

STAND. COM. REP. NO.

2683

Honolulu, Hawaii

MAR - 3 2006

RE: S.B. No. 2300
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. 2300 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to extend group health insurance coverage for small employers to include self-employed individuals with no employees or small businesses with part-time employees.

Testimony in support of the measure was submitted by the Department of Commerce and Consumer Affairs, the Hawaii State Bar Association, and two individuals. Mutual Benefit Association of Hawaii, Hawaii Association of Health Plans, the Hawaii Medical Service Association, and Kaiser Permanente opposed the measure.

Your Committee finds that although Hawaii law requires that health insurers offer small group health plans to small employers, it is unclear whether the law extends health insurance group coverage to self-employed sole proprietors. Your Committee understands that this coverage is available to corporations, even those with only one employee, but may be denied to unincorporated sole proprietors. Accordingly, cost-effective health insurance coverage may not be available to these individuals.

Your Committee has amended this measure to change the effective date to July 1, 2050, for purposes of further discussion, and to make technical, nonsubstantive amendments.

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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. 2300, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2300, 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



