

STAND. COM. REP. NO.

450

Honolulu, Hawaii

FEB 16 2007

RE: S.B. No. 1676
S.D. 1

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

Madam:

Your Committees on Health and Commerce, Consumer Protection,
and Affordable Housing, to which was referred S.B. No. 1676
entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS
CORPORATION,"

beg leave to report as follows:

The purpose of this measure is to ensure quality health care
services by providing access to affordable medical malpractice and
hospital professional and general liability coverage to our state
hospital system.

Specifically, this measure authorizes and provides initial
funding for the establishment of a domestic captive insurance
company five-year pilot project, by the Hawaii Health Systems
Corporation, to provide medical malpractice and hospital and
general liability coverage to the corporation and the physicians
serving the entity.

Your Committees received testimony in support of this measure
from Hawaii Health Systems Corporation. The Department of
Commerce and Consumer Affairs submitted comments on this measure.

Your Committees find that actuarial studies need to be
conducted in order to accurately recommend an appropriation
amount.



Your Committees find that the cost of hospital professional and general liability coverage continues to rise. Further, your Committees find that there is a lack of insurers willing to provide coverage in Hawaii, and the policies offered have decreased limits of available coverage and restrictions on what liability exposures are covered. Your Committees find that a captive insurance company to provide hospital malpractice coverage is a good alternative, and according to the Insurance Commissioner's testimony, is almost the only alternative available at this time.

Your Committees have adopted the recommendations of the Department of Commerce and Consumer Affairs and amended this measure by removing the "carve out" language in section 3 due to sufficient authority in existing captive statutes that would allow the Insurance Commissioner to license a captive for Hawaii Health Systems Corporation's pilot project.

Your Committees further amended this measure by changing the effective date to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Health and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1676, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1676, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Health and
Commerce, Consumer Protection,
and Affordable Housing,



BRIAN T. TANIGUCHI, Chair


DAVID Y. IGE, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii


Record of Votes
Committee on Health
HTH

Bill / Resolution No.:* SB 1676	Committee Referral: HTH/CPH, WAM	Date: 2/6/07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
FUKUNAGA, Carol (VC)	✓			
BAKER, Rosalyn H.	✓			
MENOR, Ron	✓			
WHALEN, Paul				✓
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes

The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Commerce, Consumer Protection and Affordable Housing
CPH

Bill / Resolution No.:* SB 1676	Committee Referral: HTH/CPH, WAM	Date: 2/6/07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will	✓			
IHARA, Jr., Les				✓
SAKAMOTO, Norman				✓
SLOM, Sam	✓			
TOTAL	4			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">  </div>				
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