

Honolulu, Hawaii

MAR - 3 2006

RE: S.B. No. 2917

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. 2917 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH INSURANCE RATE
REGULATION,"

begs leave to report as follows:

The purpose of this measure is to ensure continuation of
health insurance rate regulation in this State.

Specifically, this measure repeals the sunset date from Act
74, Session Laws of Hawaii 2002, as amended by Act 3, Session Laws
of Hawaii, relating to health insurance rate regulation.

Testimony in support of this measure was submitted by the
State Insurance Commissioner, the Department of Commerce and
Consumer Affairs; Hawaii State Teachers Association; The Hawaii
Business League; Summerlin Life & Health Insurance Company; the
Hawaii Chapter, American Physical Therapy Association; and one
concerned citizen. Testimony in opposition to this measure was
submitted by Hawaii Pacific Health and Kaiser Permanente.
Comments were submitted by the Hawaii Medical Service Association.

According to the State Insurance Commissioner, since the
start of rate oversight, the Insurance Division has made
reductions to six different rate filings, thereby saving Hawaii
consumers at least \$18,000,000. The Commissioner also reports
that through rate oversight, the division has detected simple
errors, unsupported rate factors, and deviations from established
methodologies. Finally, the Commissioner reports that this

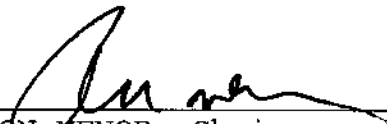


oversight has not caused large additional costs for administration.

Your Committee finds and is in agreement with the Insurance Commissioner that health insurance rate regulation has operated well. Your Committee further finds that health insurance rate regulation provides benefits to consumers and to a competitive health insurance marketplace.

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. 2917 and recommends that it pass Second Reading 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



The Senate
Twenty-Third Legislature
State of Hawaii

Record of Votes of the
Committee on Commerce, Consumer Protection and Housing
(Bills and Resolutions)

Measure* SB 2917	Committee Referral: CPH	Date: 3/2/06		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is to:				
<input checked="checked" type="checkbox"/> Pass, unamended (2312) <input type="checkbox"/> Pass, with amendments (2311) <input type="checkbox"/> Hold (2310) <input type="checkbox"/> Recommit (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
MENOR, Ron (C)	✓			
BAKER, Rosalyn H. (VC)	✓			
ESPERO, Will	✓			
IGE, David Y.	✓			
SAKAMOTO, Norman				✓
HOGUE, Bob		✓		
TOTAL	4	1	-	1
Recommendation:				
<input checked="checked" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Rosalyn H. Baker</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Do not list more than one measure per Record of Votes.