

STAND. COM. REP. NO.

1280

Honolulu, Hawaii

March 19, 2007

RE: S.B. No. 1008
S.D. 1
H.D. 1

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 1008, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ANNUITIES,"

begs leave to report as follows:

The purpose of this bill is to enhance the regulation of annuity sales by establishing standards and procedures for insurers and insurance producers making recommendations to consumers regarding the purchase or exchange of annuities.

The American Council of Life Insurers and National Association of Insurance and Financial Advisors - Hawaii testified in support of this bill. The Insurance Division and Business Registration Division of the Department of Commerce and Consumer Affairs opposed this measure.

Your Committee finds that annuities can be an important source of retirement income, and consumers should therefore be afforded a clear understanding of the features, options, and costs of annuities to ensure that these products meet their specific financial situations. This bill would help protect consumers of these products by requiring insurers and insurance producers to have reasonable grounds for believing that a recommendation for the purchase or exchange of an annuity is suitable for the consumer based upon financial information the consumer provides.

SB1008 HD1 HSCR CPC HMS 2007-3052



Your Committee has amended this measure by:

- (1) Changing the effective date to upon this bill's approval; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1008, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1008, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

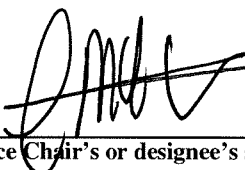


ROBERT N. HERKES, Chair



State of Hawaii
House of Representatives
The Twenty-fourth Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 1008 SD 1		Date: 3/12/07		
Committee Referral: C P C , FIN		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
The recommendation is to: <input type="checkbox"/> Pass, unamended <input type="checkbox"/> Hold		<input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Pass, with amendments, for recommittal for further consideration		
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)	X			
2. McKELVEY, Angus L.K. (VC)	X			
3. CALDWELL, Kirk				X
4. EVANS, Cindy	X			
5. GREEN, Josh, M.D.				X
6. ITO, Ken	X			
7. LUKE, Sylvia				X
8. MORITA, Hermina M.	X			
9. SONSON, Alex M.	X			
10. SOUKI, Joseph M.	X			
11. TSUJI, Clift	X			
12. YAMANE, Ryan I.	X			
13. YAMASHITA, Kyle T.	X			
14. MARUMOTO, Barbara C.	X			
15. THIELEN, Cynthia				X
TOTAL	11			4
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – HMSO Duplicate (Pink) – Clerk's Office				