

Honolulu, Hawaii

Aj 04 , 2008

RE: S.B. No. 2314
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. 2314, 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 find ways to improve the insurance marketplace by providing an exception to the anti-bundling provisions of the Insurance Code allowing mutual benefit societies to condition the issuance or renewal of health insurance policies offered to an individual or sole proprietor on the purchase of dental and vision insurance.

The Department of Commerce and Consumer Affairs, Department of the Attorney General, and State Farm Insurance Companies opposed this bill. The Hawaii Medical Service Association and Hawaii Medical Assurance Association submitted comments.

Your Committee has amended this bill by replacing its contents with the similar provisions contained in H.B. No. 2256, H.D. 2. As amended this bill:

- (1) Specifies that only mutual benefit societies with less than five percent of the market share will be exempt from the anti-bundling provisions of the Insurance Code;



- (2) Requires the Auditor to perform an analysis of the effects of this bill and submit a report to the Legislature no later than 20 days prior to the 2010 Regular Session; and
- (3) Sunsets on June 30, 2011.

These provisions have been further amended by changing the effective date to "upon approval" and making technical, nonsubstantive changes for clarity, consistency, and style.

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. 2314, 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. 2314, S.D. 1, H.D. 2.

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


MARCUS R. OSHIRO, Chair



