

STAND. COM. REP. NO. 1929

Honolulu, Hawaii

Ajls, 2007

RE: S.B. No. 1412
S.D. 2
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 1412, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE FRAUD,"

begs leave to report as follows:

The purpose of this bill is to expand the authority of the Department of Commerce and Consumer Affairs' (DCCA) insurance fraud investigations unit from prosecuting only motor vehicle insurance fraud to prosecuting fraud in all lines of insurance under Title 24, Hawaii Revised Statutes, except workers' compensation.

DCCA, ILWU Local 142, the American Council of Life Insurers, Hawaii Association of Health Plans, National Association of Insurance and Financial Advisors, Hawaii Medical Service Association, and State Farm Insurance Companies testified in support of this bill. The Attorney General supported this measure with an amendment.

Your Committee has amended this bill by deleting and replacing its substance with provisions that:

- (1) Expand the authority of DCCA's insurance fraud investigations unit to include the investigation and prosecution of workers' compensation fraud;

SB1412 HD2 HSCR FIN HMS 2007-3729

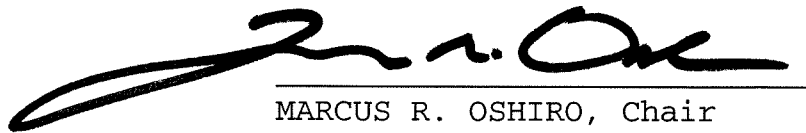


- (2) Include premium fraud as an offense for which penalties will be applied; and
- (3) Appropriate funds for additional personnel and resources for the insurance fraud investigations unit to prosecute insurance fraud.

This bill, as amended, includes an effective date of July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1412, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1412, S.D. 2, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



