

---

---

# A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1 SECTION 1. Article 431:10A, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 "§431:10A- Health insurers; market-share-based  
5 reimbursement rates. (a) Any insurer with ten per cent or more  
6 of the market share that provides health insurance pursuant to  
7 chapter 393 and authorized under chapters 432 and 432D shall  
8 provide reimbursements for health care services at a rate of not  
9 less than one hundred thirty-five per cent of the current  
10 medicare fee schedule.

11 (b) Any insurer with less than ten per cent of the market  
12 share that provides health insurance pursuant to chapter 393 and  
13 authorized under chapters 432 and 432D shall be exempt from  
14 payment of taxes on gross premiums pursuant to section 431:7-  
15 202; provided that:

16 (1) The insurer shall establish programs to decrease the  
17 number of uninsured; and



1        (2) Ten per cent of all new policyholders enrolled annually  
2        were previously uninsured."

3        SECTION 2. This Act does not affect rights and duties that  
4        matured, penalties that were incurred, and proceedings that were  
5        begun, before its effective date.

6        SECTION 3. New statutory material is underscored.

7        SECTION 4. This Act shall take effect upon its approval;  
8        provided that the tax exemption provided in section 1 of this  
9        Act shall be effective for tax years beginning after December  
10       31, 2007.



**Report Title:**

Health Insurance Reimbursements

**Description:**

Provides that health insurers with at least ten per cent of the market share provide increased insurance reimbursements and exempts insurers with less than ten per cent of the market share from taxes on premiums provided they work toward decreasing the number of uninsured in Hawaii. (HB2796 HD1)

