

STAND. COM. REP. NO.

1501

Honolulu, Hawaii

March 23, 2007

RE: S.B. No. 1412
S.D. 2
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 Judiciary, to which was referred S.B. No. 1412, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this bill is to expand the authority of the Department of Commerce and Consumer Affairs' (DCCA) insurance fraud investigations unit from prosecuting only motor vehicle insurance fraud to prosecuting fraud in all lines of insurance under Title 24, Hawaii Revised Statutes (HRS).

DCCA, the Department of the Attorney General (AG), Hawaii Association of Health Plans, Hawaii Medical Service Association, ILWU Local 142, National Association of Insurance and Financial Advisors Hawaii, State Farm Insurance Companies, and the American Council of Life Insurers testified in support of this bill.

Your Committee finds that:

- (1) Hawaii's existing insurance fraud law should be more comprehensive in its scope to address various types of insurance and fraud claims;



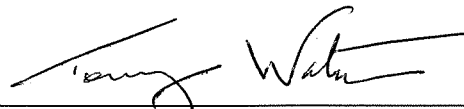
- (2) This bill is not intended to address, nor does it include in its scope, claims relating to workers' compensation or any other claims arising from Chapter 386, HRS; and
- (3) According to AG, the proposed section 421:2-C(a)(13), HRS, relating to aiding, agreeing, or conspiring to commit insurance fraud may already be addressed in other provisions of HRS.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2112, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1412, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1412, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



TOMMY WATERS, Chair



