

Honolulu, Hawaii

March 24, 2006

RE: S.B. No. 2364
S.D. 2
H.D. 2

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. 2364, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ALCOHOL AND SUBSTANCE ABUSE,"

begs leave to report as follows:

The purpose of this bill is to encourage early identification and treatment of persons with alcohol or illicit substance problems by:

- (1) Removing the provision in the Insurance Code that prohibits a disclaimer of liability in an accident and health or sickness insurance policy for injuries caused by alcohol or illicit substance use, unless the disclaimer is phrased in a certain way; and
- (2) Appropriating funds to establish a pilot program for screening, brief intervention, referral, and substance abuse treatment at hospital emergency rooms.

The Office of the Lieutenant Governor, Department of Health, Department of Human Services, MADD-Hawaii, Hawaii Substance Abuse Coalition, and a concerned individual supported this bill. The Attorney General supported this measure with amendments. The Insurance Commissioner of the Department of Commerce and Consumer Affairs supported this bill in part with amendments. The



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University of Hawaii supported the intent of this measure. The American Family Life Assurance Company of Columbus commented.

Your Committee finds that the current policy of allowing insurers to exclude coverage for individuals whose injuries result from alcohol or narcotics use was created under a 1947 National Association of Insurance Commissioners (NAIC) model law. In 2001, NAIC voted unanimously to repeal that policy. Your Committee finds that allowing insurers to deny coverage discourages emergency room medical personnel from identifying patients whose injuries are the result of alcohol or illicit substance use, thus making it difficult to use the emergency room contact to provide further assessment, counseling, and treatment for the individual.

Your Committee has amended this bill by:

- (1) Providing an affirmative requirement as recommended by the Insurance Commissioner that all health insurers provide coverage for an insured's injury that results from the insured's intoxication or being under the influence of any narcotic; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

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. 2364, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2364, S.D. 2, H.D. 2.

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



ROBERT N. HERKES, Chair



