

STAND. COM. REP. NO.

2665

Honolulu, Hawaii

MAR - 3 2006

RE: S.B. No. 2095
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. 2095 entitled:

"A BILL FOR AN ACT RELATING TO LIFE INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to ensure that purchasers of
annuities understand certain basic features of annuities.

Testimony in support of the measure was submitted by the
National Association of Insurance and Financial Advisors and the
American Council of Life Insurers. The State Insurance
Commissioner opposed the measure. State Farm Insurance Companies
offered comments recommending substitution of the language of H.B.
No. 2434.

Your Committee finds that this measure will adopt the model
Annuity Disclosure Law drafted by the National Association of
Insurance Commissioners and adopted by eight other states in its
current form, and by ten other states in its predecessor form.
The law applies only to fixed and not variable annuities, and
requires that information about guaranteed and non-guaranteed
elements of the annuity contract be given to consumers in a
"disclosure document" along with a "buyers guide" at the time of
application.

Your Committee has amended the measure to:



- (1) Provide that failure of a producer to comply with the disclosure requirements of this measure is an unfair or deceptive act or practice in the business of insurance;
- (2) Change the effective date to January 1, 2007; and
- (3) Make a technical, nonsubstantive amendment for clarity.

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. 2095, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2095, S.D. 1, and be placed on the calendar for Third Reading.

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



RON MENOR, Chair



