

Honolulu, Hawaii

FEB 17

, 2006

RE: S.B. No. 2093
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Housing,
to which was referred S.B. No. 2093 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to eliminate the premium tax
on health insurers, except on health care services furnished
through the QUEST medical assistance program.

Testimony in support of this measure was submitted by the
State Insurance Commissioner, the International Brotherhood of
Electrical Workers, Summerlin Life & Health Insurance Company, and
Royal State National Insurance Company, Limited. Testimony in
opposition to this measure was submitted by Kaiser Permanente.
Comments were also submitted by the Department of Human Services,
the Department of Taxation, and the Tax Foundation of Hawaii.

Your Committee finds that increased competition in the
marketplace for health insurance is one way to control the cost of
health care and provide consumers and businesses with more
alternatives. To ensure further discussion on this measure, your
Committee has amended this measure by changing the effective date
to July 1, 2050.

As affirmed by the record of votes of the members of your
Committee on Commerce, Consumer Protection, and Housing that is
attached to this report, your Committee is in accord with the
intent and purpose of S.B. No. 2093, as amended herein, and



recommends that it pass Second Reading in the form attached hereto as S.B. No. 2093, S.D. 1, and be referred to the Committee on Ways and Means.

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



RON MENOR, Chair



