

Honolulu, Hawaii

FEB 17

, 2006

RE: S.B. No. 2282
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. 2282 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to update and streamline
insurance statutes in conformity with federal law and national
standards.

Testimony in support of this measure was submitted by the
State Insurance Commission or on behalf of the Department of
Commerce and Consumer Affairs and the National Association of
Insurance and Financial Advisors Hawaii. Comments were submitted
by Hawaii Medical Service Association, State Farm Insurance
Companies, the Hawaii Insurers Council, and the American Council
of Life Insurers.

Your Committee finds that this measure is part of the
Department of Commerce and Consumer Protection's efforts to
modernize Hawaii's insurance laws, ease insurer filing
requirements, and bring Hawaii's insurance laws into conformity
with federal law and national standards.

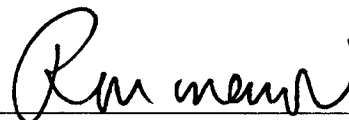
In response to comments from Hawaii Medical Service
Association, State Farm Insurance Companies, and Hawaii Insurance
Council, your Committee received proposed changes to this measure
from the Insurance Commissioner. Your Committee adopted these
proposed changes by amending the bill to:



- (1) Remove the requirement to provide additional information as required by the National Association of Insurance Commissioners in sections 431:3-212, 432:1-301(a), and 432D-2(c), Hawaii Revised Statutes, because this requirement is both burdensome and duplicative of existing statutory authority;
- (2) Clarify that following a catastrophe, a Hawaii license shall not be required of a "nonresident adjuster" instead of "nonresident independent adjuster" because this will enable insurers like State Farm companies to send their in-house teams of adjusters from around the nation to Hawaii in the event of a catastrophe;
- (3) Remove the requirement that an insurance producer notify the Insurance Division of a change in the producer's home phone number in sections 431:9-203 and 431:9A-107, Hawaii Revised Statutes, because of the potential burden on companies to provide new home phone numbers in the event of external forces such as a change in area code; and
- (4) Make technical, nonsubstantive amendments for purposes of clarity and consistency.

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. 2282, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2282, 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



