

STAND. COM. REP. NO.

857

Honolulu, Hawaii

MAR 02 2007

RE: S.B. No. 1803
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 Commerce, Consumer Protection, and Affordable Housing and Judiciary and Labor, to which was referred S.B. No. 1803 entitled:

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

beg leave to report as follows:

The purpose of this measure is to enable small insurers, which occupy less than thirty per cent of the health insurance market, to provide the broadest health care coverage at the lowest possible rates by permitting different types of insurance to be combined into a single policy.

Your Committees received testimony in support of this measure from the Hawaii Management Alliance Association and the Hawaii Association of Realtors. Testimony in opposition to this measure was received from the Department of Commerce and Consumer Affairs and the Hawaii Medical Service Association.

Your Committees find 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 will increase competition in Hawaii. The intent of this measure is to provide consumers with greater choices in their health insurance provider by allowing small insurers to be able to combine different types of insurance into a single policy without violating tying arrangements that are prohibited under the Insurance Code.

2007-2065 SSCR SMA.doc

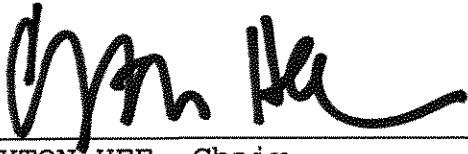


Your Committees have amended this measure to promote further discussion by:

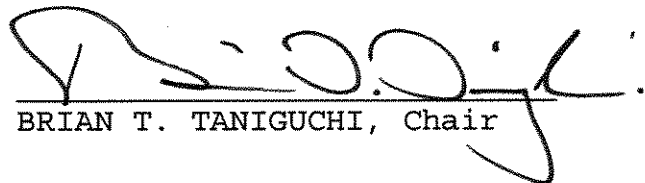
- (1) Removing section 1 of the measure;
- (2) Changing the requirements to allow those insurers that cover less than ten per cent of the health insurance market to offer combined insurance coverage under a single policy to small employee groups; and
- (3) Changing the effective date.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable Housing and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1803, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1803, S.D. 1, and be placed on the calendar for Third Reading.

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



CLAYTON HEE, Chair




BRIAN T. TANIGUCHI, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* SB1803	Committee Referral: CPH / JDL	Date: 2/27/07		
<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
HEE, Clayton (C)	✓			
KOKUBUN, Russell S. (VC)				✓
INOUYE, Lorraine R.	✓			
NISHIHARA, Clarence K.	✓			
GABBARD, Mike	✓			
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