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# A BILL FOR AN ACT

RELATING TO HEALTH INSURANCE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Chapter 432, Hawaii Revised Statutes, is  
2 amended by adding a new section to article 1 to be appropriately  
3 designated and to read as follows:

4           "§432:1-       Community benefits programs; funding. (a)  
5 Each society shall spend in each calendar year at least fifty  
6 per cent of the monies that it would have paid under chapter  
7 237, but for its nonprofit status, on health, health-education,  
8 and related community benefit programs.

9           (b) Each society shall file with the commissioner and  
10 legislature on or before January 1 of each year a report  
11 detailing its expenditures under subsection (a), including the  
12 total amount spent and the manner in which such amount was  
13 spent."

14           SECTION 2. New statutory material is underscored.

15           SECTION 3. This Act shall take effect on July 1, 2008.

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HB HMS 2007-5114



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**Report Title:**

Health insurance nonprofit reform

**Description:**

Requires that mutual benefit societies annually spend on health community benefit programs no less than 50 percent of the savings that they receive annually from their general excise tax exemption as nonprofit organizations.

