

JAN 18 2008

A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1 SECTION 1. The legislature finds that health insurance is
2 a vital necessity in the promotion of public welfare. Pursuant
3 to chapter 431, article 14G, Hawaii Revised Statutes, the
4 insurance commissioner may mandate filings for health insurance
5 rates when the commissioner has actuarially sound information
6 that the current rates may be excessive, inadequate, or unfairly
7 discriminatory.

8 In light of the discrepancy between the cost of living and
9 the cost of health care in Hawaii, it is becoming increasingly
10 difficult for health care insurance companies to maintain rates
11 that provide for the reimbursement to health care providers,
12 facilities, and services, and, at the same time, provide
13 affordable, sustainable health care access to the public,
14 pursuant to the review and approval of the insurance
15 commissioner. Health care insurance companies have a greater
16 ability and experience in analyzing and accounting for the
17 fluctuations in the health care market and health care demand.



1 Health care insurance companies should be responsible in
 2 determining health care insurance premiums to maintain a balance
 3 between the cost of living and cost of health care, rather than
 4 the insurance commissioner.

5 The purpose of this Act is to effectuate the
 6 recommendations of the Maui Health Initiative Task Force
 7 established pursuant to Act 219, Session Laws of Hawaii 2007 by
 8 repealing chapter 431, article 14G, Hawaii Revised Statutes,
 9 relating to health insurance regulation to allow health care
 10 insurance companies to be primarily responsible in determining
 11 health care insurance rates.

12 SECTION 2. Chapter 431, Article 14G, Hawaii Revised
 13 Statutes, is repealed.

14 SECTION 3. This Act shall take effect upon its approval.
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INTRODUCED BY: *S.B.T.Z.*

Apolani Ghosh
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Report Title:

Health Insurance; Rate Regulation

Description:

Repeals the health insurance rate filing requirements in order to charge health care insurance companies the responsibility of determining their own rates.

