

Honolulu, Hawaii

March 20, 2008

RE: S.B. No. 2313
S.D. 1
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary, to which was referred S.B. No. 2313, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

beg leave to report as follows:

The purpose of this bill is to combat insurance fraud by,
among other things:

- (1) Expanding the Insurance Division's ability to investigate and prosecute insurance fraud in all lines of insurance, except workers' compensation insurance;
- (2) Expanding the scope of the criminal offense of insurance fraud, which currently applies only to the filing of claims, to include the filing of false insurance applications and fraudulent sales of insurance; and
- (3) Allowing the filing of administrative and civil insurance fraud actions.

The Department of Commerce and Consumer Affairs, National Association of Insurance and Financial Advisors, Hawaii Association of Health Plans, Property Casualty Insurers Association of America, Hawaii Medical Service Association, and State Farm Insurance Companies testified in support of this bill. The Department of the Attorney General (AG) and American Council

SB2313 HD1 HSCR CPC-JUD HMS 2008-3260



of Life Insurers supported the intent of this measure. ILWU Local 142 submitted comments.

Your Committees have amended this bill by:

- (1) Giving the AG the exclusive discretion to designate special deputy attorneys general representing the State in any criminal, civil, or administrative proceeding on insurance fraud;
- (2) Changing the definition of the term "knowingly," as used in the provision allowing administrative actions against persons found to have knowingly committed insurance fraud, to have the same meaning as that term is defined in the Penal Code; and
- (3) Requiring the Insurance Division's Insurance Fraud Investigations Branch to work with insurers and licensees who discover information indicating insurance fraud violations, to determine what information the insurer or licensee must provide to the Branch.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2313, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2313, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Consumer
Protection & Commerce and
Judiciary,



TOMMY WATERS, Chair



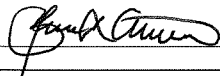
ROBERT N. HERKES, Chair



State of Hawaii
 House of Representatives
 The Twenty-fourth Legislature

HSCP 1261-08

Record of Votes of the Committee on Judiciary

Bill/Resolution No.: SB2313, SD1 (SSCR2791)	Committee Referral: CPC/JUD, FIN	Date: 3-13-08		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
JUD Members	Ayes	Ayes (WR)	Nays	Excused
1. WATERS, Tommy (C)	✓			
2. OSHIRO, Blake K. (VC)	✓			
3. EVANS, Cindy	✓			
4. GREEN, Josh, M.D.	✓			
5. ITO, Ken	✓			
6. LUKE, Sylvia	✓			
7. McKELVEY, Angus L.K.	✓			
8. MORITA, Hermina M.				✓
9. SONSON, Alex M.				✓
10. SOUKI, Joseph M.				✓
11. TSUJI, Clift	✓			
12. YAMANE, Ryan I.	✓			
13. YAMASHITA, Kyle T.	✓			
14. MARUMOTO, Barbara C.	✓			
15. PINE, Kymberly Marcos	✓			
16. THIELEN, Cynthia				✓
TOTAL (16)	12			4
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) – Chief Clerk's Office				