

STAND. COM. REP. NO. 187

Honolulu, Hawaii

Feb 8, 2007

RE: H.B. No. 273

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 273 entitled:

"A BILL FOR AN ACT RELATING TO ANNUITIES,"

begs leave to report as follows:

The purpose of this bill is to enhance the regulation of sales of annuities by establishing standards and procedures for insurers and insurance producers making recommendations to consumers regarding the purchase or exchange of any annuity.

The American Council of Life Insurers and National Association of Insurance and Financial Advisors-Hawaii testified in support of this bill. The Department of Commerce and Consumer Affairs supported the intent of this measure. The Business Registration Division of the Department of Commerce and Consumer Affairs opposed this bill.

Your Committee finds that annuities can be an important source of retirement income, and consumers should therefore be afforded a clear understanding of the features, options, and costs of annuities to ensure that these products meet their specific financial situations. This bill would help protect consumers of such products by requiring insurance producers and insurers to have reasonable grounds for believing that a recommendation for the purchase or exchange of an annuity is suitable for the consumer based upon financial information the consumer provides.

HB273 HSCR CPC HMS 2007-1909



As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 273 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,

RNL

ROBERT N. HERKES, Chair



