

STAND. COM. REP. NO. 436

Honolulu, Hawaii
Feb 15, 2007

RE: H.B. No. 88
H.D. 1

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. 88 entitled:

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

begs leave to report as follows:

The purpose of this bill is to enhance the prosecution of insurance fraud by appropriating funds to provide additional personnel and resources for the insurance fraud investigations unit (Unit) of the Insurance Division of the Department of Commerce and Consumer Affairs (DCCA).

DCCA, Hawaii Medical Service Association, and Hawaii Independent Insurance Agents Association testified in support of this bill. The American Council of Life Insurers submitted comments.

This bill seeks to ensure that the Unit's efforts in combating insurance fraud are not impeded by a lack of resources. However, your Committee finds that the Unit's ability to prevent, investigate, and prosecute insurance fraud is nonetheless restricted in that the Unit's jurisdiction is currently limited to motor vehicle insurance fraud. An expansion of the Unit's jurisdiction to include insurance fraud with respect to other types of insurance would help maximize the funding provided by this measure.



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Accordingly, your Committee has amended this measure by:

- (1) Expanding the Unit's jurisdiction to include insurance fraud in workers' compensation cases, until July 1, 2010; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

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. 88, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 88, H.D. 1, and be referred to the Committee on Finance.

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



ROBERT N. HERKES, Chair



State of Hawaii
House of Representatives
The Twenty-fourth Legislature

HSCR 436

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 88		Date: February 12, 2007		
Committee Referral: CPC, FIN		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
The recommendation is to: <input type="checkbox"/> Pass, unamended <input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Pass, with amendments, for recommittal for further consideration				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)	X			
2. McKELVEY, Angus L.K. (VC)	X			
3. CALDWELL, Kirk	X			
4. EVANS, Cindy	X			
5. GREEN, Josh, M.D.	X			
6. ITO, Ken				X
7. LUKE, Sylvia	X			
8. MORITA, Hermina M.	X			
9. SONSON, Alex M.	X			
10. SOUKI, Joseph M.	X			
11. TSUJI, Clift	X			
12. YAMANE, Ryan I.	X			
13. YAMASHITA, Kyle T.	X			
14. MARUMOTO, Barbara C.	X			
15. THIELEN, Cynthia				X
TOTAL	13			2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. _____ committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – HMSO Duplicate (Pink) – Clerk's Office				