawaii Mutual Insurers' Company, workers' compensation insurers may not join with other insurers to apportion assigned risk coverages among themselves (section 11); and
- (4) Contains technical, nonsubstantive differences.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2283, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2283, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,

  
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ROBERT N. HERKES, Chair



