

STAND. COM. REP. NO.

892

Honolulu, Hawaii

MAR 02 2007

RE: S.B. No. 1408
S.D. 1

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

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1408 entitled:

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

begs leave to report as follows:

The purpose of this measure is to clarify and improve existing law relating to insurance licensing.

Specifically, the bill:

- (1) Re-establishes a \$1,000 issuance fee and \$600 annual fees for all services for limited line motor vehicle rental company producer's licenses;
- (2) Provides that the place of business for licensed adjusters and independent bill reviewers is where the licensee principally conducts transactions;
- (3) Revises the education and examination exemption for persons who were previously licensed in another state to exempt only an applicant for a nonresident producer license who is licensed in another state or an applicant for a resident producer license who applies for a license within ninety days of cancellation of the applicant's previous out-of-state resident license; and



- (4) Repeals the current exemption from educational and examination requirements for license applicants who previously held an out-of-state license if the person applies for a resident producer license in the same line within ninety days of establishing legal residency in Hawaii.

The Insurance Commissioner of the Department of Commerce and Consumer Affairs submitted comments in support of the measure. The American Council of Life Insurers submitted comments opposing the measure.

Your Committee finds that Act 154, Session Laws of Hawaii 2006, an Insurance Division housekeeping measure, inadvertently failed to re-establish the licensing and service fees for limited line motor vehicle rental company producer's licenses. This measure corrects that oversight. In addition, your Committee finds that removing the requirement of having a place of business in the State for licensees who principally conduct business in other states will encourage those individuals to also conduct business in Hawaii.

Upon further consideration, your Committee has amended this measure by:

- (1) Deleting section 3 of the bill amending section 431:9A-109, Hawaii Revised Statutes, relating to exemptions from examination; and
- (2) Renumbering remaining sections accordingly.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1408, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1408, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


ROSALYN H. BAKER, Chair



