

Honolulu, Hawaii

April 26 , 2007

RE: S.B. No. 1803
S.D. 1
H.D. 1
C.D. 1

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

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

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1803, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH 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 measure is to provide health care coverage for Hawaii's residents by amending state health insurance laws with respect to small insurers.

Specifically, this measure:

- (1) Exempts a small group health issuer from having to offer a group health plan to small employers that employ only one employee, if the issuer offers the small employers at least one small group health plan that meets the requirements of chapter 393, Hawaii Revised Statutes, relating to prepaid health care plans; and



- (2) Exempts any accident or sickness insurer with less than thirty per cent share of the accident and sickness insurance market from the prohibition against requiring a prospective insured to purchase another class or an additional policy of the same class of insurance in order to obtain the desired accident and sickness insurance policy.

Your Committee finds that affordable health insurance is one of the State's most pressing concerns and that small insurers provide coverage to individuals, self-employed workers, and small business group plans that have one or few employees. Expanding coverage options will benefit consumers and should increase health insurance competition in Hawaii.

Your Committee has amended this measure by:

- (1) Adding language to allow the Insurance Commissioner to prohibit the exemption from section 431:2-201.5, Hawaii Revised Statutes, of group health plans offered to small employers that employ only one employee if the Insurance Commissioner determines that the group health insurer has the capacity to adequately deliver services to enrollees of additional groups subject to its obligations to existing employer groups;
- (2) Removing the exemption of any accident or sickness insurer with less than thirty per cent share of the accident and sickness insurance market from the prohibition against requiring a prospective insured to purchase another class or an additional policy of the same class of insurance in order to obtain the desired accident and sickness insurance policy;
- (3) Removing the requirement that the Insurance Commissioner conduct a review of the efficacy of this measure; and
- (4) Making this measure effective 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 S.B. No. 1803, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1803, S.D. 1, H.D. 1, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE


ON THE PART OF THE SENATE



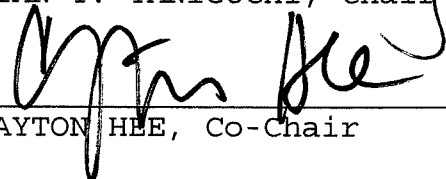
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