

STAND. COM. REP. NO. 1651-08

Honolulu, Hawaii

Ajil4, 2008

RE: S.B. No. 2313  
S.D. 1  
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 2313, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs 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 Hawaii Association of Health Plans, American Council of Life Insurance, Hawaii Medical Service Association, Property Casualty Insurers Association of America, State Farm Insurance Companies, and the National Association of Insurance and Financial Advisors supported this bill. The Department of Commerce and Consumer Affairs (DCCA) submitted comments.

SB2313 HD2 HSCR FIN HMS 2008-3393




Your Committee has amended this measure by:

- (1) Deleting existing provisions relating to the employment status of officers or employees that may be affected by this bill and, instead:
  - (A) Allowing any employee who, prior to the effective date of this bill was exempt from civil service and who may be transferred as a consequence of this bill, to retain the employee's exempt status; provided that the employee shall not be appointed to a civil service position because of this bill;
  - (B) Prohibiting any employee who is transferred as a result of this bill from suffering any loss of prior service credit, any vacation and sick leave credits previously earned, or other employee benefits or privileges as a consequence of this bill; and
  - (C) Allowing the Director of DCCA to prescribe the duties and qualifications of transferred employees and fix their salaries;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2313, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2313, S.D. 1, H.D. 2.



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

  
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MARCUS R. OSHIRO, Chair



