

Honolulu, Hawaii

May 1, 2007

RE: H.B. No. 90  
H.D. 2  
S.D. 2  
C.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 90, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to enhance the monitoring of the insurance marketplace, protection of insurance policyholders, and compliance with the Insurance Code and regulations, by adopting the National Conference of Insurance Legislators Market Conduct Surveillance Model Law, which establishes a framework for the Insurance Commissioner to conduct market conduct examinations of domestic and foreign insurers.

A market conduct examination is a review of an insurer's marketplace practices. Your Committee on Conference finds that this measure will enable the Insurance Commissioner to conduct comprehensive and targeted market conduct examinations of an



insurer's operations to evaluate compliance with applicable state laws.

Your Committee on Conference has amended this measure by:

- (1) Inserting appropriation amounts of \$318,000 for fiscal year 2007-2008 and \$365,000 for fiscal year 2008-2009 to carry out the provisions of this bill; and
- (2) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 90, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 90, H.D. 2, S.D. 2, C.D. 1.

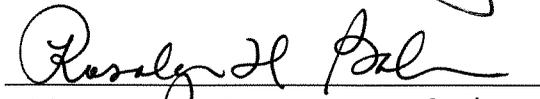
Respectfully submitted on behalf of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE

  
 BRIAN T. TANIGUCHI, Chair

  
 ROBERT N. HERKES, Co-Chair

  
 ROSALYN H. BAKER, Co-Chair

  
 MICHAEL Y. MAGAOAY, Co-Chair



Record of Votes of a  
Conference Committee

|   |   |                            |   |   |   |   |                 |   |   |
|---|---|----------------------------|---|---|---|---|-----------------|---|---|
| Bill / Concurrent Resolution No.:<br>HB 90, HD 2, SD 2  |   |                            |   |   | Date/Time: 4/27/07 8:21 PM  |   |                 |   |   |
| <input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).            |   |                            |   |   |   |   |                 |   |   |
| <input type="checkbox"/> The Committee is reconsidering its previous decision.  |   |                            |   |   |   |   |                 |   |   |
| <input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure |   |                            |   |   | <input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure. |   |                 |   |   |
| Senate Managers   | A | WR                         | N | E | House Managers  | A | WR              | N | E |
| TANIGUCHI, Brian, Chr.  | X |                            |   |   | HERKES, Robert N., Co-Chr.  | X |                 |   |   |
| BAKER, Rosalyn H., Co-Chr.  | X |                            |   |   | MAGAOAY, Michael Y., Co-Chr.  | X |                 |   |   |
| SLOM, Sam   |   |                            |   | X | MARUMOTO, Barbara C.  | X |                 |   |   |
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| TOTAL   | 2 |                            |   | 1 | TOTAL   | 3 |                 |   |   |
| A = Aye   |   | WR = Aye with Reservations |   |   | N = Nay   |   | E = Excused     |   |   |
| Senate Recommendation is:<br><input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted                       |   |                            |   |   | House Recommendation is:<br><input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted                        |   |                 |   |   |
| Senate Lead Chair's or Designee's Signature:<br> |   |                            |   |   | House Lead Chair's or Designee's Signature:<br> |   |                 |   |   |
| Distribution: Original  |   | Yellow                     |   |   | Pink  |   | Goldenrod       |   |   |
| File with Conference Committee Report   |   | House Clerk's Office       |   |   | Senate Clerk's Office   |   | Drafting Agency |   |   |